

**SHASTA-TRINITY SCHOOLS INSURANCE GROUP
EXECUTIVE COMMITTEE 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
Dana Reginato, Shasta Union High School District
Debbie Kogel, Grant Elementary
Janet Tufts, Happy Valley
Patricia Demo, Shasta College
Peggy Canale, Southern Trinity

Ex-Officio: Michael Strech, Executive Director

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

Others Present: Cindy Trujillo, RSDNMP
Dan Saeger, Anthem Blue Cross
Daniel Coyne, SCOE
Dante Bellino, Interwest
Dard Hunter, Mercer
Jeff Keena, LWP
Melanie Cich, Shasta County Office of Education
Paul Ford, Mercer
Ron Stone, SCOE

- 1.0 **CALL TO ORDER** – The meeting was called to order at 2pm by President, Adam Hillman.
- 2.0 **APPROVAL OF AGENDA** – Phil Brown made a motion to approve the agenda as presented. Pat Demo seconded. Motion carried. Unanimous.
- 3.0 **APPROVAL OF MINUTES** – Pat Demo made a motion to approve the minutes from the March 25, 2011 Executive Committee Meeting. Dana Reginato seconded. Motion carried. Unanimous.
- 4.0 **PUBLIC COMMENTS** – None
- 5.0 **GENERAL BUSINESS**
 - 5.1 **Appoint Peggy Canale, Superintendent of Southern Trinity JUSD to the executive committee.** A motion was made by Pat Demo to appoint Peggy Canale to the Executive Committee. Debbie Kogel seconded. Motion carried. Unanimous.
 - 5.2 **Financial Report**
 - **Unaudited Year-End financial Reports** – Unaudited financials for 2010-11 look good. Copies are included in the meeting packet.
 - **YTD Financial Reports for 2011/12** – Included in the meeting packet.
 - 5.3 **Approve List of expenditures** – A list of checks and wires from March through August, 2011 was included in the meeting packet for committee review. Pat Demo motioned to approve the list of expenditures. Peggy Canale seconded. Motion carried. Unanimous.
 - 5.4 **Investment Report** - Quarterly investment reports for 3rd and 4th quarters were presented for the board's information. North Valley Bank agreed to a slightly higher interest rate per a request from Mike Strech, Executive Director.
 - 5.5 **Finance Committee Report**
 - Committee generally meets in August and January. Minutes from most recent meeting are included in meeting packet.

- **Recommendation for implementation audit for Medical Program effective 7/1/11** – The Finance committee is recommending an implementation audit to specifically examine plan changes that came into effect 7/1/11 to ensure logistics are being managed properly in the Anthem system.
- **RFP for medical claims audit (not including Rx).** The Finance committee also recommends a claims audit for 2010/11 claims audit. Phil Brown made a motion to have JPA leadership obtain RFP's and proceed with both an implementation audit and claims audit. Dana Reginato seconded. Motion carried. Unanimous.

5.6 CAJPA Conference Mike Strech shared a brief report from the recent CAJPA conference. Executive Committee members were encouraged to consider attendance next year.

5.7 CAJPA Accreditation - John Wilson has been assigned as our auditor for the CAJPA accreditation process. The JPA has received a list of requested documents, which will be collected and forwarded to CAJPA during the coming months. The CAJPA Audit Committee will meet to review STSIG's documents in November, and will provide additional feedback at that time. The plan is to have conditional or full accreditation by July, 2012.

5.8 Consider Single Signature for checks under \$25,000 - Current practice is to have all A/P checks signed by two signers. The logistics of securing two signatures are often cumbersome and require significant investment of staff time and resources. Mike Strech proposed that one signature be the new standard procedure for checks under \$25,000. It was discussed with the auditors and they did not have any problem with the proposed change. A discussion of appropriate dollar limits followed. Dana Reginato moved to allow STSIG to obtain just one signature on any check under \$10,000. Debbie Kogel seconded. Motion carried. Unanimous.

