

MINUTES

PUBLIC AGENCY COALITION ENTERPRISE (PACE)

BOARD OF DIRECTORS MEETING

August 24, 2022

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
DANVILLE, TOWN OF	Lani Ha
DOS PALOS, CITY OF	Manuela Sousa
FOWLER, CITY OF	Angela Vasquez
GUSTINE, CITY OF	Melanie Correa
LEMOORE, CITY OF	Michelle Speer
LINDSAY, CITY OF	Mari Carrillo
MCFARLAND, CITY OF	Marilyn Garza
MODOC COUNTY	Chester Robertson
NEWMAN, CITY OF	Mike Maier
REDWOOD COAST ENERGY AUTHORITY	Eileen Verbeck
REGIONAL GOVERNMENT SERVICES	Jennifer Bower, President
RIO DELL, CITY OF	Joanne Farley
SANGER, CITY OF	Becky Ramirez
SONORA, CITY OF	Chris Gorsky
SUPERIOR COURT OF CALIFORNIA, EL DORADO COUNTY	Shelby Wineinger
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
HOUSING AUTHORITY OF SAN LUIS OBISPO	Jenna Franz
LIVINGSTON, CITY OF	Happy Bains
MODOC COUNTY	Pam Randall
REGIONAL GOVERNMENT SERVICES	Christina Nygard
SUPERIOR COURT OF CALIFORNIA, EL DORADO COUNTY	Heather Nelson
SUPERIOR COURT OF CALIFORNIA, KINGS COUNTY	Mona Melchor

MANAGERS:

KEENAN & ASSOCIATES	Peter McNamara
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Christine Hough
Stacey Comerchero
Chris Jordan
Nancy Schott

OTHERS:

KEENAN & ASSOCIATES

Dayna Gowan
Pam Cote
Melissa King
Dawn Almanzor
Mona Reese
Yvette Fields
Diana Ruiz
Tiffany Garcia

ANTHEM

Joelle Jarmillo

DESERT HOT SPRINGS

Geoffrey Bucheim

III. PUBLIC COMMENTS

There were no public comments.

IV. APPROVAL OF AGENDA – August 24, 2022

Presented by Jennifer Bower

Action

2022-021

Motion to approve the August 24, 2022 agenda: 1. David Farris and 2. Lani Ha. Motion unanimously approved by the Full Board.

V. APPROVAL OF MINUTES – May 26, 2022

Presented by Jennifer Bower

Action

2022-022

Motion to approve the May 26, 2022 minutes: 1. Melanie Correa and 2. Kim Turner. Motion unanimously approved by the Full Board.

VI. CORRESPONDENCE

Presented by E. Peter McNamara

Information

2022-023

There was no correspondence.

VII. FINANCIAL

MONTHLY FINANCIAL REVIEW

Presented by E. Peter McNamara

Information

2022-024

The Monthly Financial Review as of July 31, 2022 was reviewed. The 3rd quarter MCSIG deficit recoupment payment was made and the final payment will be made this fall which will end PACE's deficit

recoupment obligation to MCSIG. A rebate of approximately \$100k was received from EmpiRx for the period of July 1, 2021 – December 31, 2021. As of July 31, 2022, PACE’s estimated net position is approximately \$5M. Approximately \$500k is kept in the PACE checking account for monthly obligations while the balance is with LAIF to earn investment income.

The Quarterly Financial Report as of June 30, 2022 was included in the agenda packet. As of July, PACE received stop loss reimbursements for claims in excess of the \$250k attachment point of \$98,931. The 2023 stop loss renewal should be favorable as PACE has only a 9% loss ratio.

2023 RENEWAL ACTION

Presented by Christine Hough

**Action
2022-025**

PACE Management presented the 2023 renewal and recommendation by the Executive Committee. There were two renewal projections: one utilizing claims experience through June 2022 and the other with claims experience through July 2022. The renewal using experience through June 2022 and a wellness fee of \$8.00 PEPM resulted in a 3.19% renewal without margin and 5.68% with a 3% margin. Reducing the Wellness fee to \$5.00 PEPM resulted in a renewal of 2.99% without margin and 5.49% with a 3% margin.

Using experience through July 2022 and a wellness fee of \$5.00 PEPM, the renewal is 2.66% without margin and 5.21% with a 3% margin. The reduction in wellness fees from \$8.00 PEPM to \$5.00 PEPM for 2023 will be offset by \$50k of wellness funds from Anthem which will allow the same level of wellness programming.

The Executive Committee recommended a renewal of 5% including a 3% margin for the Anthem self-funded plans at the August 24, 2022 Executive Committee Meeting. With renewal trend for 2023 PPO plan renewals running close to 10%, a 5% renewal for PACE is good news. CalPERS 2023 renewal increases are running approximately 15% - 17% for PPO plans comparable to PACE PPO plans.

Anthem weekly claims from January to June 2022 were approximately \$245k while July and August claims were approximately \$214k per week. PACE Management reviews and tracks claims weekly.

Motion to approve a renewal of 5% with 3% margin for the Anthem self-funded plans: 1. Davis Faris and 2. Kim Turner. Motion unanimously approved by the Full Board.

EMPIRX SPECIALTY DRUG PROGRAMS

Presented by E. Peter McNamara

**Information
2022-026**

PACE Management reviewed the two specialty drug cost containment programs from EmpiRx which were approved by the Executive Committee at the July 27, 2022 Executive Committee Meeting. The Variable Copay Assistance and Power by Payer Matrix programs should assist with the high claims costs of specialty drugs. For January 2022 – July 2022, specialty drugs accounted for 64% of total pharmacy spend generated by only 1.5% of the total number of prescriptions.

