

Tri-County Schools Insurance Group

Joint Powers Board & Executive Committee Meeting
Thursday, April 10, 2008
The Bonanza Inn Event Center
1001 Clark Avenue
Yuba City, CA 95991

Joint Powers Board Members Present

Brittan Elementary	None
Browns Elementary	Vivian Patche
CIF	None
Camptonville Elementary	None
Capay Elementary	None
Colusa COE	Julie Tucker
Colusa Unified	Sheryl Bailey
Corning Union High	None
East Nicolaus High	None
Feather River College	Cameron Abbott
Flournoy Elementary	None
Fort Sage Joint Unified	None
Franklin Elementary	Doug Reeder
Gerber Union Elementary	None
Glenn COE	Randy Jones
Kirkwood Elementary	None
Lake Elementary	None
Lake Tahoe Community College	None
Los Molinos Unified	None
Manton Elementary	None
Marcum-Illinois	None
Marysville	Dixon Coulter
Maxwell Unified	Ron Turner
Meridian Elementary	None
Mineral Elementary	None
Modoc Unified	Lane Bates
Nuestro Elementary	Irwin Karp
Pierce Joint Unified	Daena Meras
Plaza Elementary	None
Pleasant Grove Elementary	None
Plum Valley	None
Plumas COE	None
Plumas Elementary	Dione Beilby
Red Bluff Union High	Wes Combes
Sierra County	None
Sierra-PlumasStony Creek	None
Sutter County	Larry Combs
Sutter COE	Jeffrey Holland
Sutter County Superior Court	Laura Santana
Sutter Union High	Ryan Robison
Tahoe-Truckee Unified	None
Tehama Dept. of Education	Georgene Neher

Wheatland School District
Wheatland High
Winship-Robbins
Yuba City Unified
Yuba College
Yuba COE

Debra Pearson
Wayne Gadberry
None
None
Al Alt
Cindy Sutfin

Consultants and Others Present

Blue Cross
Delta Dental
Delta Health Systems
Evans, Wieckowski & Ward
Human Behavior Associates
Maxwell Unified
Plumas Elementary
Sierra Self-Insurance
Sutter County
Sutter Superior Court
TCSIG
Turner Consulting
Vision Service Plan
Wells Fargo of California

Pam Oliveto, Dairne Ryan
Michael Thelan
Joe Neff, Tom Partlow, Jonathon Short
Matt Evans, Carol Wieckowski
Yolanda Calderon, James Wallace
Danielle Wilson
Ajit Kang
Mike Bryant, Mike Krill
Stephanie Larsen
Brenda Cummings
Richard Hare, Lynn Whitlock, Roberta Womer
David Turner
Kierston Winters
John Klein

A. Call to Order

The regular meeting of the Joint Powers Board and Executive Committee was called to order by President Robison at 12:02 p.m. President Robison welcomed the members and guests. He asked that each person present introduce themselves.

President Robison stated that there was not a quorum of the Joint Powers Board of Directors; however, there was a quorum of the Executive Committee which will allow us to continue today's meeting.

President Robison thanked all of the members who attended today's meeting.

President Robison also thanked our service partners who have sponsored the luncheon for this meeting. The sponsors were John Klein of Wells Fargo; Pam Oliveto and Dairne Ryan of Anthem Blue Cross; Mike Thelan of Delta Dental of California, Joe Neff, Tom Partlow and Jonathon Short of Delta Health Systems; Yolanda Calderon and Jim Wallace of Human Behavior Associates; Mike Bryant and Mike Krill of Sierra Self-Insurance Services; Matt Evans and Carol Wieckowski of Evans, Wieckowski and Ward; and David Turner, of Turner Benefits Consulting.

B. Comments from Visitors

President Robison asked if there were any comments from visitors.

There were no comments from the visitors.

C. Consent Agenda

C1. Approval of Minutes of April 11, 2007

Mr. Wes Combes made a motion to approve the Consent Agenda. Ms. Daena Meras seconded the motion which carried.

D. Reports

D1. President's Report

President Robison stated that July 2008 will mark Tri-County Schools Insurance Group's 25th anniversary. He indicated that twenty-five years ago the commercial property and liability insurance companies did not look fondly upon public sector clients. The insurance companies raised their rates for coverage to unprecedented levels and in many cases denied coverage altogether.