6.0 Health Benefits Programs

6.1 Medical Program

- **Year-end claims Experience for 2010/11.** The Medical program had a 97.2 loss ratio for 2010/11. The program has a total surplus of \$1.39 million.
- **Claims Experience for 2011/12** – Claim data for July, 2011 was included in the meeting packet. One month of claims data is tough to evaluate due to exiting district and higher claim volume at the start of plan year. Stop loss recoveries also uncommon during first few months of plan year.
- **Financial Impact of Exiting District** - A letter was included in the meeting packet from Bordon Darm at Mercer outlining impact of the recent exiting district. Generally the JPA doesn't examine districts individually, unless they leave. Overall loss experience for exiting district was 119.4%. The bottom line was not negatively impacted by their exit, and overall savings is estimated to be \$380,000 at renewal.
- **Health Benefits Committee** - The Health Benefits Committee (HBC) is in the process of being repopulated. First meeting will be scheduled in October. There was a discussion of placing a cap on number of participants in the group, and clarifying expectations for consistent attendance. Janet Tufts moved that the HBC be limited to 12 people. Peggy Canale seconded. Motion carried. Unanimous
- **Health Faire Report** – A successful Health Faire event was held at Shasta College on August 27, 2011 with nearly 300 participants. It was a good collaborative effort between STSIG, Shasta College, and Mercy Hospital.

- **Dual Covered Employees and Rx Copays** - Due to logistical difficulties, STSIG was not able to set dual-covered employees to have a zero co-pay on prescriptions. Currently dual eligibles need to file a manual claim for reimbursement. It was recommended that a new group number be established for dual-eligibles (both spouses covered by STSIG on a composite rate plan, or tiered rate, 2-person/family rate) to allow them to receive prescriptions with no co-pay. Pat Demo made a motion to establish a new group number for dual-eligibles with a zero-dollar copay on prescriptions. Debbie Kogel seconded. Motion carried. Unanimous.

7.0 **Worker's Compensation Program**

- 7.1 **Open Bank Account for New Self Insured Program for LWP** - Jeff Keena explained that LWP is transferring their banking business from Wells Fargo to Chase. STSIG's Worker's Comp trust account will be transferred out of Wells Fargo in the coming months. In the interest of keeping banking operations consolidated at a bank with an established business relationship, was the preference of STSG leadership to have the new account established at North Valley Bank. This change would result in a small cost savings on bank fees. Phil Brown moved to move trust book of business to NVB. Janet Tufts seconded. Motion Carried. Unanimous.
- 7.2 **Consider participation in a Pilot Program for Physical Therapy Network** - Mike Strech and Jeff Keena led discussion on cost of medical care related to worker's comp. A Physical Therapy network was proposed as pilot program to control costs. If approved, all injured workers would be referred to Physical Therapists within the established network. The PT network would monitor and report on all PT visits. Participation in the network should result in lower cost per visit, better reporting, and an improvement on return-to-work for injured workers. Dana Reginato made a motion to approve STSIG's participation in the Physical Therapy network on a trial basis. Debbie Kogel seconded. Motion carried. Unanimous
- 7.3 **Prescription Drug Program** – LWP explained that a new system will be put into place utilizing Progressive Medical, the prescription drug TPA, Prium Medical Cost Management Services, and Ameritox Medication Monitoring Solutions, to monitor prescription intake by injured workers. This is for the safety of the employee as well as claims cost management. It will utilize among other things, a single provider (treating physician) and mandatory drug testing for the purpose of determining contraindicating drugs in the injured workers' system. Due to the sensitive nature of this program, a communication will be sent to all districts to explain the program.
- 7.4 **Cash Flow-Old Worker's Compensation Program** – The old self-insurance program experienced a high claim volume recently and is in need of another infusion of cash from the new self-insurance program. Mike Strech recommended \$200,000 be transferred when the need arose during the 2011/12 plan year. The audited equity figure will be determined before the transfer is made. Those districts not in the new program will be billed their pro-rata share. Transfers will be made January 2012 and January 2013 if necessary. Moved by Phil Brown, seconded by Peggy Canale, unanimous.
- 8.0 **ADJOURNMENT** – There being no further business to come before the Committee, it was moved by Debbie Kogel, seconded by Pat Demo, and unanimously approved to adjourn at 3:30 p.m.