

June 2009 Edition



Monterey County Schools Insurance Group

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Executive Director Update

CONTAINING THE COST OF OUR MEDICAL PREMIUMS

SUMMER BREAK-ENJOY!

Important Upcoming Dates

Executive Committee Meeting
June 23, 2009
1:00 p.m. (note time change)

Full Board Meeting
June 23, 2009
3:00 p.m.

FY2009-10 Renewals

PPO plans: 11.74%
HMO plans: 10%
Dental/vision plans: 0%

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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The FY2009-10 medical premium setting process was challenging, compounded by the increasing cost of medical care, growing State budget deficit, defeated propositions and the general uncertainty surrounding school funding. Be assured that MCSIG continually works to help control costs.

Much has been done already. The Board recently adopted plan design adjustments that will help influence behaviors that are driving our medical costs while at the same time provide our participants with choices. The Board also adopted medical premiums calculated to pay for our participant's medical services for fiscal year 2009-10. MCSIG cut its administrative budget by 4% for FY09-10. MCSIG staff is communicating with some medical providers concerning their influence on our costs and is conducting robust negotiations with our service vendors during contract renewals, all in an effort to keep costs down.

Much remains to be done. The Executive Committee will continue its work on analyzing and recommending policies addressing the following:

- retiree and cross-plan premium subsidies
- fully insuring or self-funding the Medicare Supplemental plan
- appropriate differentials between rate tiers (employee only, employee + 1 and employee + family)
- the type and number of medical plan options to offer
- plan design adjustments that will modify behaviors and bring down costs while providing our participants with choices

These are all challenging, complex issues and MCSIG is utilizing all available data and experts at its disposal. In the end the Board's primary function is to do what is best for our participants including assuring the long-term viability of the medical plans.

MCSIG

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We welcome your attendance and participation!

MCSIG Benefits: Great Plans, Great Value!