

MINUTES
SHASTA-TRINITY SCHOOLS INSURANCE GROUP
EXECUTIVE COMMITTEE MEETING/ MEETING OF THE WHOLE
REDDING SCHOOL DISTRICT BOARD ROOM
January 15, 2014, 1:30 pm to 4:00 p.m.

Members Present:

Adam Hillman
Bettina Blackwell
Cindy Trujillo
Dana Reginato
Debbie Kogel
Donna Heller
Laura Cyphers-Benson
Phil Brown

Others Present:

Brooks Rice, STSIG
Catharine Mauldin, Mercer
Charlie Hoffman, Shasta-Trinity ROP
David Flores, Shasta Union High School District
Gretchen Deichler, Trinity County Office of Education
Jeff Harris, North Cow Creek ESD
Jimm Cross, Castle Rock UESD
Leah Grant, STSIG
Mari Moore, STSIG (Contracted)
Melanie Cich, Shasta County Office of Education
Nancy Funk, Shasta College
Rick Ranquist, Fall River JUSD
Robin Jackson, Mountain Valley USD

1. CALL TO ORDER

Adam Hillman called the meeting to order at 1:35 p.m.

2. APPROVAL OF MINUTES

Dana Reginato moved to approve the September 26, 2013 Executive Committee Meeting minutes.
Debbie Kogel seconded.

Approved: Adam Hillman, Debbie Kogel, Donna Heller, Laura Cyphers Benson, Cindy Trujillo, Dana Reginato, and Bettina Blackwell. Opposed: none. Motion carried. Unanimous.

3. PUBLIC COMMENTS

None

4. GENERAL BUSINESS

4.1.1 FINANCIAL AUDIT

The 2012-13 financial audit was presented. Adam Hillman recapped the findings. There were no significant items to report.

Donna Heller moved to receive, file and recommend the 2012-13 financial audit to the Board of Directors. Bettina Blackwell seconded.

Approved: Adam Hillman, Debbie Kogel, Donna Heller, Laura Cyphers Benson, Cindy Trujillo, Dana Reginato, and Bettina Blackwell. Opposed: none. Motion carried. Unanimous.

4.1.2 YEAR-TO-DATE FINANCIAL REPORTS

The year-to-date financial report was presented. Medical loss ratio is good, vision is expected to improve this year, and dental is doing very well. It is expected that the medical program will remain good. It was pointed out that the loss in Administration was due to attorney fees and HIPPA compliance.

Donna Heller moved to receive, file and recommend the year-to-date financial reports to the Board of Directors. Debbie Kogel seconded.

Approved: Adam Hillman, Debbie Kogel, Donna Heller, Laura Cyphers Benson, Cindy Trujillo, Dana Reginato, and Bettina Blackwell. Opposed: none. Motion carried. Unanimous.

At this point in the meeting there is a quorum of the Board of Directors and this meeting is a Meeting of the Whole. A meeting of the whole results when a quorum is met at a committee meeting. This allows the all members to make and vote on motions as a Board.

4.1.3 INVESTMENT REPORT

The investment report was presented. LAIF's balance is 21M with interest at .26%. Other funds are in Bank of America earning .40%. Over the last 5 years the earning rate has been .67%. It is time to look at a new investment strategy.

Debbie Kogel moved to receive, file and recommend the investment report to the Board of Directors. Cindy Trujillo seconded.

Approved: Adam Hillman, Debbie Kogel, Donna Heller, Laura Cyphers Benson, Cindy Trujillo, Dana Reginato, Bettina Blackwell, Robin Jackson, Rick Ranquist, Gretchen Deichler, Charlie Hoffman, Jeff Harris, and Jimm Cross. Opposed: none. Motion carried. Unanimous.

4.1.4 EXPENDITURES

The list of expenditures from September to November 2013 was presented. It was pointed out that the dental equity check listed was an old uncashed check being recorded in this period.

Cindy Trujillo moved to receive, file and recommend the expenditures to the Board of Directors. Donna Heller seconded.

Approved: Adam Hillman, Debbie Kogel, Donna Heller, Laura Cyphers Benson, Cindy Trujillo, Dana Reginato, Bettina Blackwell, Robin Jackson, Rick Ranquist, Gretchen Deichler, Charlie Hoffman, Jeff Harris, and Jimm Cross. Opposed: none. Motion carried. Unanimous.

4.2 PLAN LOSS RATIO REVIEW

4.2.1 MEDICAL PLAN

Medical loss ratio is at 86.8%. Several large claims hit in December which raised the loss ratio to 93%. However, there is \$400,000 expected for excess reimbursement coming in. Overall, the medical program is performing well at this time.

