



MCSIG
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Executive Committee Minutes

MUNICIPALITIES, COLLEGES, SCHOOLS INSURANCE GROUP

Thursday, August 24, 2023

Board Members Present: Steve McDougall, Griselda Ortiz, Ana Aguillon, Patricia Garfoot, Yvonne Perez, Yolanda Salazar, Glen Hanneman, Ryan Altemeyer

Board Members Absent: None

Staff Present: Neddie Sarmiento, Executive Director
Rhonda Horn, MCSIG Customer Service Representative
Julia Hernandez, Executive Assistant

Others Present: David Koop, Delta Dental
Brandie Barrows, Taylor English Duma, LLP
Mignon Strong, Blue Shield
Amy Dehart, Blue Shield
Kelly Hall, Keenan & Associates
Tom Edwards, Keenan & Associates
Eddie Barfield, Keenan & Associates
Bordan Darm, Keenan & Associates

Page

1. Call to Order

The President called the regular meeting of the Executive Committee to order at 11:30 a.m.

2. Adoption of Agenda

Moved by: Glen Hanneman

Seconded by: Ana Aguillon

Yea Griselda Ortiz, Ana Aguillon, Glen Hanneman,
Ryan Altemeyer, Yvonne Perez, Yolanda
Salazar, and Patricia Garfoot

Carried 7-0

3. Comments from Audience

None

4. Consent Agenda

Notice to the public: The consent agenda is a component of the meeting agenda that enables the Committee to dispatch routine, standard, non-controversial, self-explanatory, implementing (follow-up) items or items not requiring any discussion with one vote. Separate items on the consent agenda are not discussed before the vote and the entire consent agenda is voted on at once without any explanations or comments. If a board member or a member of the public feels that an item on the consent agenda should be discussed, he/she may request the removal of that item from the consent agenda. Removed consent agenda items are considered separately, in their turn, after the consent agenda vote.

4.1 **Approve Special Minutes: Executive Committee Meeting:
June 21, 2023** 8 - 9

[6 21 2023 Sp Executive ACTION MIN.pdf](#) 

4.2 **Approve Regular Minutes: Executive Committee Meeting:
June 22, 2023** 10 - 12

[6 22 2023 Executive ACTION MIN.pdf](#) 

10 - 12

Moved by: Glen Hanneman

Seconded by: Ana Aguillon

Yea Griselda Ortiz, Ana Aguillon, Glen Hanneman,
Ryan Altemeyer, Yvonne Perez, Yolanda
Salazar, and Patricia Garfoot

Carried 7-0

5. DISCUSSION ITEMS

5.1 2024 Preliminary Rate Renewals* –Tom Edwards, Keenan & Associates(pg.8) 13 - 18

[2024 Preliminary Rate Renewals \(med-den-vis - bundled\).pdf](#)



Tom Edwards, Actuary from Keenan & Associates, presented the 2024 Preliminary Rate Renewals to the Executive Committee. The medical projection for the 2024 plan year is a 7.75% increase without deficit recoupment or a 9.09% including deficit recoupment across all plans. Claim experience worsened from April's preliminary projection in addition to the 32.6% stop loss premium increase, which now requires a higher rate increase.

- The renewal projection includes a 3% claim fluctuation margin and 6.75% medical and Rx annual trends.
- The renewal also assumes a 2.5% claim cost reduction resulting from upcoming Dependent Audit.
- Tom Edwards presented possible plan changes which could reduce the rate increase overall by a 2 3/4% if approved by Executive Committee and Full Board.

There was no rate increase to Rx.

Tom Edwards proposed another rate pass for dental and vision for 2024.

The Executive Committee proposed scenarios and plan design changes for Tom Edwards to bring back to the next meeting.

The Executive Committee requested for Keenan to provide market information on rate increases for fully insured plans for next meeting.

5.2 Delta Dental Plan Design Options* -Tom Edwards, Keenan & Associates (pg.14) 19 - 20

[Delta Dental Plan Design Plan Options ED report TE.pdf](#) 

[MCSIG 2024 Dental Plan Changes \(TE 8-21-23\)-Update.pdf](#) 

Background: The Executive Committee requested for Tom Edwards of Keenan to provide dental plan design changes to help mitigate the member concerns with providers leaving the Delta Dental Network. After the Request for Information yielded that there would be more network disruption if MCSIG were to pursue other carriers due to Delta Dental's network size.

The plan design changes do not address the issue of providers leaving Delta Dental Network. The plan design changes proposed are in efforts to help the member. Plan design proposals include:

- Increase PPO only maximums in-network benefits
- or increase both in-network and non-network maximums

Although the increase in maximums yielded a rate increase, there is a surplus in the dental coalition, which allows for a rate pass for plan year 2024.

