



YOUR BEST PROTECTION

Approved April 4, 2018

Employee Benefits Program Committee Meeting

ACWA JPIA Executive Conference Room

2100 Professional Drive

Roseville, CA 95661

(800) 231-5742

October 25, 2017

This meeting consisted of a simultaneous WebEx teleconference call at the ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661 and the following remote sites:

- Aleshire, 28149 Par View Court, Escondido
- Boatmun, 9003 Shadow Ridge Road, Palm Desert
- Dosier, 18700 Ward Street, Fountain Valley
- Linthicum, 1021 E. Miramar Avenue, Claremont
- McDonald, 254 E. Valley Street, San Bernardino
- Peterson, 700 N Alameda, 12th Floor Conference Room, Los Angeles
- Rupp, 229 Boyle Drive, Eureka
- Shilling, 4886 E. Jensen Avenue, Fresno

MEMBERS PRESENT

Chairman: J. Bruce Rupp, Humboldt Bay Municipal Water District (*via WebEx*)

Vice-chair: Melody McDonald, San Bernardino Valley Water Conservation District (*via WebEx*)

Merle Aleshire, Valley Center Municipal Water District (*via WebEx*)

Bette Boatmun, Contra Costa Water District (*via WebEx*)

Stephanie Dosier, Orange County Water District (*via WebEx*)

James Linthicum, Three Valleys Municipal Water District (*via WebEx*)

Glen Peterson, Las Virgenes Municipal Water District (*via WebEx*)

Randy Shilling, Kings River Conservation District (*via WebEx*)

MEMBERS ABSENT

Karen Gish, Amador Water Agency

STAFF PRESENT

Chief Executive Officer/Secretary: Walter "Andy" Sells

Chimene Camacho, Human Resources Coordinator (Recording Secretary)

David deBernardi, Director of Finance

Robert Greenfield, General Counsel

Daniel Steele, Lead Accountant

Karen Thesing, Director of Insurance Services

Bobbette Wells, Executive Assistant to the CEO (WebEx Coordinator)

OTHERS IN ATTENDANCE

E.G. “Jerry” Gladbach, Castaic Lake Water Agency (*via WebEx*)
David Drake, Rincon del Diablo Municipal Water District (*via WebEx*)
John Pacheco, Alliant Insurance (*via WebEx*)
Thomas Sher, Alliant Insurance (*via WebEx*)
Kathleen Tiegs, Cucamonga Valley Water District (*via WebEx*)

WELCOME

Chairman Rupp welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chairman Rupp called the meeting to order at 1:02 p.m. He announced there was a quorum.

ANNOUNCEMENT RECORDING OF MINUTES

Chairman Rupp announced that the meeting would be recorded to assist in preparation of minutes. Recordings are only kept 30 days following the meeting, as mandated by the California Brown Act.

PUBLIC COMMENT

Chairman Rupp noted that, as the agenda stated, members of the public would be allowed to address the Employee Benefits Program Committee on any agenda item prior to the Committee’s decision on that item. Comments on any issues on the agenda, or not on the agenda, were also welcomed. No comments were brought forward.

APPROVAL OF MINUTES

Chairman Rupp called for approval of the minutes of the June 27, 2017 Employee Benefits Program Committee meeting.

M/S/C (Boatman/Peterson) (Aleshire-Yes; Boatman-Yes; Dosier-Yes; Linthicum-Yes; McDonald-Yes; Peterson-Yes; Shilling-Yes; Rupp-Yes):
That the Employee Benefits Program Committee approve the minutes of the June 27, 2017 meeting, as presented.

REPORT ON MEETINGS ATTENDED ON BEHALF OF THE JPIA

None reported.

ANTHEM OUT-OF-NETWORK PPO BENEFITS

Mr. Sells started by providing a brief background on the in-network and out-of-network benefits paid by the Anthem PPO plan. Several plan design options are available to determine how out-of-network benefits are paid. The issue at hand is that out-of-network providers are growing increasingly sophisticated in figuring out how to bill in order to receive higher payments than intended by the plan. Mr. Sells referred to the handout showing the typical claim process versus the problematic claim process. In 2016, the non-network savings fees paid totaled \$582,157, and when annualized for 2017, are set to exceed \$1 million. After evaluating benefit plan designs from multiple other pools, staff

recommended the following changes be implemented as soon as administratively possible:

- 1) Out-of-network outpatient surgical center benefit limited to \$350.
- 2) Out-of-network diagnostic and lab benefit limited to \$350.
- 3) Out-of-network advanced imaging benefit limited to \$800.
- 4) Out-of-network hemodialysis benefit limited to \$350.
- 5) Out-of-network inpatient hospitalization benefit limited to \$600 per day.
- 6) Out-of-network inpatient substance abuse and mental health benefit limited to \$600 per day.
- 7) The non-participating fee schedule will be used to process all remaining out-of-network facility charges.

The changes would modernize the JPIA plan designs and align with others in the market, protecting members from paying premiums to cover excessive charges by out-of-network providers.

Since these are major benefit changes, the Committee inquired on the communication and implementation plans. Mr. Sells laid out the plans for communications as follows: mailers to all Anthem PPO participants, emails from member districts to their employees, and update to the Summary of Benefits Coverages (SBCs). At this time, implementation is anticipated to be early 2018.

M/S/C (Boatman/McDonald) (Aleshire-Yes; Boatman-Yes; Dosier-Yes; Linthicum-Yes; McDonald-Yes; Peterson-Yes; Shilling-Yes; Rupp-Yes):
That the Employee Benefits Program Committee recommend that the Executive Committee approve the recommended changes to out-of-network claims processing on the Anthem PPO plans, as presented.

NEXT MEETING DATE

Availability for Upcoming Meeting

There are no Employee Benefits Program Committee meetings scheduled for the remainder of 2017.

The Employee Benefits Program Committee meeting adjourned at 1:38 p.m.