

MINUTES

PUBLIC AGENCY COALITION ENTERPRISE (PACE)

BOARD OF DIRECTORS MEETING

August 25, 2021

12:30 pm

I. CALL TO ORDER

The meeting was called to order at 12:32 pm.

II. ROLL CALL

BOARD MEMBERS:

CARMEL AREA WASTEWATER DISTRICT	Barbara Buikema
CLAREMONT, CITY OF	Heidi Tanner
DANVILLE, TOWN OF	Lani Ha
FOWLER, CITY OF	Angela Vasquez
GUSTINE, CITY OF	Melanie Correa
LEMOORE, CITY OF	Michelle Speer
LIVINGSTON, CITY OF	Lam Silva
MCFARLAND, CITY OF	Fernando Lara
NEWMAN, CITY OF	Mike Maier
REGIONAL GOVERNMENT SERVICES	Jennifer Bower, President
RIO DELL, CITY OF	Joanne Farley
SONORA, CITY OF	Chris Gorsky
SUPERIOR COURT OF CALIFORNIA, EL DORADO COUNTY	Doris Phillips
SUPERIOR COURT OF CALIFORNIA, MENDOCINO CO.	Kim Turner, Secretary/Treasurer
SUPERIOR COURT OF CALIFORNIA, SUTTER COUNTY	Joe Azevedo
SUTTER CREEK	Karen Darrow
TRUCKEE-DONNER RECREATION & PARK DISTRICT	David Faris, Vice President
UPLAND, CITY OF	Theresa Doyle

ALTERNATES:

AVENAL, CITY OF	Griselda Price
DESERT HOT SPRINGS, CITY OF	Denise Abriel
HOUSING AUTHORITY OF SAN LUIS OBISPO	Jenna Franz
MCFARLAND, CITY OF	Maria Lara
REDWOOD COAST ENERGY AUTHORITY	Patrick Owen
REGIONAL GOVERNMENT SERVICES	Christina Nygard

MANAGERS:

KEENAN & ASSOCIATES	E. Peter McNamara
	Christine Hough
	Stacey Comerchero
	Nancy Schott

OTHERS:

KEENAN & ASSOCIATES

Mary Boyer
Dayna Gowan
Laurie LoFranco
Yvette Fields
Dawn Almanzor
Angela McCray
Mona Reese

ANTHEM

Ashley Frohling
Joelle Jarmillo
Alaina Mattox

GALLAGHER

Jason Simpson

MODOC COUNTY

Chester Robertson
Pam Randall

III. PUBLIC COMMENTS

There were no public comments.

IV. APPROVAL OF AGENDA – August 25, 2021

**Action
2021-021**

Presented by Jennifer Bower

Motion to approve the August 25, 2021 agenda: 1. Fernando Lara, 2. Melanie Correa. Motion unanimously approved by the Board.

V. APPROVAL OF MINUTES – June 2, 2021

**Action
2021-022**

Presented by Jennifer Bower

Motion to approve the June 2, 2021 minutes: 1. Michelle Speer, 2. David Faris. Motion unanimously approved by the Board.

VI. CORRESPONDENCE

**Information
2021-023**

Presented by E. Peter McNamara

Anthem’s Dignity Health contract negotiation update was reviewed. Dignity Health and Anthem negotiated a multi-year contract for hospitals retroactively effective to July 15, 2021. Anthem also successfully renewed their agreement with the Dignity Health HMO Medical Group Foundation effective September 1, 2021.

VII. FINANCIAL

MONTHLY FINANCIAL REVIEW

**Information
2021-024**

Presented by Mary Boyer

The Monthly Financial Review as of July 31, 2021 was reviewed. Based on current projections, PACE

should have sufficient reserves at the end of 2021 to warrant applying to join the LAIF program. LAIF is a program where excess funds are invested which typically earns more interest than funds in a checking account. The Executive Committee will consider applying to LAIF at the September Executive Committee Meeting.

E. Peter McNamara shared PACE received an approx. \$1.7M stop loss reimbursement, the majority of which came from a single large high cost claim of approx. \$2M.

2022 RENEWAL ACTION

Action

Presented by Christine Hough

2021-025

Christine Hough reviewed the 2022 renewal for self-funded plans. The renewal calculation includes 3% commission, stop loss renewal assumption of 55% and \$8.00 PEPM wellness fee. Using July 2020 – June 2021 claims experience, the renewal increase is 7.03% including 3% margin and the MCSIG deficit recoupment. Using August 2020 – July 2021 experience, the renewal increase is 6.16% including 3% margin and MCSIG deficit recoupment. PACE Management and the Executive Committee discussed a 6.5% increase, splitting the difference between the two options, which should allow PACE to continue to increase reserves in 2022. The MCSIG deficit recoupment will be fully repaid at the end of 2022.

The fully insured Anthem HMO renewal is 8% due to the small number of people enrolled (45–50) which requires manual rating.

The average Kaiser HMO renewal increase is 4.7% for all PACE groups. Each agency is rated individually with its own renewal increase as there are not yet enough PACE members in Kaiser to be group rated as a pool. Several Southern California groups received slightly lower renewals and several Northern California groups received higher renewals than the average.

At the August 25, 2021 Executive Committee Meeting, the Executive Committee voted to recommend a 6.5% Anthem renewal which should allow PACE to continue to increase reserves in 2022.

Motion to approve the 2022 Anthem self-funded PPO renewal of 6.5% as recommended by PACE Management and the Executive Committee: 1. David Faris, 2. Chris Gorsky. Motion unanimously approved by the Full Board by roll call vote.

