

**SOUTHWEST HEALTH AND HUMAN SERVICES  
GOVERNING BOARD**

**MINUTES**

Date:	September 25, 2013	Open:	8:00 am
Place:	Health Services Conference Room - Second Floor Marshall, Minnesota	Adjourned:	8:57 am

The special meeting of the Governing Board of Southwest Health and Human Services was held on Wednesday, September 25, 2013 in the Health Services Conference Room of the Lyon County Government Center at 607 West Main Street in Marshall, Minnesota. The meeting was called to order by Chairperson Ritter. The Pledge of Allegiance was said.

Members present:

- Pam VanOverbeke
- Sharon Hollatz
- Priscilla Klabunde
- Rick Anderson
- Bob Moline
- Stephen Ritter
- Ron Boyenga
- Bob Jarchow
- Gerald Magnus
- Butch Miller
- Joan Jagt
- Curt Blumeyer

Members absent:

- William Johnson
- Al Kokesch
- Carol Ann Flahaven
- Jeane Anderson
- Richard Bakken
- Marvin Tinklenberg
- Lois Schmidt

Guests:

- Bill Toulouse – Legal Counsel
- Loren Stomberg – Lyon County Administrator

Staff:

- Nancy Walker
- Chris Sorensen
- Karla Drown
- Carol Biren
- Ardis Henriksen

Director Sorensen stated that at the regular monthly meeting on September 18, 2013 action was taken by the Board regarding the letter of termination to the SW/WC Services Coop. The Board has before them the information which was received from the SW/WC Service Coop about the ability to rescind a letter of intent to terminate membership stating that the action could be rescinded by October 25, 2013. Director Sorensen reported that the Preferred One rate for SWHHS and Swift County had been brought into line with the rate provided for all of the other entities in the counties insurance benefit study group. Since the day of the regular monthly meeting he has met with the Executive Director of the Service Coop, Cliff Carmody and the Senior Director of Risk Management Services, Doug Deragish to discuss the situation that has led to the proposed termination of membership at the Services Coop. Mr. Carmody stated that he regrets that this meeting had not been held at an earlier date. They also stated that an entity must have two (2) years of negative claims to get a refund.

Director Sorensen stated that the decision at this meeting is to determine whether or not to send the letter with the right to rescind until October 25, 2013. Moline stated that the Murray County Board had decided to leave the Coop at their meeting on the previous day. Miller asked how long the agency has paid for family coverage and was told that it has been done for many years. Director Sorensen reminded the Board that there it is not a big issue if you are out of the state and need health care because Preferred One is underwritten by Cigna, which is nationwide. It would ultimately be the responsibility of the group to monitor the system for any hitches. Director Sorensen stated that the contract would be year to year but that Amy Diedrich with Marsh & McLennan Agency had made the recommendation to stick with any plan for at least a couple years. The rate driver is not necessarily the level of claims but what the agency does to promote wellness. Director Sorensen said that he had asked the Service Coop if they pay down risk and they do not.

Loren Stomberg, Lyon County Administrator, stated he is recommending that Lyon County move forward. Jarchow asked for a breakdown of the advantages and disadvantages of making the change. The list of advantages: transparency; control of data; knowing where claims are; ability to control the plan; a small amount built into the premium for wellness and Preferred One has offered to put up \$5,000 for a wellness program; the employees will monitor their own wellness because they want to see a personal savings and disadvantages: more risk going out of the Coop (but you can manage the risk with the stop-loss); Coop has a larger pool; and we will not get the true value of what the group saved.

Chairperson Ritter asked what the Board wished to do in relation to sending the letter to terminate membership at the SW/WC Service Coop. Motion by Klabunde and second by Anderson: To authorize Director Sorensen to send a letter to the SW/WC Service Coop stating that it is the intention of SWHHS to terminate our membership with them, but that we retain the ability to rescind that termination until October 25, 2013. The motion carried with no votes from Boyenga and Jarchow.

Chairperson Ritter adjourned the meeting at 8:57 pm.

Approved \_\_\_\_\_ Date

Authorized \_\_\_\_\_  
Chairperson, SWHHS Governing Board

\_\_\_\_\_  
Secretary, SWHHS Governing Board

Attest: \_\_\_\_\_  
Director