

MINUTES

PUBLIC AGENCY COALITION ENTERPRISE (PACE)

EXECUTIVE COMMITTEE MEETING

February 22, 2023

2:00 pm

I. CALL TO ORDER

The meeting was called to order at 2:00 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

Hesam Fayaz

ANTHEM

Joelle Jarmillo

III. PUBLIC COMMENTS

There were no public comments.

IV. APPROVAL OF AGENDA – February 22, 2023

Presented by David Faris

Action
2023-008

Motion to approve the February 22, 2023 Agenda: 1. Kim Turner and 2. Becky Ramirez. Motion unanimously approved by the Executive Committee.

V. APPROVAL OF MINUTES – January 18, 2023

Presented by David Faris

Action
2023-009

Motion to approve January 18, 2023 Minutes: 1. Kim Turner and 2. Christina Nygard. Motion unanimously approved by the Executive Committee.

VI. CORRESPONDENCE

**Information
2023-010**

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 California City's entry into PACE were reviewed. Both forms have been sent to the State.

The City of McFarland seems to have withdrawn from PACE. PACE was notified of possible termination in December; however, official notice they were leaving PACE effective "current fiscal year" was not received until January 27, 2023. McFarland has not paid January or February 2023 premiums. Kim Turner suggested sending a letter to the City of McFarland stating if the City hasn't paid premiums in 2023, PACE assumes the City has withdrawn from PACE and claims will not be paid effective January 1, 2023, as the City didn't follow the 60-day termination requirement per the Bylaws. Peter McNamara will compose a letter to be sent to the City on behalf of PACE. Joelle Jarmillo will confirm Anthem has not paid any claims to the City since January 1, 2023.

PACE received an update from Anthem on California SB 245, which requires large group fully insured health plans to cover abortion and related services with no cost share effective January 1, 2023. Self-insured health plans, such as some PACE plans, are not required to implement this mandate. The Executive Committee had more discussion on the mandate and how it pertains to PACE's self-funded plans under Agenda Item 2023-014.

VII. FINANCIAL

QUARTERLY FINANCIAL REPORT AND PACE 2023 FINAL BUDGET

**Information
2023-011**

Presented by Hesam Fayaz

The Quarterly Financial Report as of December 31, 2022, and LAIF Account Statements for October – December 2022, were reviewed. The estimated net position as of December 31, 2022, was approximately \$5,468,000.

Kim Turner asked if PACE would consider incentivizing member groups to prefund premium payments. Some agencies receive a majority of their funding front loaded in the early part of each year. Knowing monthly premium amounts will vary based on eligibility, there could be a true up each year to reconcile total premium due to PACE. The prepaid premiums could be invested in LAIF to earn additional income for PACE. Peter McNamara will investigate and report back to the Executive Committee.

The 2023 estimated PACE Budget was reviewed including an updated stop loss premium. A final 2023 PACE Budget will be presented at the April Executive Committee Meeting after the 2022 financials have been closed.

Peter McNamara requested an accounting from Symetra on premium and stop loss reimbursements for 2022 as a check on the rationale by the reinsurer for the high 2023 renewal to present at the next Executive Committee Meeting. If data shows the renewal was higher than it needed to be, because an estimated ongoing large claim is turning out to be less costly than anticipated, a refunding program may be available for unused premium if PACE renews with Symetra for 2024.

REVIEW OF PACE INVESTMENT POLICY FOR LAIF ACCOUNT

**Action
2023-012**

Presented by Hesam Fayaz

The Executive Committee reviewed and discussed the PACE investment policy, adopted in February 2022, as part of its annual review.

Motion to accept the LAIF policy as drafted in February 2022: 1. Kim Turner and 2. Becky Ramirez. Approved unanimously by the Executive Committee.

ANTHEM UPDATE

**Information
2023-013**

Presented by Joelle Jarmillo

The January 2023 Anthem utilization report was reviewed. There was an increase in membership as two new groups joined PACE: one in September 2022 and the other in January 2023. There are 17 high-cost claims over \$100k incurred by members in self-insured plans.

UPDATE ON ANTHEM SELF-INSURED PLANS AND CALIFORNIA SB 245

**Action
2023-014**

Presented by E. Peter McNamara

The Executive Committee heard information on California SB 245 as it pertains to PACE self-funded Anthem plans as part of the Correspondence agenda item. After discussion, Executive Committee agreed the self-funded Anthem plans should comply with SB 245. Cost sharing for abortion and related services for members in self-funded Anthem HDHP plans will still be subject to plan deductibles. As all Kaiser plans are fully insured, abortion and related services will be covered with no cost share effective January 1, 2023.

Motion to approve extending the parameters of CA SB 245 making abortion and all related services available at no cost share to the member to the Anthem self-funded plans under PACE effective January 1, 2023: 1. Kim Turner and 2. Becky Ramirez. Motion unanimously approved by the Executive Committee.

ANCILLARY UPDATES

**Information
2023-015**

Presented by E. Peter McNamara

The LiveHealth Online January 2023 utilization report was reviewed. There were 10 new registrations and 25 visits in December 2022. PACE Management will consider a communication outlining benefits of the service to send to members to increase engagement.