ANTHEM UPDATE

Information

Presented by Ashley Frohling

2021-026

Ashley Frohling introduced Joelle Jarmillo as PACE’s new Anthem Account Executive. The Anthem utilization report for July 2021 was reviewed. There were 18 high cost claims over \$50,000 in 2021. Of the 18 high-cost claims, 17 of them averaged \$76,000 each with one claim piercing the stop loss attachment point of \$250,000 and responsible for the majority of high cost claims costs.

ANCILLARY UPDATES

Information

Presented by E. Peter McNamara and Stacey Comerchero

2021-027

The September Consumer Medical communication pieces include Expert Second Opinion and Long COVID flyers. Stacey Comerchero reminded the Board even if a member doesn’t move forward with the

ConsumerMedical second opinion recommendations, even contacting ConsumerMedical regarding a second opinion may result in a member being eligible a \$400 gift card. ConsumerMedical can be especially valuable for members who live in more remote areas where there may not be an extensive provider network.

The LiveHealth Online utilization report was reviewed. There have been 260 members who registered on LiveHealth Online through July (approximately 23% of members). There have been 70 medical and 10 mental health visits for a total of 80 visits so far in 2021. Approx. 70% of people utilizing a telehealth visit would have gone to different, more expensive services if LiveHealth Online wasn't available. Encouraging members to utilize telehealth helps PACE contain overall claims costs.

The July EmpiRx utilization report was reviewed. There has been approx. \$250,000 per month in claims through July with 93% of claims costs paid by the plan. The average 89% generic fill rate is very helpful to PACE's pharmacy costs.

WELLNESS UPDATES

Presented by Dayna Gowan

Information

2021-028

An update on the PACE 2021 Health Management Program was reviewed. The deadline to earn points is November 15, 2021. Enrollment is at 10%, which is similar to 2020. The 28 members who have earned platinum status as of this meeting will receive their gift cards the end of 2021. Dayna Gowan reviewed the list of agencies with participating members.

Dayna Gowan reviewed the WellSteps report on the second behavior change campaign, Resilient You Now. Out of 70 members who enrolled in the campaign, 53 completed the challenge. The third and final behavior change campaign, Move It: Coast to Coast, will run August 30 – October 17, 2021 and enrollment information will be sent to PACE groups. Completing one behavior change campaign is required to be earn a reward at any level. The next Wellness Advisory Committee Meeting is September 8, 2021.

VIII. ADMINISTRATION

Presented by E. Peter McNamara

ELECTION OF VICE PRESIDENT AND TWO NON-OFFICER EXECUTIVE COMMITTEE MEMBERS FOR THE JANUARY 1, 2022 – DECEMBER 31, 2023 TERM

Action

2021-029

The positions of Vice President and two Non-Officer Executive Committee Member positions are up for election for the January 1, 2022 – December 31, 2023 term.

Motion to nominate and approve David Faris as Vice President, Lam Silva as one Non-Officer Executive Committee Member and Lani Ha as the second Non-Officer Executive Committee Member for the January 1, 2022 – December 31, 2021 term: 1. Melanie Correa, 2. Jennifer Bower. Motion unanimously approved by the Full Board.

PACE NEW MEMBER ACTIVITY

Presented by Christine Hough

Information

2021-030

There were seven requests evaluated and quoted as potential members of PACE since the last Board Meeting:

1. City of Fontana – 752 employees with 185 Anthem, 448 Kaiser and 119 waivers. Christine Hough was able to provide competitive rates, especially for the PPO 500 plan. The agency is still in the process of deciding whether they wish to join PACE.
2. San Luis Obispo Regional Transit Authority – 78 employees, currently with SDRMA PPO Gold and PPO Silver plans. Rates are 25% higher than their current rates; however, the PACE plans are richer. This prospect is no longer an active prospect 2022.
3. Sierra County – 112 employees with 6 waivers, currently with SDRMA. Most employees and dependents seek services in Reno. Their status is undetermined at this time.
4. Superior Court of CA, Kings County – 82 employees, currently with 45 on UHC and 37 waivers (45%) on age rated plans. Even though the number of waivers is higher than the 20% PACE underwriting guidelines suggest, the group demographics are attractive due to a lower average age and most members have employee only coverage. The rates quoted were competitive and the agency is still in the process of deciding if they will join PACE, although the indications are positive.
5. Heber Public Utility District – 12 employees, currently with SDRMA age rated Anthem PPO Gold 500 with good risk factors. The rates quoted were competitive. Status is undetermined.
6. City of Nevada City – 25 employees, currently Blue Shield PPO and HMO age rated plans. Christine Hough was able to provide competitive rates for PPO rates; however, they decided not to join PACE for January 1, 2022.
7. Modoc County – 115 employees and 15 early retirees with 45 waivers (26%), currently with PPO plans through SDRMA. Members seek services in Reno and southern Oregon. Christine Hough was able to provide richer plans with rates only slightly higher than their current plans. They are in the process of deciding if they will join PACE for January 1, 2022.

IX. INFORMATION

MEMBER COMMENTS

Information

Joanne Farley said Rio Dell has been paying their premiums by electronic transfer to avoid late payments and asked if that works well for PACE. Mary Boyer indicated yes, especially if back up information is emailed to SETECH when payment is sent electronically.

MANAGER COMMENTS

Information

There were no Manager comments.

X. AGENDA ITEMS NEXT MEETING

Information

Members and others may suggest items for consideration at the next meeting which will be held December 9, 2021 via Zoom.

- Monthly Financial Review, Anthem update, LiveHealth Online update, EmpiRx update and ConsumerMedical updates.

XI. ADJOURNMENT

The meeting was adjourned at 1:26 pm.