



## BENEFITS COMMITTEE MINUTES

October 4, 2006

A meeting of the Benefits Committee was held on Wednesday, October 4, 2006, at 3:00 p.m., in SU-18.

**A. Call to Order**

John Tortarolo called the meeting to order at 3:00 p.m.

**B. Roll Call**

**Members Present:** Yvonne Anderson, Elaine Armstrong, Ruth Barnaba, Theo Brockett, Dr. Bonnie Dowd, Jo Anne Giese, John Goldsworthy, Sherry Gordon, Lee Hoffmann, Nancy Horio, Cheryl McCarron, Shannon Lienhart, Jean Ruff, Dr. Omar Scheidt, John Tortarolo

**Ex-Officio Members Present:** Brian Vivian (JPA), Victoria de la Torre (JPA) Lucy Nelson

**Members Absent:** Dr. Roy Archer, Jim Bowen, Dave Forsyth, Shirley Morgan, Dr. Rocco Versaci (on leave)

**Ex-Officio Members Absent:** None

**Guests:** Carol Davidson, Kaiser Permanente

**C. Minutes**

Minutes from the May 3, 2006 meeting will be discussed and approved at the November meeting.

**D. Old Business**

None.

**E. New Business**

1. Brian distributed the "Rolling 12's" and answered questions. With a cumulative loss ratio of 107%, it is anticipated that the PPO will incur a significant rate increase in 2006-2007. Prescription drugs now represent 30% of claims costs. He reiterated again the need for a change in the prescription drug program. He also presented a brief recap on current high dollar claims.

2. Brian also presented the rate renewal figures for 2007 and information on how the calculations were done. The PPO will increase by 22.7% and Kaiser will increase by 7.1%. The two dental plans and the vision plan will also increase by single-digit percentages.

3. Carol Davidson, the Kaiser Permanente account representative, made a presentation regarding how Kaiser does business and how they calculate their rates. She indicated that next year they will change from an adjusted community rating to one based on utilization. She discussed the new Part Time Faculty Plan and went over some of the details. This is referred to as a "deductible plan", although the deductible actually applies primarily to hospitalization. Office visits have a co-pay that does not go toward the annual deductible.

She also discussed the group plan for active employees and made a comparison between the Palomar College plan and plans at other schools in southern California. The Palomar College plan has a zero dollar copay while other schools have copays ranging from \$10 to \$15. If we were to implement such a plan, the savings could range from 2% to 5% or more, possibly allowing us to avoid or postpone future

premium increases. Additional savings could be realized by implementing a two-tier prescription drug plan.

4. There was some discussion on the retiree benefit which is available but not commonly used where Palomar College would pay an amount equal to one-half the cost of the Kaiser premium toward a supplemental program such as Blue Cross.

5. A request was made for comparative information on the out of pocket costs of the PPO and Kaiser. Since the PPO has a coinsurance rather than a copay, this might be a bit difficult to quantify. Brian offered to put together some representative costs for this purpose.

F. **Adjournment**

There being no further business, the meeting was adjourned at 3:40 p.m.

**Next Meeting: Wednesday, November 1, 2006 (SU-18)**