

Tri-County Schools Insurance Group

Executive Committee Meeting

Thursday, March 26, 2009

Yuba City Corporation Yard

1185 Market Street

Yuba City, CA 95991

Executive Committee Members Present

Colusa County	Daena Meras, Julie Tucker, Ron Turner
Glenn County	Randy Jones
Modoc County	None
Placer County	Cyndy Spano
Plumas County	Cameron Abbott
Sierra County	Sue Roberts
Sutter County	Larry Combs, Ryan Robison, Alice Williams-Root (EBAC)
Tehama County	Daniel Curry, Roxy Williams
Yuba County	Ajit Kang, Debra Pearson, Cindy Sutfin

Consultants and Others Present

Delta Health Systems	Joe Neff
Evans, Wieckowski & Ward	Matt Evans
Lawson-Hawks	Jason Andrew, Dan Curry, Jon Hilgers, John Miller, Rosa Soria
Sierra Self-Insurance Services	Michael Krill
Sutter County	Mary Lynn Carlton, Marco Sandoval
TCSIG	Richard Hare, Lynn Whitlock, Roberta Womer
Wells Fargo	John Klein

A. Call to Order

President Robison called the meeting to order at 9:32 a.m. He noted that a quorum of the Executive Committee was present.

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 January 29, 2009

C2. Approval of Payments for January 2009

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

D. Reports

D1. President's Report

President Robison reminded the Executive Committee of the evaluation of the Executive Director, Richard Hare. He requested that the Committee complete and return the evaluations to him. President Robison requested volunteers to serve on the Evaluation Committee. The Evaluation Committee would include Al Alt, Baldev Johal, and Julie Tucker along with President Robison.

D2. Executive Director's Report

Mr. Hare reported that CVS/Caremark had purchased Longs Drug which owned Escalante Solutions Mail and Special Pharmacies and the new owners decided to close the Escalante portion of the business. He noted that EnvisionRx Options owns Orchard Rx which is a mail order pharmacy. Envision has transferred I.D. numbers and valid prescriptions to Orchard in anticipation of their April 1st start up.

Mr. Hare noted that a medical claims audit of Delta Health Systems would be forthcoming as well as a compliance audit of Envision Rx Options. Account Executive, Joe Neff from Delta Health Systems stated they had already discussed the audit with our auditor, Mary Burroughs, from Essential Benefits.

Mr. Hare reviewed the financial statements through February 2009. He noted that all programs were in favorable condition.

Mr. Hare stated that he has not convened the Plan Design Committee and would probably do so in the fall since the mandatory changes won't take effect until 01/01/2010 and the federal rules won't be published until October.

E. Information and Discussion Items

E1. Presentation by Lawson-Hawks Insurance Associates Regarding Marketing and Benefit Consulting Services

Mr. Hare stated that he had been introduced to Lawson-Hawks by David Turner during the time he was discussing membership of the fire districts.

Mr. Hare indicated that the fire districts received a very favorable rate for renewal from Blue Shield and also wanted access to Blue Shield HMO but Tri-County Schools Insurance Group does not want Blue Shield HMO for its members. They also has issue with the Tri-County Schools Insurance Group rate structure noting they desired lower rates for their Southern California members.

Mr. John Miller, President of Lawson-Hawks (LHI) thanked the Executive Committee for inviting them to the meeting.

Mr. Hare introduced Jason Andrew, Vice President of Employee Benefits with Lawson-Hawks.

Mr. Andrew reviewed his presentation. He noted Tri-County Schools Insurance Group's desire to expand its membership to 10,000 over the next five years. Mr. Andrew stated that LHI would target public entity

groups from 100-1,000 plus for consideration to the JPA. Mr. Andrew stated that LHI's has extensive experience with public entity clients. He reported that Tri-County Schools Insurance Group would not incur any additional costs. Mr. Andrew stated that additional fee-based consulting and marketing services would be on an as-needed basis.

Mr. Larry Combs suggested a Committee be formed to review LHI's marketing proposal and other approaches to marketing. The Committee would include Al Alt, Larry Combs, Jeff Holland and Ryan Robison.