President Robison indicated that the insurance companies expected the schools, cities, counties and special districts to accept their actions, but were surprised when state legislatures across the country and visionary leaders at the local level organized into Joint Powers Authorities to share their risks and by forming insurance pools.

President Robison stated that Tri-County Schools Insurance Group was one of the earliest self-insurance pools being organized to cover public entities in Colusa, Sutter and Yuba counties for property risk and liability risk. After a successful first year, the TCSIG insurance pool expanded to encompass employee group benefits. We are now in fifteen counties with 56 employer members in our various programs.

President Robison stated that Tri-County Schools Insurance Group has been a remarkable success story stretching over significant periods of inflationary pressures that have challenged all of our organizations, yet we remain the model for continued sustained protection of our members. While others, especially in the healthcare arena, have seen year after year of double digit increases in their premiums we have been able to hold the line on costs. Our last increase in our self-insured medical program was in July 2005. Our last increase in dental rates was July 2001 and our vision program rates have only been increased twice in the last fifteen years.

President Robison said "in part I'm sure we have had good fortune, but also we have been proactive." We have, for an example, over the last four years been reviewing our medical program and incorporating specialty pharmacy, case management, utilization review, disease management, on-line consumer driven health care tools to educate our members, and most recently we have reached out to members with health evaluations at their worksites. These efforts along with 100% in-network routine preventative care coverage are strategies to minimize hospitalizations and the associated high costs.

President Robison stated that he is hopeful that the Board of Directors and the Executive Committee will continue to look to the long term sustainability of this organization which acts as a non-profit cooperative purchasing arrangement and functions as an alternative to the profit driven commercial market. We also serve as an alternative to the overly large organizations such as CALPERS and large trusts that distance themselves from their members and illustrate the inefficiency associated with large bureaucratic organizations.

President Robison stated that Tri-County Schools Insurance Group has functioned efficiently with a small staff and contracting with our excellent service providers as we need them and thereby we have kept our overhead low and our personal service to our members high.

President Robison recognized the support staff of Tri-County Schools Insurance Group: Dena

Palacio Customer Service Clerk, newest member of the team, Dianna DeLashmutt, Customer Service Coordinator, Lynn Whitlock, Accountant and Roberta Womer, Administrative Assistant and Richard Hare, Executive Director.

President Robison stated that Tri-County Schools Insurance Group looks forward now to another twenty five years of service excellence.

D2. Executive Director's Report

Mr. Hare reported that an RFP for auditing services had been completed and that Gilbert and Associates had been selected to perform the financial audits. He indicated that Perry-Smith had been performing the financial audits for a number of years and they had done an excellent job but the Executive Committee felt that it was time for a fresh look at Tri-County Schools Insurance Group's operation.

Mr. Hare stated that RFPs for a pharmacy benefits manager had been sent to 61 companies which are all of the major PBMs. He reported that from those 61, 26 PBMs responded to the RFP and from those it was narrowed down to the top 10 PBMs which had a transparent model and then further narrowed down to the top three. Mr. Hare stated that the top three PBMs were then interviewed after which EnvisionRx Options was selected as the new PBM. Mr. Hare stated that the service contract details were being worked out and going through a review by our attorney and our consultants.. He stated that the contract with Envision would become effective July 1, 2008.

Mr. Hare reviewed the fourteen year rate history, a graph of procedure cost analysis, average medical costs per month, per employee and the medical, prescription, dental and vision net claims.

E. Action Items

E1. Property/Casualty Rates FY 2008/2009

Mr. Michael Krill of Sierra Self-Insurance Services reported that the property/liability program would be reduced by five percent for FY 2008/2009 and that the new rates would be passed onto the member school districts and county offices of education. He also noted that the rates do not include changes in property values, vehicle counts or ADA.

Mr. Ron Turner made a motion to adopt the rates for property/liability program as presented. Ms. Julie Tucker seconded the motion which carried.

E2. Medical Rates for FY 2008/2009

Mr. Hare stated that the recommendation of the Executive Committee for the health plans would be that the traditional PPO Plans (Premier Plus, Premier, Standard and Basic) along with the Waiver Assessments for Tiered and Composite systems remain at the same level as adopted in 2007/2008, no increase. Also, the High Deductible Health Plan premiums would be reduced by five percent. Kaiser's Plans are pass-through programs from Kaiser and Kaiser rates would increase 6.2 percent for the High and Low Plans, increase 3.2 percent increase in the Medicare High Plan and have no increase in the Medicare Low Plan.

