

FDAC EMPLOYMENT BENEFITS AUTHORITY

Board of Directors Meeting

Wednesday, July 18, 2012

10:00 a.m. – 11:00 a.m.

Call-In Number: (866) 704-7500

Passcode: 978212

Subscriber PIN: 381060

8200 Old Redwood Hwy., Windsor, CA
1364 Tavern Road, Alpine, CA
5221 Deer Valley Road, Rescue, CA
1215 K Street, Suite 2290, Sacramento, CA

Agenda

<i>Item</i>	<i>Action</i>
I. Welcome and Introductions	
II. Public Comment	Discussion
III. Consent Calendar	Action
A. Minutes – July 2, 2012	
IV. Board Vacancy	Info/Action
<i>The Board will review interest letters received from FDAC EBA members in response to the Board vacancies and appoint as it sees fit.</i>	
V. 2013 Renewal Rate Distribution	Info/Action
<i>The Board will discuss and may reallocate renewal percentages and amounts among plans or districts for the 2013 program year.</i>	
VI. Meeks Bay Fire Cancellation Request for Exception	Info/Action
<i>The Board will review the request from Meeks Bay Fire to withdraw from ancillary coverage effective January 1, 2013.</i>	
VII. Consultant Reports	Info/Action
A. Thoits	
B. BRMS	
C. Smith Moore & Associates	
D. Legal Counsel	
VIII. Next Meeting	Info
IX. Adjourn	Action

FDAC Employment Benefits Authority
Board of Directors Teleconference Meeting
Monday, July 2, 2012

In Attendance

Charlene Virts, President
Jean Moore, Vice President
Tom Keating, Secretary/Treasurer

Consultants

Jane Phoong, BRMS
Kevin King, Health Net
David Turner, Actuary
Rosa Soria, Thoits
Anna Marie White, Thoits
Derek Culligan, Thoits
David McMurchie, Legal Counsel
Molly Ranes, Administrative Assistant

President Charlene Virts called the meeting to order at 3:04 p.m. President Virts welcomed everyone. A quorum was established. There was no public comment.

Consent Calendar

The Board addressed the consent calendar, which included the minutes from the June 21, 2012 meeting. Director Tom Keating moved to approve the consent calendar, Director Jean Moore seconded.

Ayes: Charlene Virts, Tom Keating, Jean Moore
Noes: None

2013 Renewal

Rosa Soria from Thoits stated that Thoits is pleased with Health Net's rates. She discussed that the PPO increased 12%, HMO for Northern California increased 8.9%, HMO for Southern California increased 6.93% and Medicare increased 8.86%. Kevin King of Health Net stated that these rates are competitive and stable. It was confirmed that no plan changes were suggested; the plans for 2013 are the same as current 2012 plans.

Director Keating moved to approve the 2013 Renewal Rates, Director Jean Moore seconded.

Ayes: Charlene Virts, Tom Keating, Jean Moore
Noes: None

Ms. Soria stated that Kaiser indicated that they would grant FDAC EBA a rate pass for Northern California groups for actives and early retirees. Soria mentioned that there would be a 2.3% decrease for Northern California Sr. Advantage. Soria mentioned that Kaiser agreed to a 2% rate concession for Southern California, therefore the active and early retiree plans would increase to 5.7% instead of 7.7%. The Southern CA KPSA plan would have a decrease of 0.1%. Director Keating moved to approve the New Business Rates, Director Jean Moore seconded.

Ayes: Charlene Virts, Tom Keating, Jean Moore
Noes: None

New Business

Rosa Soria stated that she and Administrator Melissa Dixon plan to write a letter to all existing members stating the action of today's call. The letter is to be approved by Administrator Dixon next week.

Next Meeting

The next meeting will be located in San Jose at the Thoits Insurance office, on July 18, 2012.

The meeting was adjourned at 3:19 p.m.

Respectfully submitted,

Molly Ranes
Administrative Assistant



SCOTTS VALLEY FIRE PROTECTION DISTRICT

7 Erba Lane, Scotts Valley, California 95066 (831) 438-0211 Fax (831) 438-0383

Daniel J. Grebil
Fire Chief

Melissa Dixon
Administrator
FDAC EBA
Via email- mdixon@firebenefits.org

This serves as my letter of interest for the vacant EBA Board of Directors position (term ending June 2013).

On April 1, 2012, I replaced a retiring Mike McMurry as Fire Chief for the Scotts Valley Fire Protection District. I have thirty-one years of fire service experience including fifteen years as Fire Chief for the Ukiah Valley Fire District, in Mendocino County, where I served as the Operational Area Fire and Rescue Mutual Aid Coordinator and am a Past President for the County Fire Chiefs Association.

I have recently been appointed as a Zone 4 Director for the FDAC, voting member of the Santa Cruz County Fire Agencies Insurance Group JPA (Workers Compensation) and Alternate Operational Area Fire and Rescue Mutual Aid Coordinator for Santa Cruz County.

I have the interest and have the staff in place to devote the necessary time to the business of the FDAC EBA.

Thank you and the Board of Directors for considering my interest in this position.

