D R A F T
SCOTT COUNTY SCHOOL BOARD
MINUTES OF SPECIAL MEETING
Friday, June 15, 2012

The Scott County School Board met in a special meeting on Friday, June 15 at 6:30 p.m. in the School Board Office Conference Room in Gate City with the following members present:

James Kay Jessee, Chairman
William "Bill" R. Quillen, Jr., Vice Chairman
Jeffrey "Jeff" A. Kegley
Gail L. McConnell
L. Stephen "Steve" Sallee, Jr.
Herman "Kelly" Spivey, Jr.

ABSENT: None

OTHERS PRESENT: John I. Ferguson, Division Superintendent; Will Sturgill, School Board Attorney; K.C. Linkous, Human Resource Manager/ Deputy Clerk; Suzanne Goins, Virginia Professional Educators; Lee Roy Sanders School Bus Driver; Mike Lane, Nickelsville Elementary Principal and Health Insurance Committee Member, Angie Vermillion, Medicaid Coordinator and Health Insurance Clerk and Alan Bayse, Insurance Consultant.

CALL TO ORDER: Mr. James Kay Jessee, Chairman, called the meeting to order at 6:30 p.m. and welcomed everyone in attendance. He asked the audience to observe a moment of silence and then asked the audience to cite the *Pledge of Allegiance.*

DISCUSSION/APROVAL OF HEALTH & DENTAL BENEFIT PLANS FOR THE 2012-2013 SCHOOL YEAR: Superintendent Ferguson introduced Mr. Alan Bayse, Scott County Schools Insurance Consultant and asked him to present his recommendations on the Scott County Schools Health Insurance Plan for the 2012-2013 year.

Mr. Bayse presented a power point presentation on the results of negotiations for the school health insurance that took place June 6, 2012. The recommendation was to go with the Third Party Administer, MedCost, from North Carolina. Mr. Bayse explained that MedCost has a top notch network which consists of Highlands Wellmont, Mountain States (MSHA), and the Virginia Health Network (VHN). Mr. Bayse also stated that MedCost's administration fees were $68,254 less than the current carrier Anthem and that MedCost has agreed to waive the first months fees of $9,800 and also give the school system a two year rate guarantee on these fees (except for the reinsurance which is based on the usage of large claims). Mr. Bayse also made the recommendation to change our Pharmacy Plan to the following:

Retail- 31 Day Supply
$4 Rx – Free
Tier 1 (Generic) $10 copay ($5 less than the current plan)
Tier 2 (Formulary Brand) Greater of 30% or $30 **
Tier 3 (Non Formulary Brand) Greater of 40% or $40**
Tier 4 (Speciality/Injectibles) Greater of 50% or $50**
**$300 member maximum

Mail Order
Tier 1 (Generic) $20 copay ($10 less than the current plan)
Tier 2 (Formulary Brand) Greater of 30% or $60***
Tier 3 (Non Formulary Brand) Greater of 40% or $80***
Tier 4 (Speciality/Injectibles) Greater of 50% or $50***
***$600 member maximum

Also in an effort to save money, Mr. Bayse recommended that we have a separate plan for Vision and Dental. Mr. Bayse recommended Corvesta which has agreed to manage both plans for less than what we are currently paying just for dental. Mr. Bayse stated that the dental benefits will remain the same as the

current plan. There will be no network for the vision and dental plans, members can see whomever they choose. An outline of the vision plan is below:

VISION

Needs:

1) Simplistic Plan
2) Eliminate Limited Network (Open Network)
3) Keep Program Within Current Financials
4) Simple Access to Funds
5) Quality Low Cost Provider

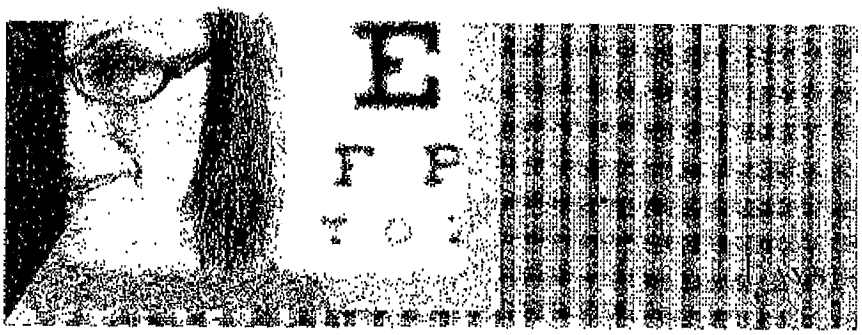
Benefits:

Covered Service	Payment
Routine Eye Exam	Pays up to $75*
Frames	Pays up to $100*
Lenses + Upgrades	Pays up to $100*

NOTE: If you elect contact lenses instead of eyeglasses, you may receive an allowance towards the cost of a supply of contact lenses.

Standard Contact Lens Fitting	Pays up to $50*
Contact Lenses	Pays up to $100/yr

*Once every two years only.



Mr. Bayse finished the presentation by stating that Scott County Schools is grossly underfunded on the medical. He stated that the overall shortage is broken down as follows:

Overall Shortage:

Employee Only	15.78 x 188 x 12 = 35,599.68
Employee + Child(ren)	251.09 x 73 x 12 = 219,954.84
Employee + Spouse	265.06 x 88 x 12 = 279,903.36
Employee + Family	279.55 x 73 x 12 = 244,885.80

Total Shortage Below Maximum = $780,343.68

Mr. Bayse stated that while there are some negatives, there also are some positives. Positives being network savings, better information, and a health plan plus prescription plan with responsibility. Mr. Bayse explained that after the first six months, the pharmacy rebates will start being returned to Scott County Schools Health Plan which will help the insurance fund build.

APPROVAL OF HEALTH INSURANCE CARRIER: Superintendent Ferguson recommended that we accept Mr. Bayse's recommendation of MedCost as Scott County Schools Health Insurance Carrier for the 2012-2013 year. On a motion by Mr. Spivey, seconded by Mr. Kegley, all members voting aye, the Board approved MedCost as Scott County Schools Health Insurance Carrier for the 2012-2013 year.

APPROVAL OF VISION/DENTAL PLAN: Superintendent Ferguson recommended that the Board approve Corvesta as the Scott County Schools Vision/Dental Carrier for the 2012-2013 year. On a motion by Mr. Quillen, seconded by Mr. McConnell, all voting aye, the Board approved Corvesta as the Scott County Schools Vision/Dental Carrier for the 2012-2013 year.

Superintendent Ferguson recommended that the Scott County Schools Bus Drivers be allowed to participate in the Vision/Dental Plan. On a motion by Mr. Sallee, seconded by Mr. Kegley, all voting aye the Board approved Scott County Schools Bus Drivers be allowed to participate in the Vision/Dental Plan for the 2012-2013 year.

APPROVAL OF HEALTH AND VISION/DENTAL RATES: Superintendent Ferguson recommended that the board table the approval of the health insurance and vision/dental insurance rates until the July meeting. On a motion by Mr. Quillen, seconded by Mr. Kegley, all voting aye the Board approved tabling the Health and Vision/Dental Insurance Rates until the regular meeting in July.

ADJOURNMENT: On a motion by Mr. Kegley, seconded by Mr. Quillen, all members voting aye, the board adjourned at 7:55 p.m.

James Kay Jessee, Chairman

K.C. Linkous, Deputy Clerk