4.2.2 DENTAL PLAN

The dental program is doing exceptionally well. The "crown rule" had a positive effect.

4.2.3 VISION PLAN

The vision plan is not doing as well as hoped. There seems to be a claims spike that happens in the fall. Beginning January 2014 the admin fees are reduced by 14% which should help for the next review.

4.3 OPEN ENROLLMENT UPDATE

Overall the open enrollment process went smoothly with PlanSource. The JPA provided more information to the districts this year that was positive. The districts report that the wellness information on PlanSource has been confusing and there are concerns about the dental enrollments. Some members received two medical ID cards this year. The enrollment into the high deductible plan was better than expected with an anticipated \$264,000 JPA expense for HSA funding. Brooks explained that PlanSource has been challenging on the configuration set-up and there are still glitches being worked out over the next couple of months. He asks that any problems be forwarded to the JPA for review and follow-up.

4.4 BANK OF AMERICA TRUST ACCOUNT

Technically there is no difference. There were two separate accounts and now there is one account for Automatic Clearing House (ACH) payment per health care reform. No fees will be incurred. This modification was done with officer approval due to time constrictions.

4.5 AGENDA FORMAT

A new agenda format was presented to the group and comments were accepted. The consent agenda section should remain. The group did not feel the need to continue current format with boxes. The new format will be utilized for all future meetings.

4.6 WORKERS' COMPENSATION AUDIT

The November 2013 workers' compensation audit of LWP Claims Solutions performed by Susan M. Wright & Associates was presented. The finance/workers' compensation committee has previously reviewed and forwarded the audit to this committee. Phil Brown directed attention to pages 14 and 15 of the executive summary to review the findings which included:

- Service agreement is based on life of claim rather than life of contract.
- Higher cost for ancillary fee because of long-term open claims
- Reserving practices
- Reserves and benefits went up while claims were steady
- Personnel changes in last three years – declining quality of duties
- Overall audit score of average
- Low level of claims handling
- Documentation needs improvement

Options are to move to a different TPA or remain with LWP with modifications. It was discussed that when reserves are revised it may affect the mod rate for the districts. The reserves must be revised. If the pool changed investment to PFM the additional interest earned could off-set the effects of raising the reserves.

Laura Cyphers Benson moved to receive, file and recommend the workers' compensation audit to the Board of Directors. Debbie Kogel seconded.

Approved: Adam Hillman, Debbie Kogel, Donna Heller, Laura Cyphers Benson, Phil Brown, Cindy Trujillo, Dana Reginato, Bettina Blackwell, Robin Jackson, Rick Ranquist, Gretchen Deichler, Charlie

Hoffman, Jeff Harris, and Jimm Cross. Opposed: none. Motion carried. Unanimous.

4.7 Executive Director's Report

4.8 Loss Control Position

4.9 Budget Revision

Brooks presented the following recommendations:

- Consider moving to School Insurance Authority (SIA) for TPA and Broker services beginning 7-1-2014.
- Hire a full-time Loss Control person beginning March 1, 2014.
- Revise budget to reflect new Loss Control position

Cindy Trujillo moved to make a motion on item 4.7, 4.8 and 4.9 to approve submitting a letter of interest to SIA for TPA and broker services, to hire a full-time Loss Control person and to revise the budget as recommended by the Executive Director. Donna Heller seconded.

Approved: Adam Hillman, Debbie Kogel, Donna Heller, Laura Cyphers Benson, Phil Brown, Cindy Trujillo, Dana Reginato, Bettina Blackwell, Robin Jackson, Rick Ranquist, Gretchen Deichler, Jeff Harris, and Jimm Cross. Opposed: none. Motion carried. Unanimous.

4.10 ADJOURN TO CLOSED SESSION

Phil Brown moved to go into closed session. Bettina Blackwell seconded.

Approved: Adam Hillman, Debbie Kogel, Donna Heller, Laura Cyphers Benson, Phil Brown, Cindy Trujillo, Dana Reginato, Bettina Blackwell, Robin Jackson, Rick Ranquist, Gretchen Deichler, Charlie Hoffman, Jeff Harris, and Jimm Cross. Opposed: none. Motion carried. Unanimous.

4.11 RECONVENE IN OPEN SESSION

Phil Brown made a motion to reconvene from closed session. Donna Heller seconded.

Approved: Adam Hillman, Debbie Kogel, Donna Heller, Laura Cyphers Benson, Phil Brown, Cindy Trujillo, Dana Reginato, Bettina Blackwell, Robin Jackson, Rick Ranquist, Gretchen Deichler, Jeff Harris, and Jimm Cross. Opposed: none. Motion carried. Unanimous.

No reportable action from closed session.

Adjourn at 3:48 p.m.