

TML INTERGOVERNMENTAL EMPLOYEE BENEFITS POOL

Board of Trustees Meeting

June 26, 2008 @ 1:00 pm

Sheraton Fiesta ~ South Padre Island

310 Padre Boulevard

South Padre Island, Texas 78597

(956) 761-6551 ~ (956) 791-4181 Fax

AGENDA

I. **Organizational Items (Part I)**

- A. Call to Order
- B. Roll Call and Declaration of Quorum (**Tab A**)
- C. Minutes (**Tab B**)
 - 1. January 24, 2008
- D. TML IEBP Mission Statement, Goals, Benefit Acronyms, Definitions, Committees, Board of Trustees Appointed/Elected, Management Staff Contact Information, Organization Chart and 2007-2008 and 2008-2009 Education and Staff Attendance at board meetings (updated). (**Tab C**)
- E. Correspondence (**Tab D**)
 - 1. Additional Excused Absences for April Board Meeting
 - a. Written Confirmation for April 2008 Meeting
 - i. Joe Cardenas
 - ii. Gayle Sims
 - iii. Gary Butts
 - iv. Terry Henley
 - 2. Region 6 Board of Trustee Resignation (JoAnn Franke)
 - 3. 2008 TML Conference/TML IEBP Golf Tournament Schedule

10/28/08	7:30 am	Golf Tournament
	11:00 am	Delegate Registration
	2:00 pm	Resolution Committee

TABC Committee will be providing a Golf Tournament on 10/28/08.
 - 4. United States v. Defendant(s) Barry Stokes
 - 5. UMR Board Meeting Attendance
 - a. Frank Vierling
 - b. Ann Lisota
 - c. Sue Varichak (refer to Tab F ~ Workflow Discussion)
 - 6. NLC-RISC May 1-3, 2008 Meeting, Tucson, Arizona
 - a. Meeting Evaluation Update
 - 7. NLC-RISC June 3, 2008 Executive Director Curriculum Committee Meeting attendance and meeting with AGRIP
 - a. Anaheim, CA, June 2008
 - b. Presumption Bill Workgroup
 - 8. Express Scripts averts Suit
 - a. Express has agreed to pay \$9.5 million to settle allegations that it asked doctors to switch drugs primarily so it could get bigger rebates from pharmaceutical companies.
 - b. Fellow pharmacy-benefit managers Medco Health Solutions Inc, and CVS/Caremark Corp have already reached agreements with the states over similar issues.

- c. Business Insurance ~ June 9, 2008 “Accusations against Drug Wholesaler expand”
- 9. 2008 Election Schedule
 - Regions are 7-11: Joe Cardenas, Maggie Burkett, Martha Stanton, Vic Barnett and Joe Hermes
 - July 3 ~ Send out announcement of elections and call for nominations
 - Aug 12 ~ All nominations due to Cathy
 - Aug 18 ~ Send out ballots
 - Sept 26 ~ All ballots due to Bickerstaff Heath Delgado Acosta LLP
- F. Alliance, Partner, Vendor Branding Update
 - 1. UMR Logo
 - 2. MBI transition to Benefit Payment System (BPS)
- G. Quorum Report “Getting a Handle on Healthcare Costs” – May 28, 2008

II. Executive Session

The Trustees will adjourn into Executive Session under authority of the Texas Government Code Section 551.071 (Consultation with Attorney) to receive advice from Counsel regarding other attorney-client privileged matters under authority of the Texas Government Code Section 551.074 regarding **personnel matters** pertaining to the performance of the Executive Director and under authority of the Texas Government Code Section 551.0785 to deliberate a matter that includes a consideration of information in the medical or psychiatric records of an individual applicant for a benefit from this plan.

