

Finance Committee Meeting
January 25, 2019 9:00 am
Shasta-Trinity Schools Insurance Group
MINUTES

Members Present:

Phil Brown
David Flores
Micah Brownlee
Mike Freeman
Adam Hillman
Robert Fellingner
Jill Ault

Others Present:

Brooks Rice, STSIG
Lisa Blakeslee, STSIG
Mari Moore, STSIG

Phil Brown called the meeting to order at 9:00am. Confirmation of a quorum at 9:00am.

GENERAL BUSINESS

1. Approve minutes for the September 21, 2018 Finance Meeting.

Adam Hillman moved to approve the minutes from the September 21, 2018 Finance Committee Meeting. David Flores seconded.

Approved: Phil Brown, Adam Hillman, David Flores, Micah Brownlee, Jill Ault, Robert Fellingner and Mike Freeman. Opposed: None. Motion carried. Unanimous.

2. 2017-18 Financial Audit

The audit was performed by James Marta and Associates. James Marta was present via phone.

The audit presented is a draft copy. The final audit is pending and waiting on the MD&A. The final audit will be reviewed at the next meeting for approval. James Marta shared there are no notable errors or concerns, and the STSIG staff was very responsive.

No action is taken on this item at this time.

3. Medical Claims Audit

The Anthem Medical Claims audit was performed by Moss Adams. David Wiesner joined via phone. The audit included claims from October 1, 2016 to September 30, 2017 and included 255 sample claims. The audit identified three issues. The first issue which included two errors was a result of Anthem not terminating a member timely and claims were paid past the termination date. This resulted in a financial error of \$96,807. This amount will be refunded to SISC for a credit to the STSIG account. The second error was when Anthem overpaid of \$964 for a hearing aid benefit. This error will be adjusted. The last error found was a member enrolled in the wrong plan resulting in no financial impact.

The audit did not include pharmacy claims. The audit shows that Anthem's results were within the industry best practice for performance which is between 97% - 99%.

Phil Brown moved to approve the medical audit as presented. Robert Fellingner seconded.

Approved: Phil Brown, Adam Hillman, David Flores, Micah Brownlee, Jill Ault, Robert Fellingner and Mike Freeman. Opposed: None. Motion carried. Unanimous.

4. 2018 Workers' Compensation Claims Audit of SIA

An audit of SIA claims was performed by USI. Sixteen of the 74 claims reviewed were STSIG claims. The audit was required for the CAJPA accreditation process. Below is a summary of the final scoring for each audited category.

Summary of Score by Category:

Category Percentage Scores	
Claim Identification	99%
Disability Payment Management	96%
Return to Work Management	99%
Medical Management	98%
Investigation Management	98%
Litigation Management	99%
Subrogation Management	93%
Notices Management	98%
Disposition Management	92%
File Management	89%
Cost Containment	99%
Reserves Management	<u>97%</u>
Actual Points Scored	3014.5
Total Possible Points	3125
Score	96%

No action needed.

5. Loss Ratios

Brooks Rice reported on the loss ratios for the health programs through November 30, 2018. All programs are stable. Ratios are as follows:

Program	Current Year YTD Loss Ratio	
	Fiscal	Plan
Medical	103.37%	104.93%
Dental	82.96%	80.96%
Vision	71.48%	69.43%

For plan year 2018-19, the dental rates were reduced by 2% and the vision frame and contact lens allowance was increased from \$150 to \$175. It is expected that little of these changes are reflected on the loss ratios at this time.

No action needed.

6. Expenditures

Expenditures from July 1, 2018 to November 30, 2018 were presented and reviewed.

Robert Fellingner moved to approve the expenditures as presented. Adam Hillman seconded.

Approved: Phil Brown, Adam Hillman, David Flores, Micah Brownlee, Jill Ault, Robert Fellingner and Mike Freeman. Opposed: None. Motion carried. Unanimous.

7. Investment Report Review / Treasurer's Report

The investment reports as of November 30, 2018 were presented and reviewed. Phil Brown signed the Treasurer's report.

As a follow-up to the strategic planning meeting, the option to hire an investment advisor will be delayed until March.

Brooks Rice advised that now would be the time to close accounts at TriCounties Bank and request all districts make deposits to the Redding Bank of Commerce accounts.

The investment report as of November 30, 2018 states we have \$40.3M in total cash with \$4.6M in LAIF receiving a rate of return of 2.16% and \$18.7M in CAMP earning 2.33%. The remaining \$17M is split between Redding Bank of Commerce, TriCounties Bank, Bank of America, and Accounts with Partners.

David Flores moved to approve the investment reports as presented. Robert Fellingner seconded.

Approved: Phil Brown, Adam Hillman, David Flores, Micah Brownlee, Jill Ault, Robert Fellingner and Mike Freeman. Opposed: None. Motion carried. Unanimous.

8. Unaudited Year-to-Date Financial Reports

Brooks Rice presented the unaudited financial reports through November 30, 2018. The scorecard and details were reviewed.

The scorecard shows all programs are trending well. Workers' Compensation program continues to show great results which the financial auditors also mentioned.

David Flores moved to approve the unaudited financial reports as presented. Mike Freeman seconded.

Approved: Phil Brown, Adam Hillman, David Flores, Micah Brownlee, Jill Ault, Robert Fellingner and Mike Freeman. Opposed: None. Motion carried. Unanimous.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None.

ADJOURN – Phil Brown adjourned the meeting at 9:55am.