

**SHASTA-TRINITY SCHOOLS INSURANCE GROUP
BOARD OF DIRECTORS MEETING MINUTES
September 15, 2011
McConnell Foundation**

ATTENDANCE

Members Present: President, Adam Hillman, Shasta County Office of Education
Treasurer, Phillip Brown, Enterprise Elementary School District
Charlene Essig, Gateway
Charlie Hoffman, Shasta-Trinity ROP
Cindy Trujillo, Redding Elementary School District
Dana Reginato, Shasta Union High School District
Debbie Kogel, Grant
Gretchen Deichler, Lewiston, Burnt Ranch, Coffee Creek Elem. School Districts
Janet Tufts, Happy Valley School District
Michelle Hutchins, Mt. Valley USD
Patricia Demo, Shasta College
Peggy Canale, Southern Trinity Jt. Unified School District
Sarah Supahan, Burnt Ranch/Indian Springs/Oak Run
Vicky Wooley, Evergreen USD

Ex-Officio: Michael Strech, Executive Director, Secretary to the Board

Staff: Amy Cavalleri, Benefits Administrator
Mari Moore, Accountant (Contracted)
Nancy Panks, Benefits Administrator

Others Present: Dan Saeger, Anthem Blue Cross
Dard Hunter, Mercer
Greg Hawkins, FRJUSD
John Krinkle, Grant
Michelle Voth, Redding School District
Nancy Funk, Shasta College
Melanie Cich, Shasta County Office of Education
Paul Ford, Mercer
Rick Fauss, Redding School District
Robert Fellingner, Redding School District

- 1.0 **CALL TO ORDER** – The meeting was called to order at 9:00 am by President, Adam Hillman.
- 2.0 **APPROVAL OF AGENDA**
- 3.0 **APPROVAL OF MINUTES** – Gretchen Deichler motioned to approve the minutes of the April 12, 2011 Board Meeting. Pat Demo seconded. Motion carried. Unanimous.
- 4.0 **PUBLIC COMMENTS** – None
- 5.0 **GENERAL BUSINESS**
 - 5.1 **Greetings and Introductions**
 - 5.2 **Retreat Introduction by President of the Board, Adam Hillman**
 - 5.3 **Historical Overview of JPA** – Mike Strech reviewed historical financial performance of the JPA.

Medical - IBNR (Incurred But Not Reported) is fully funded for Medical for the 2010-11 plan year. Our annual Rx cost was approximately \$4.4 million. The new prescription vendor (Envision) guarantees an 8% annual savings on prescriptions, so we will see a decrease in those costs for the 2011-121 plan year.

Dental – The Dental program is very well funded. Dental implants are now a covered benefit, subject to annual maximum.

Vision – Plan costs are stable, and program is fully funded. There has been no premium increase for years on the vision plan.

Worker’s Comp - \$2 million currently in bank for stabilization fund.

Adam Hillman provided historical perspective of his involvement with the JPA. Employee interest in health benefits is increasing as people become sensitive to costs associated with coverage.

- **Mission Statement**
- **Current Status of Plan**

- 5.4 **Wellness Program** – Paul Ford provided status report on the Wellness Program, now in its second year. Wellness began as a tool to help manage medical plan costs. Employees receive enhanced benefits in exchange for participating in preventative health activities (Personal health assessment, annual wellness exam, and preventative education). The only way to keep rates lower is to keep the population healthier. Overall, participation rates are impressive and higher than industry average. A discussion followed with Board members voicing concerns and comments that have arisen at the district level regarding wellness and security of personal health information.

Based on the aggregate report from our Personal Health Assessments, the most prevalent health risks for the group include stress, weight, and depression. 60% of the group participated in Phase I wellness program (30% is industry “norm”). Annual cost to implement wellness initiative this year is approximately \$91,000, down from \$126,000 for year 1 implementation.

Now is the time to think about wellness program design for next year. Paul reviewed other options to consider for next year. Health Benefits Committee will examine in detail.

- 5.5 **Health Care Reform** – Paul Ford presented a brief overview of HCR issues affecting the JPA. HCR Legislation was signed into effect in March, 2010. Coverage dependents (OAD) are now eligible for coverage until age 26, regardless of their status as student or tax dependent. 153 total OAD’s were added to STSIG’s medical plans at open enrollment (17 on tiered rate plans, 136 on composite rate plans). A Brief overview of HCR mandates was given. In 2014 “Exchange” products will come into play. STSIG must be prepared to offer plan options that are competitive. Full details are still being developed on how Exchanges will operate.

- 5.6 **2012/13 Health Plan Considerations** – Adjustments for Medical, Prescription and Wellness must be considered to mitigate premium increases and comply with healthcare reform criteria. Health Benefits Committee will discuss options in detail and bring recommendations back to the Board in January. Cost containment considerations include: Low-cost plan option, Health Savings Account (HSA), Health Reimbursement Account (HRA). Medical marketing survey. The JPA must be aware of and plan for adverse selection anytime a plan change is implemented. Peggy Canale made a motion to instruct the HBC examine and bring back recommendations for a low cost plan option. Pat Demo seconded. Motion carried. Unanimous.

The Board also instructed Mercer to bring back information regarding a medical marketing survey and a cost analysis of tiered vs. composite rates to the next meeting.

- 5.7 **General Discussion/Q&A**

- 5.8 **Worker’s Compensation Program** – Mike Strech and Dante Bellino provided an overview of loss control activities and led a discussion of possible incentives. A new, more efficient training system has been put into place with a regional schedule of sessions that are open to all member districts. Current loss control program focuses on

four main areas: Safety committee, loss control education, return to work, and on-site safety communication. WC premiums increased 16% last year.

- **Loss Control Challenges** – A discussion of possible incentives related to loss control training attendance, safety communication programs, and active safety committees. Phil Brown moved to have JPA leadership examine development of incentive based program of risk management. Dana Reginato seconded. Motion carried. Unanimous.

5.9 January Board Meeting – With all of the activity of the HBC and recommendations to be made regarding the loss control program, a discussion was held about the need for a January Board meeting. Cindy Blanchard motioned to have the January Executive Committee meeting changed to be a meeting of the full Board. Phil Brown seconded. Motion carried. Unanimous.

6.0 **ADJOURNMENT** – The meeting was adjourned at 1:45pm.