The EmpiRx January 2023 utilization report was reviewed. Through January, specialty drugs accounted for 35% of claims costs generated by 1.5% of total claims, a cost reduction of approximately 50% from previous months. PACE Management requested an update from EmpiRx on how many members qualified for the two cost mitigation programs instituted in late 2022.

Two flyers from EmpiRx on Ozempic and information on biosimilar drugs were reviewed. These will be sent to the Full Board to pass along to their PACE members.

CATILIZE HEALTH/COMPLETECARE COMPLIANCE UPDATE

**Information
2023-016**

Presented by Melissa King

PACE Management provided a CompleteCare compliance update for the 2023 program year.

Currently the PACE CompleteCare rate includes the premium differential. PACE/SETECH is currently paying the member for the premium differential and issuing a 1099 each year to every participating member. Going forward, the monthly premium equivalent will be reduced and any member agency who provides a premium differential to a member must run the differential cost through the agency's payroll system as the IRS considers it a taxable event. The reduced CompleteCare rate is being finalized and affected member agencies will be notified prior to the change, estimated to take place in April. Catalize Health will continue to perform the premium differential for the member agencies.

WELLNESS UPDATES

Presented by Peter McNamara

Information

2023-017

The PACE 2023 Health Management Program, which opened for registration on February 1, 2023, was discussed.

PACE Management is working with Keenan's Total Health Management Practice Leader to identify areas of the current PACE Wellness program which might be updated to increase engagement. Vida Health provided their contract to PACE, which was reviewed by Keenan Legal, and PACE is waiting for PEPM pricing information. Once pricing is received, PACE Management will work with the PACE Wellness team on how Vida Health might integrate with the PACE Wellness program and available wellness funds. PACE Management hopes to have a report for the April Executive Committee Meeting.

At the Wellness Advisory Committee Meeting on February 8, 2023, holding a lunch and learn webinar about the Wellness program and accessing the WellSteps platform was discussed. The webinar could be recorded for those who cannot attend.

VIII. ADMINISTRATION

PACE NEW MEMBER ACTIVITY

Presented by Christine Hough

Information

2023-018

There are five agencies requesting a quotation since the last Executive Committee Meeting.

1. University of Redlands – 610 employees with 190 waivers (31%). Employees are primarily in HMO (61%) and PPO (6%) plans. PACE initially declined to quote in August 2022 due to a high average age and high-risk factors. The agency requested a refresh quote and Christine Hough again declined to quote as rates were still not competitive due to high risk factors.
2. San Bernardino County Employee Retirement Association (SBCERA) – 68 employees and 8 waivers (12%) and they are breaking away from the County of San Bernardino. Initially quoted in September 2022 for a January 1, 2023, effective date and requoted for an April 1, 2023, effective date. They may be interested in PACE HMO and EPO plans.
3. City of Fontana – 665 employees with 117 waivers (18%); 53% in Kaiser, 26% in Anthem HMO and 3% in Anthem PPO plans. PACE was able to provide competitive rates.
4. Community Action Partnership of Kern – 900 lives with 444 waivers (49%) due to high number of low

wage workers eligible for Medi-Cal; 5% in PPO HDHP, 46% in HMO plans. PACE provided a quote and they have not responded yet.

5. CalVans – 25 employees with 8 waivers (32%); currently covered under Kings County plan and the County is discontinuing coverage effective July 1, 2023. PACE quoted rates with requirements of mandatory enrollment and completion of individual health questionnaires as there is little demographic information available.

APPOINTMENT OF NON-OFFICER EXECUTIVE COMMITTEE MEMBER TO SERVE JANUARY 1, 2023 – DECEMBER 31, 2023 TERM **Action 2023-019**

Presented by E. Peter McNamara

The Executive Committee discussed appointing a second Non-Officer Executive Committee Member to serve the remainder of Theresa Doyle’s term of January 1, 2022 – December 31, 2023, term. Theresa Doyle resigned effective January 1, 2023. PACE Management is seeking a member to serve from a Southern California agency and hopes to have a candidate for the April Executive Committee Meeting.

No Executive Committee action was taken.

IX. INFORMATION

EXECUTIVE COMMITTEE COMMENTS **Information**

Becky Ramirez thanked the Executive Committee for the opportunity for a special enrollment for the 8 employees affected by the stalled contract negotiations between Anthem and CMC.

MANAGER COMMENTS **Information**

There is a California program, CAMP which can be used in addition to LAIF to generate higher returns. Hesam Fayaz will present information on the program at the April Executive Committee Meeting to determine if the Executive Committee is interested in modifying the Investment Policy to allow investment in CAMP.

X. AGENDA ITEMS NEXT MEETING **Information**

Executive Committee Members and suggested items for consideration at the next meeting scheduled for April 26, 2023, via Zoom.

- Q1 2023 Quarterly Financial Report, Anthem update, Ancillary updates, New Member Activity
- 2023 PACE Final Budget
- Report on CAMP program
- Stop loss update
- EmpiRx 2022 audit

XI. ADJOURNMENT

The meeting was adjourned at 3:15 pm.