



MCSIG  
municipalities • colleges • schools  
insurance group

## Executive Committee Minutes

### MUNICIPALITIES, COLLEGES, SCHOOLS INSURANCE GROUP

Thursday, September 28, 2023

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

**Board Members Absent:** None

**Staff Present:** Neddie Sarmiento, Executive Director  
Julia Hernandez, Executive Assistant

**Others Present:** Laurena Grabert, SETECH  
Brandie Barrows, Taylor English  
Mignon Strong, Blue Shield  
Amy Dehart, Blue Shield  
Kris Lehman, Keenan & Associates  
Tom Edwards, Keenan & Associates  
Bordan Darm, Keenan & Associates  
Eddie Barfield, Keenan & Associates  
Dave Koop, Delta Dental  
Steve Spigarelli, Delta Dental  
Betty Medina, KCUSD - FB alternate

#### 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:* Patricia Garfoot

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

**Carried 7-0**

**3. Comments from Audience**  
**No comments.**

**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 Regular Minutes: Executive Committee Meeting:  
August 24, 2023**

**4.2 Renewal of SETECH Financial Services Agreement**

Executive Committee approved the contract for the period of July 1, 2023 - June 30, 2026, with the outlined fees below:

7/1/2023-6/30/2024 \$17,047

7/1/2024-6/30/2025 \$17,558

7/1/2023-6/30/2026 \$18,085

*Moved by:* Patricia Garfoot

*Seconded by:* Griselda Ortiz

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

## 5. Discussion Items

### 5.1 **Cyber Policy Renewal - Kris Lehman, Keenan & Associates\***

The Executive Director reported on the Cyber Policy that is up for renewal on 11/1/2023 for discussion with the Executive Committee. Kris Lehman of Keenan & Associates, was present to address any questions. The renewal will be brought back to the Executive Committee at their October 26, 2023 meeting.

### 5.2 **Delta Dental Contracting Issue - Dave Koop, Delta Dental**

David Koop and Steve Spigarelli of Delta Dental came before the Executive Committee to address contracting issues that are resulting in dental providers terminating the Delta Dental Network. Delta Dental stated that due to the COVID-19 Pandemic, dentists are retiring, consolidating, closing practices, evaluating insurance participation, experiencing staffing shortages, and implementing in-office concierge/discount programs (in-office payment type programs).

Delta Dental stated that in 2023, Premier and PPO general dentists received an increase or no change in reimbursement fees. However, some specialty services did see a decrease because the reimbursement fees were higher when compared to regional fees or due to specific trends in a specific dental practice.

In efforts to retain providers, Delta Dental has created new initiatives to facilitate doing business with providers. General dentists' reimbursement fees will be increased in 2024 once again. Delta Dental will contact terminated dental providers to try to contract with them again.

Delta Dental will also launch a campaign for member outreach when a provider terminates the Delta Dental Network, for those enrollees whom Delta Dental has an email address for. Delta Dental will contact them to provide

guidance on the next steps and make them aware of their choices. Delta Dental plans to roll out the campaign by the end of 2023.

The Executive Committee requested comparative data, and network comparison and utilized providers for Monterey County and San Luis Obispo County for the last 5 years. A flyer to share with membership on what Delta Dental is doing to address provider terminations.

5.3 **COVID At-Home Tests by Federal Government - Brandie Barrows, Taylor English**

Brandie Barrows informed the Executive Committee that the Federal Government is providing 4 free COVID-19 At-Home Tests per household.

5.4 **Financials - Laurena Grabert, VP SETECH\***

Laurena Grabert reported on MCSIG's treasurer's report as of August 31, 2023.

5.5 **Blue Shield Claims Processing Update - Mignon Strong, Blue Shield\***

Mignon Strong of Blue Shield of Ca. (BSC) reported that as a solution to alleviate the issues with claim processing for the PPO Select plan emergency room visits and grandfathered dependent mental health claims at Ohana, BSC will work with MCSIG and Keenan to identify a list of specific DX (CPT/ICD) codes to bill under a 450 REV code as emergent. Blue Shield's remediation for the grandfathered mental health dependents issue is to add notes to the dependents with exceptions to ensure proper claim processing. BSC will conduct bi-weekly Customer Service Representative check-ins to discuss call volume and claims statuses for the next 6 months or as needed.