Respectfully,

Daniel J. Grebil
Daniel J. Grebil

Board of Directors

Jane Armstrong Rudy Cabigas Alan Smith Art Smith Joshua Warren



BOARD OF DIRECTORS
Meeting of July 18, 2012

AGENDA SUPPORTING DATA

Agenda Item V. 2013 Renewal Rate Distribution

Background:

Thoits is recommending that the Board of Directors accept the renewal as negotiated without adjusting any of the percentages between plans or districts. Reasons include:

- Avoid Adverse Selection
- Not enough difference in membership to offset the cost without creating additional subsidies
- First year with Health Net with limited claims, want to ensure we protect the stability of the pool

The total renewal premiums are listed below. The actual enrollment numbers are as of July 1, 2012.

Basic HMO – 58 members \$76,810.20
Premium HMO – 114 members \$161,696.35
Basic PPO – 40 members \$62,032.34
Premium PPO – 31 members \$47,766.62
PPO Savings – 15 members \$15,879.46

The premium differences as a total do not have enough of a gap to help offset any possible shift in enrollment. As of July 1, 2012, there is a subsidy of \$10,000 on the Health Net plans. If the EBA changes percentages at such an early stage in the partnership with Health Net, we could potentially see that subsidy grow if we adjust the basic versus the premium plans for all Health Net plans.

The above reflects active and early retirees in the Health Net plans. The over 65 retiree rates are already higher than PERS, and there is not enough population to warrant an adjustment.



FDAC Employment Benefits Authority
 1215 K Street, Suite 2290
 Sacramento, CA 95814

FOR IMMEDIATE RELEASE
July 18, 2012

Contact:

Administrator Melissa Dixon: 877-350-4EBA
 Fax: 916-231-2141
 e-mail: mdixon@firebenefits.org

**Fire Districts Association of California Employment Benefits Authority
 Passes Average 5.22% Medical Renewal Rates for 2013**

The FDAC EBA Board of Directors met on Monday, July 2 to approve renewal rates for the 2013 plan year for all medical insurance coverages. We are pleased to announce that the average of all the renewal percentages is only 5.22%, with 12% being the highest and a rate reduction of 2.3% being the lowest. The breakdown is as follows:

Carrier/Plan	Northern California	Southern California
Health Net PPO's	12%	
Health Net HMO's	8.9%	6.93%
Health Net COB Plans	8.86%	
Health Net Flexnet COB	6.98%	
Kaiser Permanente HMO	0%	5.7%
Kaiser Permanente Sr. Adv	-2.3%	-0.1%

The FDAC EBA Board of Directors would like to thank Thoits Insurance for its successful negotiations on our behalf, securing an average renewal over four percent (4%) lower than CalPERS.

Not only is the FDAC EBA proving to be successful from a rating standpoint, it is important to note that no plan designs have been proposed for this coming plan year, unlike our competitors. The FDAC EBA offers the full Health Net and Kaiser Permanente Networks, which provide our membership with more options in selecting their provider of choice.

Current members of the FDAC EBA will receive Open Enrollment materials in the fall detailing all new pricing. If you are not a current member of the FDAC EBA and are interested in receiving a quote, please contact Thoits Insurance at 408-792-5425.

The Fire Districts Association of California Employment Benefits Authority was created in 2005 to offer California fire districts an alternative to CalPERS. The FDAC EBA offers medical, dental, vision and life insurance to member agencies of the Fire Districts Association of California (FDAC), providing coverage for all personnel including active employees, retirees and governing officials.

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Meeks Bay Fire Protection District

Post Office Box 189
Tahoma, CA 96142
Lake Tahoe

PHONE 530-525-7548
FAX 530-525-4502

John Pang, CHIEF

BOARD OF DIRECTORS:

Edward I. Miller
Nicholas J. Kromydas
Jane L. Warmack
Bruce C. Massie
Stephen W. Hyde

FDAC Board of Directors
c/o Melissa Dixon
Via FAX

July 9, 2012

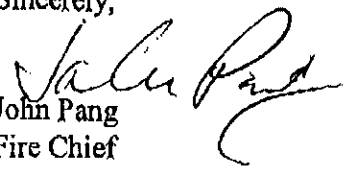
Dear Board of Directors,

I am requesting a variance to the 6/30/12 deadline to cancel our dental and vision insurance starting January 1, 2013. Inasmuch as the deadline fell on a Saturday, I submitted my request on Monday, thinking that the deadline was similar to the tax deadlines (my mistake!)

In any case, our District will be switching to a self-insurance plan and would like to withdraw from the FDAC-EBA program on December 31, 2012. I am hoping you will grant a variance to this request since it came in two days late.

Please feel free to contact me at your convenience if you have any further questions.

Sincerely,


John Pang
Fire Chief



Meeks Bay Fire Protection District

Post Office Box 189
Tahoma, CA 96142
Lake Tahoe

PHONE 530-525-7548
FAX 530-525-4502

John Pang, CHIEF

BOARD OF DIRECTORS:
Edward I. Miller
Nicholas J. Kromydas
Jane L. Warmack
Bruce C. Massie
Stephen Hyde

To: Ms. Melissa Dixon

Date: 7/9/12

Fax #: 916.231.2141

Pages: 1 , following cover page

From: John Pang

Subject: Request for Variance

