

MINUTES

PUBLIC AGENCY COALITION ENTERPRISE (PACE)

EXECUTIVE COMMITTEE MEETING

April 26, 2023

2:00 pm

I. CALL TO ORDER

The meeting was called to order at 2:05 pm

II. ROLL CALL

EXECUTIVE COMMITTEE MEMBERS:

REGIONAL GOVERNMENT SERVICES
SANGER, CITY OF
SUPERIOR COURT OF CA, MENDOCINO COUNTY
TRUCKEE DONNER RECREATION & PARK DISTRICT
VACANT

Christina Nygard, Non-Officer Member
Becky Ramirez, **Secretary/Treasurer***
Kim Turner, **Vice President**
David Faris, **President**
Non-Officer Member

MANAGERS:

KEENAN & ASSOCIATES

Peter McNamara
Christine Hough
Melissa King
Nancy Schott

OTHERS:

KEENAN & ASSOCIATES

Sam Mel-Chan
Dayna Gowan
Hesam Fayaz

MODOC COUNTY

Pam Randall

*Did not attend.

III. PUBLIC COMMENTS

There were no public comments.

IV. APPROVAL OF AGENDA – April 26, 2023

Presented by David Faris

Action
2023-020

Motion to approve the April 26, 2023 Agenda: 1. Kim Turner and 2. Christina Nygard. Motion unanimously approved by the Executive Committee.

V. APPROVAL OF MINUTES – February 22, 2023 **Action**
2023-021
Presented by David Faris

Motion to approve February 22, 2023 Minutes: 1. Kim Turner and 2. Christina Nygard. Motion unanimously approved by the Executive Committee.

VI. CORRESPONDENCE **Information**
2023-022
Presented by E. Peter McNamara

A Registry of Public Agencies form reflecting Board Members joining and leaving the Board and an Amendment to a JPA form reflecting the City of McFarland’s termination from PACE were reviewed. Both forms will be sent to the State.

Updates from Anthem and EmpiRx on changes to health coverage and access for PACE plans with the end of the COVID public health emergency on May 11, 2023 were reviewed.

Updates from EmpiRx regarding at home test benefits with the end of the COVID public health emergency on May 11, 2023 were reviewed.

The flyer for the Workforce for Cities/Kaiser webinar on mental health awareness for city leaders held on 4/19/23 was reviewed. Full Board Members received an email from Melissa King, PACE Account Manager notifying them of the webinar.

VII. FINANCIAL

QUARTERLY FINANCIAL REPORT AND PACE 2023 FINAL BUDGET **Action**
2023-023
Presented by Sam Mel-Chan

The Quarterly Financial Report as of March 31, 2023, and LAIF Account Statements as of March 31, 2023, were reviewed. The net position as of March 31, 2023, was approximately \$9.9M and the estimated net position as of December 31, 2023 is \$7.9M. The 2022 Special Districts Compensation Report and 2022 Special Districts Financial Transactions Report were filed with the State Controller by SETECH on behalf of PACE.

The final 2023 PACE Budget was reviewed and discussed. The estimated net position at the end of December 31, 2023 is projected at approximately \$4.6M.

Motion to approve the final 2023 PACE Budget: 1. Kim Turner and 2. Christina Nygard. Motion unanimously approved by the Executive Committee.

Self-funded claims have been averaging \$215,000 per week through April 26, 2023 which is a bit lower than 2022 for the same time period.

REVIEW OF CAMP PROGRAM **Info or Action if needed**
2023-024
Presented by Hesam Fayaz

The Executive Committee heard and discussed a presentation on CAMP, the California Asset Management Program, a liquidity program geared toward JPA authorities. This program would be in addition to LAIF and running alongside to it rather than a replacement for LAIF. Features

include same-day liquidity, unlimited wire transactions, no required minimum investment and monthly interest payments. Fees of 10 basis points are taken from the yield before distribution; the LAIF fee is 8 basis points, a minor difference.

The goal of CAMP is to earn a competitive rate of return while preserving principal, providing liquidity and seeking a stable net asset value of \$1.00. The maturity dates in CAMP turn over every 31 days while in LAIF is quarterly. CAMP may be more reactive to the market while LAIF is slower to react so lows are less and highs

SETECH suggests PACE open a CAMP account for higher, short-term gains. If CAMP yields begin to decline, funds can be moved back to LAIF and if CAMP yields increase, funds can be moved back to CAMP. PACE can keep both a LAIF and a CAMP account open and move funds between them for the best yield. CAMP follows GASB 79 criteria and assets invested with CAMP have increased exponentially since December 2022. CAMP and LAIF are the safest investment vehicles for public agencies. SETECH is responsible for cash management for PACE and will monitor both the CAMP and LAIF accounts, utilizing each fund when appropriate. PACE would join CAMP as an Investor.

CAMP offers term investments from 60 days up to one year. PACE will determine who should sign the application paperwork. It takes 3-5 business days to open the account once original signatures have been received by SETECH. Historically LAIF has outpaced CAMP in the long term; however, currently CAMP has higher short-term yields.