**6. Action Items**

6.1 **2024 Preliminary Rate Renewals - Tom Edwards, Keenan & Associates\***

Tom Edwards presented scenarios/proposals requested by the Executive Committee and Full Board from their meetings on August 24. After much discussion and consideration, the Executive Committee recommended to the Full Board the following rate renewals:

<b>PPO\$25</b>	13.3%	<b>PPO\$250</b>	0%
<b>PPO\$30</b>	16%	<b>PPO Select</b>	2.8%
<b>PPO\$40</b>	0%	<b>TRIO</b>	7.7%
<b>PPO\$50</b>	10.5%	<b>CompleteCare</b>	0%
<b>PPO\$60</b>	0%		

The Committee also recommended the following:

**PLAN DESIGN CHANGES, effective 1/1/24**

1. PPO25, PPO30, PPO40, PPO50, PPO60, PPO250: ER Copay was reduced from \$500 to a \$250 copay (\$250 copay waived if admitted to the hospital).
2. PPO Select: ER Copay will remain at a \$500 copay and will only be waived if the emergency\* is identified as emergent or if the member is admitted to the hospital. A true emergency\* (e.g., taken by ambulance, severe wounds, broken bones, severe chest pain).

Dental: no design changes and a rate pass

Vision: No design changes and a rate pass

Further discussion on plan design changes and/or plan eliminations will occur at the MCSIG's annual workshop.

**Medical Rate Renewal Motion**

*Moved by:* Ryan Altemeyer

*Seconded by:* Griselda Ortiz

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

**Carried 7-0**

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Dental: no design changes and a rate pass

Vision: No design changes and a rate pass

Further discussion on plan design changes and/or plan eliminations will occur at the MCSIG's annual workshop.

Dental Renewal Motion

*Moved by:* Yvonne Perez

*Seconded by:* Yolanda Salazar

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

**Carried 7-0**

Vision Renewal Motion

*Moved by:* Ana Aguillon

*Seconded by:* Glen Hanneman

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

**Carried 7-0**

6.2 **Delta Dental Plan Design Change Options - Tom Edwards,  
Keenan & Associates\***

No plan design changes were implemented for the calendar year 2024. No action is needed/taken. Plan design changes for the plan year 2025 will be discussed at MCSIG's annual workshop.

6.3 **Dental Plan Comparison and Indemnity/Non-Network\* Plan  
Option - Bordan Darm, Keenan & Associates**

Bordan Darm presented an indemnity/non-network plan to the Executive Committee to help mitigate member concerns with providers leaving Delta Dental Network.

The next steps will be to submit all data from Delta Dental on services rendered and costs to the dental market for pricing, network, and membership disruption analysis. The final report to the Board will show network strength, membership disruption, PPO network strength, what the discounts are, and non-contract exposure.

This item was tabled to be discussed at the MCSIG's annual workshop. No action was necessary to take as Bordan only reported on the next steps as not all data was available in time to complete project requirements. The Executive Committee's only direction was for Bordan to generate market analysis.

6.4 **Blue Shield Claims Management Programs - Mignon  
Strong, Blue Shield\***

Due to time constraints, the Executive Committee tabled item to the October 26, 2023 Executive Committee Meeting.

*Moved by:* Patricia Garfoot

*Seconded by:* Ana Aguillon

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

**Carried 7-0**

6.5 **Blue Shield ASO Proposal - Neddie Sarmiento\***

The Executive Committee directed the Executive Director to sign the BSC proposal to initiate the 2024 renewal process.

The BSC ASO contract for the period 1/1/2024-1/1/2026, including concessions, are as follows:

1/1/2024 \$35.01 PEPM ASO fee/Welllvolution \$0.22 PEPM

1/1/2025 \$35.54 PEPM ASO fee/Welllvolution \$0.23 PEPM

1/1/2026 \$36.25 PEMP ASO fee/Welllvolution \$0.24 PEPM

Annual renewal cap will remain at current fees for 2024, not to exceed 1.5% for 2025 and 2% for 2026.

*Moved by:* Patricia Garfoot

*Seconded by:* Yolanda Salazar

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

**Carried 7-0**

6.6 **Dependent Audit Verification Vendor Proposals - Eddie Barfield, Keenan & Associates\***

Eddie Barfield of Keenan reported on three bids for the Dependent Audit Verification (DVA), which were received from American Fidelity (AF), Ascensus, and BMI. He noted that AF would provide the audit at no charge in exchange for access to offer their portfolio of voluntary benefits to employees, and there are no proposed performance guarantees. The Ascensus proposal includes a fee of \$30,525 and a minimum guarantee. The BMI proposal includes a fee of \$41,420 with a projected savings of \$905,000 to \$2,265,000 and a savings guarantee.



The Executive Committee gave a conditional approval to select BMI for the DVA on the premise that BMI will provide three references. If no references are provided, the Executive Committee requests to obtain more options.

*Moved by:* Ana Aguillon

*Seconded by:* Patricia Garfoot

**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**

No comments.

### **7.2 Date/Agenda Items for Next Meetings 10/26/23 at 11:30am**

### **7.3 Adjournment**

There being no further business, the meeting adjourned at 3:24 p.m.