The monthly fee for the Variable Copay Assistance program is \$1.10 PMPM and the Power by Payer Matrix program fee is 30% of net savings. EmpiRx estimates PACE should save approximately \$1.5M annually

from both programs.

ANTHEM UPDATE

Presented by Joelle Jarmillo

**Information
2022-027**

The July 2022 Anthem utilization report was reviewed. In 2022, the number of subscribers increased 22% to 1,232. The in network utilization was 93.9% and there are 8 members with high cost claims over \$100k.

The Anthem Virtual Primary Care program was reviewed as another avenue of primary and chronic care, including specialist and lab work referrals, which the PACE Executive Committee approved at a previous meeting. Other than claims costs, there is no additional cost to PACE for this program. LiveHealth Online continues to be available.

ANCILLARY UPDATES

Presented by E. Peter McNamara and Stacey Comerchero

**Information
2022-028**

The LiveHealth Online July 2022 utilization report was reviewed. In July, there were an additional 5-6 new members with totals of 155 medical visits, 22 behavior health and 2 dermatology visits as of July 2022. Of members who accessed care, 56% would have sought a more expensive form of care if LiveHealth Online was not available.

The EmpiRx July 2022 utilization report was reviewed.

A flyer about locating high quality care utilizing ConsumerMedical's services was sent to all PACE groups on August 22, 2022.

Although regular communication and wellness incentives have been sent over the last couple of years, the participation and engagement are not increasing. The Executive Committee has approved terminating ConsumerMedical's contract effective February 1, 2023. PACE will save approximately \$45k annually in fees. The program can be reinstated in the future if there is interest.

WELLNESS UPDATES

Presented by Dayna Gowan

**Information
2022-029**

An update on the PACE 2022 Health Management Program was reviewed. There are 166 participants, or 7%, of eligible members who have registered on WellSteps platform. The last day to enter points and earn awards for the program year is November 15, 2022. There have been 21 participants who have already earned a reward and any rewards will be an e-gift card awarded in November.

The two previous behavior change campaigns, Veggie Up and Train Your Brain results were reviewed. The third and final behavior change campaign, Get Your Move On, will run from August 29 – October 16, 2022.

The next Wellness Advisory Council Meeting will take place on September 14, 2022.

Peter McNamara requested Dayna Gowan compile the recipes from the July 2021 – July 2022 newsletters for inclusion in the next Full Board Meeting agenda packet.

PACE WEBSITE

Presented by E. Peter McNamara

Information

2022-030

The PACE website is active at pacejpa.org. Content is still being added. The Member Resources tab will eventually show Quarterly Financial Reports, Financial Audits and Monthly Financial Reviews.

VIII. ADMINISTRATION

ELECTION OF PRESIDENT AND SECRETARY/TREASURER FOR TERM OF JANUARY 1, 2023 – DECEMBER 31, 2024

Action

2022-031

Presented by E. Peter McNamara

The Executive Committee proposed a slate of David Faris as President, Kim Turner as the Vice President and Becky Ramirez as Secretary/Treasurer. With Becky Ramirez moving from the Non-Officer Executive Committee Member to Secretary/Treasurer there will be one opening for a Non-Officer Executive Committee Member for appointment at the next Executive Committee Meeting.

Motion to elect David Faris as President, Kim Turner as Vice President and Becky Ramirez as Secretary/Treasurer for the January 1, 2023 – December 31, 2024 term: 1. Melanie Correa and 2. Jennifer Bower. Motion unanimously approved by the Full Board.

Note: David Faris will serve as President and Becky Ramirez will serve as Secretary/Treasurer for the January 1, 2023 – December 31, 2024 full term. Kim Turner will move from her current position as Secretary/Treasurer to serve the balance of the Vice President term from January 1, 2023 - December 31, 2023.

PACE NEW MEMBER ACTIVITY

Presented by Christine Hough

Information

2022-032

There were 6 requests received for evaluation since the last Full Board Meeting.

1. University of Redlands – 600 eligible employees with 29% waivers. PACE declined to quote as the number of waivers does not meet underwriting guidelines and the average age is 49, higher than PACE's average if 45.
2. Compass Charter Schools – 206 eligible employees with 35 waivers (17%). PACE was able to provide competitive rates and they are joining PACE effective September 1, 2022.
3. Port of Stockton – 79 eligible employees currently with CalPERS. Risk factor is more than 30% higher than PACE due to various risk factors and demographics (average age is 53). PACE declined to quote.
4. City of Azusa – 259 eligible employees currently with CalPERS. Risk factor is more than 40% higher

than PACE. Due to the risk factors and demographics. PACE declined to quote.

5. City of Fontana – 752 employees with 119 waivers currently with Anthem and Kaiser plans. Christine Hough was able to provide competitive rates.

6. City of Farmersville – 36 employees currently with Blue Shield. Christine Hough was able to provide competitive rates.

IX. INFORMATION

MEMBER COMMENTS

Information

There were no member comments.

MANAGER COMMENTS

Information

Stacey Comerchero is retiring September 8, 2022 and Chris Jordan will be assuming the role of PACE Account Manager. Several Board Members expressed their appreciation of Stacey Comerchero and her excellent customer service on behalf of PACE.

X. AGENDA ITEMS NEXT MEETING

Information

Members and others may suggest items for consideration at the next meeting which will be held December 8, 2022 via Zoom.

- Quarterly Financial Report, Anthem update, Ancillary updates, New Member Activity

XI. ADJOURNMENT

The meeting was adjourned at 10:59 am.