F. Action Items

F1. Consider Pleasant Grove Addition of Classified Group to the Benefits Program

Mr. Larry Combs made a motion to accept membership and participation of Pleasant Grove Joint Union School District classified employees into the Tri-County Schools Insurance Group benefit programs without the "buy-in". Mr. Cameron Abbott seconded the motion which carried.

F2. Consider Agreement with Yuba Community College and their Retirees for Catastrophic Drug Expense Reimbursement Program

Mr. Hare reviewed the background of this item.

Mr. Cameron Abbott made a motion to authorize the Executive Director to enter into an agreement with Yuba Community College District and their retirees to administer the catastrophic drug cost reimbursement program. Mr. Larry Combs seconded the motion which carried.

F3. Consider Medical Program Rate Recommendation

Mr. David Turner reviewed the actuarial analysis of the claims through February 2009, IBNR and margin for the Committee.

Mr. Larry Combs made a motion to increase the medical program by two percent for 2009-2010. Ms. Debra Pearson seconded the motion. President Robison called for a vote. Motion opposed.

Mr. Ron Turner made a motion that the rates for Premier Plus, Premier, Standard, Basic and the HDHP Plans and the waiver assessment remain the same for fiscal year 2009-2010 as established in fiscal year 2008-2009. He also moved that the Kaiser rates be increased 10 percent subject to the submission of the final rate. Mr. Randy Jones seconded the motion which carried.

F4. Consider Dental Program Rate Recommendation

Mr. Jeff Holland made a motion to accept the recommendation as presented which was that there would be no increase in the dental rates for 2009-2010. Ms. Julie Tucker seconded the motion which carried.

F5. Consider Vision Program Rate Recommendation

Ms. Debra Pearson made a motion to accept the recommendation as presented which was that there would be no increase in the vision rates for 2009-2010. Mr. Ron Turner seconded the motion which carried.

F6. Consider Property/Casualty Rate Recommendation

Mr. Michael Krill noted that the rates in the Executive Committees' packets were the final rates. He did note that SELF has a higher level available of \$45 million and will bring additional information to the April 14, 2009, Executive Committee meeting.

Ms. Debra Pearson made a motion to accept the recommendation as presented which was the following:

FY2009/2010 property program rates to our members to remain the same as FY 2007/2008 and FY2008/2009.

FY2009/2010 liability rates to our members to remain the same as FY2007/2008 and FY2008/2009.

Self-insurance deductible fund requires no increase.

The contribution to Superior California Excess Liability Fund to remain the same as FY2007/2008 and FY2008/2009 (\$204,434).

Designate retained earnings for claims stabilization reserve as seven times the SIR of \$250,000 x 7 = \$1,750,000.

Purchase excess liability from \$250,000 to \$1,000,000 from Superior, or commercial coverage.

Purchase excess liability above \$1,000,000 to \$5,000,000 through SELF or commercial coverage.

Purchase \$20,000,000 excess liability above \$5,000,000 SELF or commercial coverage.

Mr. Jeff Holland seconded the motion which carried.

F7. Approve FY 2009-2010 Budget for Recommendation to the Joint Powers Board

Mr. Hare noted that the budget may be amended for the Kaiser program and SELF at the April 14, 2009 Executive Committee meeting.

Mr. Larry Combs made a motion approve the 2009-2010 Budget for recommendation to the Joint Powers Board. Mr. Cameron Abbott seconded the motion which carried.

G. Closed Session

President Robison called for a Closed Session at 11:25 a.m.

H. Return to Open Session

President Robison called for Open Session at 12:20 p.m.

President Robison stated no action was taken in Closed Session.

I. Items for Next Agenda

None

J. Adjournment

President Robison called for a motion to adjourn.

Mr. Larry Combs made a motion to adjourn. Ms. Julie Tucker seconded the motion which carried. President Robison adjourned the meeting at 12:22 p.m.

Respectfully submitted,

(Signature on Original)

Roberta Womer
Recorder
03-26-09