Secretary Alt made a motion to adopt the rates as recommended by the Executive Committee. Mr. Larry Combs seconded the motion which carried.

E3. Group Life Rates FY 2008/2009

Mr. Hare reported that the Executive Committee was recommending a zero increase in the group life rates. The rates would remain the same.

Ms. Georgene Neher made a motion to adopt the recommendation of the Executive Committee for group life rates for FY 2008/2009. Mr. Wes Combes seconded the motion which carried.

E4. Dental Rates FY 2008/2009

Mr. Hare reported that the Executive Committee was recommending a zero increase in the dental program rates. The rates would remain the same.

Mr. Wes Combes made a motion to adopt a zero percent increase in the dental program rates for 2008/2009. Secretary Alt seconded the motion which carried.

E5. Vision Rates for FY 2008/2009

Mr. Hare reported that the Executive Committee was recommending a zero increase in the vision program rates. The rates would remain the same.

Secretary Alt made a motion to adopt the recommendation of the Executive Committee for the vision program for 2008/2009. Mr. Ron Turner seconded the motion which carried.

E6. Budget FY 2008/2009

Mr. Hare briefly reviewed the budget.

Mr. Larry Combs made a motion to adopt the 2008/2009 budget as recommended by the Executive Committee. Secretary Alt seconded the motion which carried.

E7. Election of Five At-Large Members of the Executive Committee and Election of Officers for 07/01/08 to 06/30/10 Term

President Robison called for nominations from the floor. There were no nominations.

Mr. Larry Combs made a motion to elect the five at-large members of the Executive Committee as presented, Ryan Robison, Julie Tucker, Daena Meras, Ron Turner and Debra Pearson. Secretary Alt seconded the motion which carried.

Mr. Larry Combs made a motion to elect Ryan Robison as President, Baldev Johal as Vice-President and Dr. Al Alt as Secretary. Mr. Wes Combes seconded the motion which carried.

F. Information and Discussion

F1. Delta Health Systems Programs for Medical Program Participants

Mr. Tom Partlow, President of Delta Health Systems introduced Mr. Jonathon Short and briefly congratulated the Joint Powers Authority Board on their leadership and success of the JPA over the last 25 years.

Mr. Jonathon Short, Director of Health and Wellness Service from Delta Health Systems presented the following:

Mr. Short reported that Starbucks will spend more on health insurance for employees than on coffee. He also noted that automakers will spend more on healthcare for their employees than on steel to manufacture automobiles.

Mr. Short stated that employees with heart disease, hypertension, cancer, respiratory infections and diabetes have a large negative impact on cost and productivity.

Mr. Short noted that up to 70 percent of healthcare costs are preventable, increase in healthcare premiums average 14 percent per year and only one percent of health dollars are spent on prevention.. He noted that the University of Michigan Study (Johnson and Johnson) showed that employers can save \$498 a year for every employee who begins exercising, \$1,200 a year on employees who reduce their cholesterol levels, \$177 a year for every employee who goes from obesity (more than 30 pounds overweight) to a healthy weight and \$1,400 per year for every employee that quits smoking. He indicated that overweight and obese employees incur up to \$1,092 more in annual medical bills than healthy weight employees.

Mr. Short reviewed Delta' Delta Health Connect program indicating that the biometric health screening have 34 diagnostic tests, members receive comprehensive reports on the results of the tests, there are one-on-one telephonic health coaches, online resources, tools, classes and programs.

Mr. Short reviewed Tri-County Schools Insurance Group's health screening tests for 2008. He stated that 1205 members were screened, 662 members participated in the second health screening from 2007. Mr. Short noted that 48 percent have health issues, 24 percent are at risk of a heart attack in the next ten years, 41 percent have a condition that adversely affects productivity, 17 percent are trending toward diabetes and there were 179 newly discovered serious abnormal results. He also noted that those members that repeated the tests in 2008 did make improvements in their health.

He concluded his talk reminding the membership that this is an ongoing effort requiring constant commitment in order to improve our health and to control the costs of healthcare.

G. Items for Next Agenda

None

H. Adjournment

President Robison called for a motion to adjourn. Mr. Larry Combs made a motion to adjourn the meeting. Ms. Georgene Neher seconded the motion which carried.

President Robison adjourned the meeting at 12:54 p.m.

Respectfully submitted,

Roberta Womer
Recorder
04-10-08