

April 2009
Special Edition

Monterey County Schools Insurance Group

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Executive Director Update

IMPORTANT ANNOUNCEMENT REGARDING PREMIUM RATE DISCUSSIONS

There are two upcoming opportunities for you to participate in discussions with the Executive Committee concerning the FY10 premium rates:

- April 21, 2009 @ 1:30 p.m. This is the Executive Committee's regularly scheduled April meeting.
- April 29, 2009 @ 1:00 p.m. The Executive Committee has set a **special work session** from 1:00 p.m. to 5:00 p.m. **to discuss premium rate options.**

All meetings will be held at the MCSIG offices at 76 Stephanie Drive in Salinas.

IMPORTANT INFORMATION CONCERNING MCSIG'S PHARMACY BENEFIT COSTS

On July 1, 2007, MCSIG moved its pharmacy program from Blue Cross to the Keenan Pharmacy Purchasing Coalition Program (KPPC) (currently administered by Express Scripts). For the period July 1, 2007 to June 30, 2008 (MCSIG's first year in the KPPC program), an outside auditing firm has documented **\$1.4M** in pharmacy program savings for MCSIG.

On July 1, 2008, MCSIG implemented a number of changes to the pharmacy program in order to save approximately \$1.7M and bring the FY09 premium rate increase down to 10% from 15%. We are on track this year to save \$1.7M.

Had these pharmacy program changes not been made, MCSIG's medical premiums would currently be approx. 5.2% higher than they are now.

IMPORTANT INFORMATION CONCERNING MCSIG'S EXCLUSIVE MAIL-ORDER FEATURE

MCSIG staff recently met with several local retail pharmacists (those who have been the most outspoken opponents of MCSIG's exclusive mail-order feature for maintenance drugs) along with their representatives from Managed Pharmacy Care (MPC). Neither the pharmacists nor MPC offered any strategies to help MCSIG address its pharmacy costs or for helping MCSIG provide a cost-neutral local retail option for maintenance drugs. MPC and the local retail pharmacists were supportive of MCSIG charging its members a higher co-pay to obtain maintenance drugs at local retail pharmacies. The Executive Committee continues to discuss a local retail option for maintenance drugs.

Important Upcoming Dates

Executive Committee Meetings

April 21, 2009

May 19, 2009

1:30 p.m.

NEW: April 29, 2009

1:00 p.m.

Full Board Meeting

May 19, 2009

3:00 p.m.

Executive Committee Members

Garry Bousum, President
Robert Della Rosa, Vice President
(CTA)

Sara Perez, Treasurer
Robin Blakley, Member
James Fontana, Member

Peggy Gilkey, Member (CTA)
Eric Price, Member (CSEA)
Rosie Sanchez, Member (CSEA)

Sherrell Freeman, Executive Director
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MCSIG

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