III. Board Reports

- A. Nominating Committee (Glen Metcalf)
 - 1. Region 2
 - 2. Region 6
- B. Budget/Audit and Investment/Finance Committee (Mike Slye)
 - 1. Financial Statements ~ October 2007 – May 2008
 - 2. UMR Cost Reduction
 - 3. Proposed Budget for FY2008-09
 - a. Compensation Report
 - b. Operating Budget Request and Historical Overview
 - c. Project Request
 - d. Capital Expenditure Request
 - e. ASO Revenue
 - f. Investment Revenue Projection
 - g. Member Equity Allocation Overview
- C. Underwriting Committee (Larry Fields)
 - 1. Healthcare Update
 - 2. Market Based Management
 - 3. Eligibility Update
 - 4. Vendor Benefits
 - 5. TML IEBP Service Overview
 - 6. Healthy Initiatives HealthPlan Overview
 - 7. Medical Benefit Book Language Changes
 - 8. Plan Options
 - a. Group Managed Care Plans
 - b. Group Individual Choice Plans
 - 9. Prescription Benefits
 - 10. Dental Benefit Changes

11. Vision Benefit Changes
12. Retiree Benefits
13. Supplemental Benefits
14. Management of Member Equity
15. Factors
16. Network Review
17. Loss Ratios
18. Cost Projections
19. Membership Contribution Cost Overview
20. HIPAA Opt Out of Compliance

IV. **Board Communication**

- A. Executive Policy and Procedures (**Tab E**)
 1. 2008-2009 Content Revisions
 - a. Reserve Policy
 - i. Equity Reserve Threshold for high dollar stability, reinsurance, equity funds
 - ii. Language Update
 - b. Competitive Bid/Proposal
 - i. Definition documentation for Pool and ASO membership
 - ii. ASO 50-5,000 lives
 - iii. Pool up to 1,000 lives
 - c. Participation Requirements
 - i. Council Participation
 - ii. Supplemental Benefit Access
 - d. Rate Notice Procedure
 - i. Underwriting consultant update
 - ii. 80 Lives Approval
 - iii. Language Clean Up
 - iv. Rerate Notice Distribution update
 - e. Pool to Pool Transfers
 - i. Language changes only
 2. Executive Policy and Procedures ~ No Changes (*Not enclosed*)
 - a. Administrative Service Members
 - b. Contribution Payment
 - c. Eligibility Guidelines
 3. Board Resolution (No Updates)
 - a. Appointment of a Secretary to the Board
 - b. Authorize Signatories of Accounts
 - c. Designate a Newspaper for Official Notice
 - d. Employment of Executive Director
 - e. Hire a General Counsel
 - f. Executive Director Authorization for Certain Documents
 - g. Executive Director to take action on Federal Tax Matters
 - h. Interim Executive Director to exercise authority of Executive Director
 - i. Delegation of Authority to Executive Committee
 - j. Authorization of wire fund transfers
 - k. Authorization of letter of credit
 - l. Authorizations Executive Director to execute condemnation settlement documents
 - m. Authorization for Merrill Lynch to act as money manager

The information provided to you as a TML IEBP Board Member is confidential under federal law and regulations. Divulging this information to any person other than another Board Member, the Board's General Counsel or Consultant, or TML IEBP staff without proper written authorization from the covered person is a violation of those regulations. **You should also consult with either the General Counsel or the TML IEBP Executive Director before releasing this information to anyone.**

- n. Authorization for Executive Director to settle certain litigation matters
 - o. Authorization for Executive Director to send demand letters on stop loss delinquencies
 - p. Authorization for settlement of certain subrogation matters
 - q. Authorization for Executive Director to allow in-house counsel to represent the Pool in certain litigation matters
 - r. Adoption of Conflicts of Interest and Ethics Policy for Members of the Board of Trustees
 - s. Authorization Voluntary Participation in Purchasing Program through the Texas Building and Procurement Commission
 - t. Approval of Administration of Pool Claims by a licensed Third Party Administrations
 - u. Authorization of Bank signatories to take action on Bank Accounts
 - v. Authorization the Pool to pay Health Savings Account, Health Reimbursement Arrangement, and Flexible Spending Accounts claims*
 - w. Designate Executive Director to satisfy public information act training requirements
- B. Alliance Relationship (Tab F)**
- 1. PEBA
 - a. National Purchasing Cooperative Due Diligence
 - b. On-Line Enrollment Request for Proposal
 - c. Long Term Care Proposal
 - d. Dental Proposal
 - 2. Workflow Disruption
 - 3. UMR
 - a. Phase III ~ as of the end of April – 641.75 IT hours remaining
 - b. Financial Errors
 - c. Workflow Discussion
 - 4. TML IEBP's Direct Relationships
- C. Preferred Provider Network Information Oct – Feb 2008 (Proprietary Information Packet)**
- 1. Network Savings
 - 2. iCES Savings
 - 3. South Texas/Taylor County
 - 4. Direct Contracting
 - 5. East Texas
 - 6. Wichita Falls Area
- D. Pharmacy Benefit Manager Overview (Tab G) (Proprietary Information Packet)**
- E. Underwriting Year to Date Overview (Tab H)**
- F. Group Individual Choice Plans (Tab I)**
- 1. Plan Overview
 - 2. Factor Overview
 - 3. TMC Plan
 - 4. Retiree Reimbursement Account
- G. Competitive Proposal Timeline (Tab J)**
- H. Healthy Initiative HealthPlan (Tab K)**
- 1. Oct-April
 - 2. Prochaska Lifestyle of Change Update
 - 3. Co-morbidity Discussion
 - 4. Health Risk Appraisal Report/Risk Factors

