



Happy St. Patrick's Day!

Important Upcoming Dates

Executive Committee Meetings

March 16, 2010
1:00 p.m.

April 20, 2010
1:30 p.m.

Full Board Meeting
March 16, 2010
3:00 p.m.

Executive Committee Members

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

Sara Perez, Treasurer
Dee Baker, Member

Robin Blakley, Member
CTA Vacancy

Eric Price, Member (CSEA)
Rosie Sanchez, Member (CSEA)

Sherrell Freeman, J.D., MPA
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Executive Director Update

COST CONTAINMENT STRATEGIES

The Advisory and Executive Committees have spent the last several months developing a number of strategies designed to stabilize the premium rates for our self-funded PPO plans. The following strategies will be recommended to the Full Board on March 16:

Medicare Supplemental Plan: MCSIG's self-funded Medicare Supplemental plan is being subsidized by the PPO plans (Options I, II & III). Staff will recommend that the self-funded Medicare Supplemental plan be discontinued as of June 30, 2010 and a fully insured plan be offered in its place; that the current Medicare Supplemental plan members be allowed a one-time chance to either move to Option I or the fully insured Medicare Supplemental Plan and that the Medicare Supplemental Plan premium subsidy be phased out over a two year period beginning July 1, 2010.

Cross-Plan Subsidy: Actuarial data for the past two years reveals that the PPO Option I plan is being subsidized by the Option II and III plans. This year, staff will recommend that the rates for each PPO plan be established based on each plan's own loss experience.

Exclusive Provider Option: Staff will be responding to our member districts' request for a lower-cost plan by recommending the establishment of a self-funded Exclusive Provider Option (EPO) plan to be available by July 1, 2010. The recommendation will be that the EPO plan design mirror the Option III in-network benefits, that there be no out-of-network benefit and that CHOMP/SVMH be designated as non-network. The recommended premiums for the new EPO plan will be less than the current Option III premiums.

Premium Rate Tiering: Staff will be recommending that the ratio of MCSIG's Employee+1 and Family rates to the Employee-only rate be adjusted, over a two year period, to match market ratios in order to make MCSIG's rates comparable to rates of other groups.

Hospital Tiering: All hospitals in the Anthem network would be placed into one of three tiers based on their costs and a per-admission co-pay structure would be built around the hospital tiers.

Other changes being contemplated by the Committees include the deductibles and out-of-pocket maximum amounts for Options I and II and specialty drug co-pay amounts.

In addition, the Advisory Committee is currently doing a due-diligence market check of six alternative medical networks to evaluate coverage, quality-outcomes emphasis and discounts.



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An In-Depth Explanation of MCSIG's Governance Structure

The current MCSIG JPA Agreement/Bylaws (Agreement) provide for a governance structure consisting of a Board of Directors and an Executive Committee. The composition and mission of the Board of Directors can be found in Article 6 of the Agreement. The Full Board has reserved for itself the powers of adopting premium rates for the self-funded plans, adopting the annual budget and approving plan design.

EXECUTIVE COMMITTEE: The composition and mission of the Executive Committee can be found in Article 7 of the Agreement and the role of Officers in Article 8. Essentially, the Agreement provides that the Executive Committee has all powers and authority not specifically reserved to the Full Board.

Current members of the Executive Committee are: Garry Bousum, President, Associate Superintendent Administration and Business Services, Monterey County Office of Education, Term Expires 11/30/11; Robert Della Rosa, (employee representative member), Vice President, Salinas City Elementary School District, Term Expires 11/30/10; Sara Perez, Treasurer, Assistant Superintendent of Business & Human Resources, Gonzales Unified School District, Term Expires 11/30/10; Robin Blakley, Assistant Superintendent, Pacific Grove Unified School District; Term Expires 11/30/10; Dee Baker, Superintendent, Washington Union School District, Term Expires 11/30/11; Eric Price, (employee representative member), Hartnell Community College District, Term Expires 11/30/11; Rosie Sanchez, (employee representative member), Salinas City Elementary School District; Term Expires 11/30/11; Vacant (employee representative member) (to be filled by the Full Board on March 16), Term Expires 11/30/10.

SUB-COMMITTEES

In accordance with the JPA agreement, the President of the Board appoints various standing and ad-hoc sub-committees to address specific areas of concern or particular projects. Ad-hoc sub-committees are disbanded once the goals of that sub-committee have been accomplished. Below is an explanation of the mission of the various sub-committees of MCSIG:

Advisory Committee: The Advisory Committee was created by the board of directors to assist in the evaluation of the programs and operation of the JPA. The Advisory Committee consists of management and labor representatives and is assisted by the Executive Director. The Advisory Committee reviews and makes recommendations to the Executive Committee regarding program changes. The committee meets on a monthly basis. Current members are Garry Bousum; President, Associate Superintendent Administration and Business Services, Monterey County Office of Education; Pat Bollin, Retiree Representative; Valarie Davis, CSEA Representative California School Employees Association; Jeana Jett, Director of Personnel, Monterey County Office of Education.; Jim Gutman, CTA Representative California Teachers Association; Nancy Pfeiffer, Director of Fiscal Services, Alisal Union School District; Eric Price, CSEA Representative Hartnell Community College; Akur Vardarajan, Assistant Superintendent of Business Services, Salinas City School District; Michael Brusa, Superintendent, Santa Rita Union School District.

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Claim Appeal Committee: The Claims Appeal Committee was created to hear any formal appeals of health claims made to the Board. The Appeal Committee consists of the Board President and two executive committee members and is assisted by the Executive Director and at times, a representative from the third party administrator. The Appeals Committee is a Brown Act Committee authorized by the Board to make final decisions regarding the intent of the plan in regards to the situation under appeal. The Committee does not have the authority to change the provisions of the plans nor to rule on matters which are properly the area for professional advisers (legal, medical, etc.). Current members are Garry Bousum President, Associate Superintendent Administration and Business Services, Monterey County Office of Education; Robert Della Rosa, employee representative Salinas City Elementary School District; Dee Baker, Superintendent, Washington Union School District.

Finance Committee: The Finance Committee was created by the Board President in December 1996. The committee consists of the Board President along with at least three other Member District representatives with financial experience, and is assisted by the Executive Director. The committee is at times called upon to review in great detail the ongoing financial status of the JPA and meets on an as needed basis. Current members are Garry Bousum, Associate Superintendent, Administration and Business Services Monterey County Office of Education; Sarah Perez, Assistant Superintendent of Business & Human Resources, Gonzales Unified School District; Robin Blakley, Assistant Superintendent, Pacific Grove Unified School District; Nancy Pfeiffer, Director of Fiscal Services Alisal Union School District; Rick Blanckmeister, Chief Business Official, Carmel Unified School District; Rory Livingston, Assistant Superintendent of Business Services, King City Union School District.

Wellness Committee: The Wellness Committee organized by the Health & Wellness Program Manager, plans and implements wellness activities for all MCSIG members employees. Committee members include classified, certificated and administrative school staff members. Currently, 18 districts are represented on the committee. The committee meets on a monthly basis. Current members are Lenore Green, Lori Contreras, Sally Smith, Angelica Fonseca, Dale Fuge, Estella Ramirez, Elizabeth Bozzo, Laurel Peiffer, Susan Perry, Griselda Ortiz, Christina Varela, Kristi Garcia, Carissa Shubin, Alicia Due, Donna Lisk, Stella Williams, Lorraine Ramirez, Vera Gruber, Melissa Luna, Alma Arriaga, Nicole Wecker, Milena Dicks, Audrey Duenas, Susan Zahnlecker, Irene Vargas, Janice Hawkins and Mary Dickerson.