Requests for next meeting:

- From Tom Edwards an aggregate on what the actual rate increase would be for all proposed changes
- Proposal on an indemnity plan, a non-network plan
- List of providers that overlap with Delta Dental's Network with other carriers such as Anthem, MetLife and Signa

5.3 Dependent Audit Vendors Update –*Eddie Barfield, Keenan & Associates*

Eddie Barfield informed the Executive Committee Keenan is actively obtaining quotes from potential vendors to conduct Dependent Audit.

- 8 total vendors have been contacted so far
- Eddie Barfield will bring back the 3 top proposals to the September meeting
- Dependent Audit process is still on track for open enrollment announcement
- Keenan estimates cost of Dependent Audit between \$20k-30k

5.4 Prospects – *Eddie Barfield, Keenan & Associates*

Eddie Barfield presented 3 total prospects to the Executive Committee. However, Riviera Ridge School and Cupertino SD were deemed unfit because one group was looking for a High Deductible Plan with HSA and an HRA attached to it, currently MCSIG does not have an equivalent benefit plan to offer. The second group was not a good risk for MCSIG due to its large Kaiser population and the amount of waivers they had. The third prospect, SBCERA about 65 employees eff 1/1/2024, was ruled a potential good risk for MCSIG as they only have two requirements, TRIO and Kaiser. Since Keenan will be moving Kaiser groups back from SMCSIG. More information to be brought back on SBCERA prospect.

Discussion also led for the Executive Committee to request a presentation from Keenan to educate the Committee on High Deductible Plans for their October 26, 2023 meeting.

5.5 Altais Everside Clinics Update** -*Mignon Strong, Blue Shield*

Mignon Strong of Blue Shield informed the Executive Committee that as of July 22, 2023 the Altais Everside Clinics in Monterey and Salinas were terminated from the Blue Shield Network and are officially out of network. MCSIG has made special arrangements where all claims incurred by members from July 22 - September 30th members will only be responsible for their in-network cost shares.

Termination notices will began distribution via U.S. mail August 24, 2023 to the 704 members that have received care at the facilities within the last 12 months.

Beginning the week of August 28, 2023 Blue Shield will initiate an outbound calls campaign to contact affected members to advise them about the termination and answer any questions. Continuation of care will also be provided to the members who qualify, per the "No Surprises Act".

Blue Shield is providing a dedicated customer service team through December 31, 2023 for any clinic related inquiries, including helping members find a new provider.

Blue Shield will be contacting its contracted providers in the Monterey and Salinas areas to confirm their appointment availability, understand their average wait times, to insure MCSIG members will have access to primary care and

behavioral health services and their ability to support Spanish speaking patients.

The Executive Committee expressed their disappointment with the news because it was contrary to Blue Shield's prior commitments.

5.6 Blue Shield Claims Processing* – *Mignon Strong, Blue Shield*(pg.16)

21

[Blue Shield Claims Processing Issues REVISED.pdf](#) 

Background:

Although MCSIG's PPO Select Plan excludes Monterey County Hospitals and their owned facilities, true emergencies are covered and in-network benefits apply.

Due to the termination of MHN contract there was a reduction in mental health providers especially in the Monterey County area. Therefore, the Board approved continuity of care at the CHOMP facilities for grandfathered PPO Select members and their dependents as in-network. However, MCSIG has been experiencing issues with the processing of these claims to the extent that members and employers are calling MCSIG Customer Service and Executive Director with complaints due to claims not being paid or delayed.

Mignon Strong, from Blue Shield, explained the first step of the process is the denial of the claim due to the plan design of the PPO Select Plan. The second step requires a manual adjudication, which was missed. When MCSIG Customer Service contacted the Priority team to get claims adjusted, they were told it would take 30-45 business, however, claims have not been processed correctly. It was discovered that referrals to the ER take even longer to get adjusted.

It was also discovered that the adjustment process also takes longer if the member pays the provider directly because Blue Shield is having to recoup monies from providers before making member whole.

Blue Shield will provide an update at the next meeting on

September 28, 2023. The Executive Committee requested reporting on claims processing times.

Brandie Barrows, Legal Counsel, would like to see performance guarantees on the new agreement.

6. ACTION ITEMS

6.1 Blue Shield ASO Proposal* – *Neddie Sarmiento*(pg.17) 22 - 23

[2024 Blue Shield ASO proposal.pdf](#) 

[MCSIG - BSC ASO Proposal January 1 2024 Fee concession.pdf](#)



Action item was tabled to September 28, 2023 Executive Committee Meeting due to pending items regarding the Altais Everside Clinics plans for October 1, 2023-December 2023, 2024 year and the ongoing claims processing issue.

22 - 23

Moved by: Patricia Garfoot

Seconded by: Griselda Ortiz

Yea Griselda Ortiz, Ana Aguillon, Glen Hanneman, Ryan Altemeyer, Yvonne Perez, Yolanda Salazar, and Patricia Garfoot

Carried 7-0

7. CLOSING COMMENTS

7.1 **Comments from EC Members**

None

7.2 **Date/Agenda Items for Next Meetings**

(9/28/23 at 11:30 a.m.)

7.3 **Adjournment**

1:55 p.m.