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5. TML IEBP statistics
 6. Disease Management Communication Statistics
 7. Bariatric Overview
 8. Incentive Benefit Update
 9. Non-FDA Approved Prescriptions
 - I. Stop Loss (**Tab L**)
 1. TML IEBP's appeal to denied claim
 2. TML IEBP Contract Rebuttal
 - J. Technology Update (**Tab M**)
 1. Milliman Update
 2. HP Retirement
 - K. HIPAA Security Risk Assessment (**Tab N**)
 - L. Claim Financing/Strategic Action Plan Update (**Tab O**)
 - M. Provider Billing Trends (**Tab P**)
 1. HealthSmart Update
 2. Provider Appeals
 3. Provider Legal Correspondence
 - N. Member Communication (**Tab Q**)
 1. Service/ Benefits
 2. Go Green
 - O. Legislative Counsel Report (**Tab R**)
 - P. Legal Counsel Report
 - Q. Staff Reports
 1. Business/Investment ~ Jerry Greer
 2. Human Resources ~ Sandra Turner
 3. Member Services ~ Andy Rainosek
 4. Marketing ~ Brett Bowers
 5. In-House Counsel ~ Scott Wilson
 - R. Board Succession Planning (**Tab S**)
 1. TML IEBP Trust Document regarding establishment and composition of Board of Trustee
 2. Trustee Committee Structure
 3. Trustee Appointed Positions
 4. 2008 Elections
 - S. Personnel (**Personnel Packet**)
 1. TML IEBP Succession Planning
 2. TML IEBP Grievance Policy and Complaint Review
 3. Market Based Management
 4. Executive Director's Performance Review
- V. **Action Items**
- A. TML IEBP Board will take action on the Nominating Committee recommendation.
 - B. TML IEBP Board will take action on the Budget/Audit and Finance/Investment recommendation.
 - C. TML IEBP Board will take action on the Underwriting Committee recommendation.
 - D. TML IEBP Board will take action on the 2008-2009 Executive Policy and Procedures recommendation.
 - E. TML IEBP Board will take action on the Alliance Relationship recommendation.
 - F. TML IEBP Board will take action on the Pharmacy Benefit Manager Network recommendation.
 - G. TML IEBP Board will take action on the Provider Network recommendation.

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- H. TML IEBP Board will take action on the Pharmacy Benefit Manager Overview recommendation.
- I. TML IEBP Board will take action on the Competitive Proposal recommendation.
- J. TML IEBP Board will take action on the Healthy Initiative HealthPlan recommendation.
- K. TML IEBP Board will take action on the Stop Loss recommendation.
- L. TML IEBP Board will take action on the Technology Update recommendation.
- M. TML IEBP Board will take action on the HIPAA Security Risk Assessment recommendation.
- N. TML IEBP Board will take action on the Claim Financing recommendation.
- O. TML IEBP Board will take action on the Provider Billing Trends recommendation.
- P. TML IEBP Board will take action on the Member Communication recommendation.
- Q. TML IEBP Board will take action on the Legislative Liaison report.
- R. TML IEBP Board will take action on the Legal Counsel report.
- S. TML IEBP Board will take action on the Staff report recommendation.
- T. TML IEBP Board will take action on the Board Succession Plan recommendation.
- U. TML IEBP Board will take action on the Personnel recommendation.
- V. TML IEBP Board will take action on the Executive Director's evaluation.