Kim Turner thought there was no downside to joining CAMP and David Faris agreed it's an opportunity to make additional yield now before things change again.

Motion for PACE to invest in the CAMP program as an Investor: 1. Kim Turner and 2. David Faris. Motion unanimously approved by the Executive Committee.

Peter McNamara will review the current PACE investment strategy and if revisions are needed to allow for investment in CAMP, a revised investment policy will be brought to the July Executive Committee Meeting for a vote.

ANTHEM UPDATE

Presented by E. Peter McNamara

**Information
2023-025**

The March 2023 Anthem utilization report was reviewed. Claims have been lower so far in 2023 by approximately \$150,000.

Although the claim has not yet appeared on the Anthem claims reports, PACE Management is aware of a potential high cost claim being paid through Anthem for a dependent receiving infusion therapy at a cost of approximately \$98,000 per month. This claim may be eligible for the EmpiRx Payor Matrix program rather than being paid through Anthem's Ingenio Rx program. Kim Turner mentioned there is an upcoming infusion claim from her agency which might also be a good fit for the Payor Matrix program.

ANCILLARY UPDATES

Presented by Melissa King

**Information
2023-026**

The LiveHealth Online March 2023 utilization report was reviewed. Utilization is up 10.5% for 2023 Q1. New registrations are down, but utilization is higher.

The EmpiRx March 2023 utilization report was reviewed. Specialty drugs are 1.2% of claims yet generate 37.4% of total drug spend. In 2022, specialty drugs accounted for 66% of total claims cost and this reduced 2023 specialty total drug spend is attributable to the cost mitigation programs put in place at the end of 2022. PACE requested a report from EmpiRx on the Payor Matrix program cost savings and which drugs were involved with the program.

WELLNESS UPDATES

Presented by Dayna Gowan

Information

2023-027

The 2023 PACE Health Management Program was reviewed. There have been 129 registrants on WellSteps (5%) for 2023. There is at least one member participating from 76% of PACE agencies. The Healthy Heart Behavior Change Campaign ended in early April with 64 members engaged and 51 completions. The second behavior Change Campaign, Financial Fitness begins May 1. There is a PACE Wellness Introduction + Q&A webinar being held on May 4, 2023; email communication will go out April 27, 2023. After discussion the start time was moved from 11:00 am to 12 noon so it doesn't affect the workday.

VIII. ADMINISTRATION

PACE NEW MEMBER ACTIVITY

Presented by Christine Hough

Information

2023-028

There is one agency requesting a quotation since the last Executive Committee Meeting.

1. Granite Mountain Charter Schools – 242 employees with 86 waivers (35%). Employer doesn't contribute 100% for employees. 80 of the 86 who waive coverage are enrolled on their spouse's group plans. Christine Hough recommends providing a quote although the waivers are higher than the Underwriting Guidelines recommend. After discussion, the Executive Committee agreed to proceed with the quote.

APPOINTMENT OF NON-OFFICER EXECUTIVE COMMITTEE MEMBER TO SERVE JANUARY 1, 2023 – DECEMBER 31, 2023 TERM

Presented by E. Peter McNamara

Action

2023-029

PACE Management continues to seek a candidate and is hoping a Board Member from a southern California agency might be interested. It is not an issue to operate as an Executive Committee with four rather than five members.

IX. INFORMATION

EXECUTIVE COMMITTEE COMMENTS

Information

The CompleteCare rate updates were discussed. PACE Management is waiting for additional input from Keenan Legal and PACE Underwriting. At present, PACE will keep the monthly premium reimbursement

(\$428) for the remainder of 2023.

Catalize Health, the CompleteCare administrator, calculates the premium differential each month, reports the amount to SETECH and SETECH sends a check to the employee. The employee receives a 1099 each year from SETECH. The premium differential is supposed to be an employer paid amount. To avoid ongoing 1099 forms sent to the employee, effective July 1, 2023, the agency will pay for the premium differential amount which will be taxed through payroll. Catalize Health will continue to calculate the premium differential and SETECH will report the premium differential payment amounts monthly to participating agencies for them to distribute funds through payroll.

MANAGER COMMENTS

Information

Compass Charter Schools joined PACE September 1, 2022. They paid their September and October 2022 premiums directly to the carriers in error and in October the Executive Committee granted them a waiver. They were late in January 2023 premium and may come back to the Executive Committee Meeting in July with a written request for a possible vote.

Some preliminary 2024 renewal information will be available at the July Executive Committee Meeting. The trend for Kaiser for January 1, 2024 renewals is 14 - 16%.

X. AGENDA ITEMS NEXT MEETING

Information

Executive Committee Members and others may suggest items for consideration at the next meeting scheduled for July 26, 2023 via Zoom.

- Q2 2023 Quarterly Financial Report, Anthem update, Ancillary updates, New Member Activity
- Preliminary 2024 renewal information

XI. ADJOURNMENT

The meeting adjourned at 3:31 pm.