VI. **Staff Reports**

- A. **Executive Director (Executive Session Packet Oct-April)**
 - 1. 7 Months Medical, Dental, Vision
 - 2. 7 Months Claims over \$35,000, \$125,000 and \$250,000
 - 3. 7 Months Claims Paid and Adjusted
 - 4. 7 Months Plan Design Loss Ratio
 - 5. 7 Months Dollars and \$ of savings per TML Region
 - 6. 7 Months Average cost per Employee and Dependent 2006-2007
- B. **Business/Administrative Services (Tab T)**
 - 1. Accounting Overview
 - 2. 7 Months Statement of Revenues and Expenses
 - 3. 7 Months of Balance Sheet
 - 4. 7 Months of Cost Allocations
- C. **Investment Report (Tab U)**
 - 1. Pool's growth attributable to each Money Manager
 - 2. Collection Efforts/Run-In and Run-Out Payment Update
 - 3. Transition of Funds
- D. **Human Resources (Tab V)**
- E. **Member Services (Tab W)**
 - 1. Member Service Team Overview
 - 2. Telephone Service Goals
 - 3. Turnaround Time Goals
 - 4. Quality Management
 - 5. Medical Management
 - 6. Information Systems/Web Site Access/IS Security Update
- F. **Marketing/Benefit Services (Tab XYZ)**
 - 1. Net Membership Overview
 - 2. Proposal Overview
- G. **In-House Counsel (Executive Session Packet)**
 - 1. Overview
 - 2. Right of Recovery

VII. Organizational Items (Part II)

- A. 2008 Meeting Sites
 - 1. September 25-26, 2008 Four Seasons, Las Colinas, Texas
- B. 2009 Meeting Sites
 - 1. January 29-30, 2009 San Antonio, Texas (IRP 01/23-24 El Paso)
 - 2. April 23-24, 2009 Lost Pines, Texas (IRP 04/25-26 South Padre)
 - 3. June 25-26, 2009 South Padre Island, Texas (TCMA 06/27-29 Arlington)
 - 4. September 24-25, 2009 Las Colinas, Texas (TMHRA 09/13-14 Dallas)
- C. 2010 Meeting Sites
 - 1. January 28-29, 2010 The Woodlands, Texas
 - 2. April 29-30, 2010 Possum Kingdom, Texas
 - 3. June 24-25, 2010 South Padre Island, Texas
 - 4. September 23-24, 2010 Las Colinas, Texas
- D. TML Annual Conference
 - 1. 96th Annual Conference and Exhibition October 28-31, 2008
 - a. Henry B. Gonzalez Convention Center, San Antonio, Texas
 - b. Risk Pool Breakfast October 30, 2008, 7:30-8:45 a.m.
 - c. TML IEBP's Education Session "Healthcare in the Election Year" on October 30, 2008 from 3:30-4:45 p.m.
 - 2. October 21-23 2009 – Fort Worth, Texas
 - 3. October 27-29 2010 – Corpus Christi
- E. NLC-RISC Meetings
 - 1. November 5-8, 2008 Nashville, TN: *STAFF*
 - 2. May 2-9, 2009 Louisville, KY: *TRUSTEES*
 - 3. October 20-23, 2009 New Orleans: *STAFF*
 - 4. May 6-10, 2010 Location TBD: *TRUSTEES*
 - 5. October 26-29, 2010 Nashville, TN: *STAFF*
- F. TML Board Meetings
 - 1. November 7, 2008 Dallas
- G. TML IRP Board Meetings
 - 1. January 23-24, 2009 El Paso
 - 2. April 25-26, 2009 South Padre Island
- H. TCMA
 - 1. June 27-29, 2009 Arlington
 - 2. October 21-23, 2009 Fort Worth
- I. TMHRA
 - 1. February 13-15, 2009 Galveston
 - 2. May 21-23, 2009 South Padre Island
 - 3. September 13-14, 2009 Dallas

VIII. Adjourn

The Board of Trustees of the TML Intergovernmental Employee Benefits Pool reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.074 (Personnel Matters) and 551.0785 (Deliberations Involving Medical or Psychiatric Records of Individuals).