



BENEFITS COMMITTEE MINUTES

November 1, 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 3:03 p.m.

B. Roll Call

Members Present: Yvonne Anderson, Dr. Roy Archer, Elaine Armstrong, Theo Brockett, Dr. Bonnie Dowd, Jo Anne Giese, 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: Ruth Barnaba, Jim Bowen, Dave Forsyth, John Goldsworthy, Lee Hoffmann, Nancy Horio, Shirley Morgan, Dr. Rocco Versaci (on leave)

Ex-Officio Members Absent: None

Guests: Bassam Hattar (Express Scripts), Ben Skoog (Express Scripts), Becky McCluskey, Maggie Beauchamp (JPA)

C. Minutes

Minutes from the October 4, 2006 meeting were approved. Minutes from the May 3, 2006 meeting will be discussed and approved at the December meeting.

D. Old Business

None.

E. New Business

1. Brian distributed the "Rolling 12's". The cumulative loss ratio of 106% is slightly improved; however, another large claim has been presented which will likely increase the ratio next month. Prescription drugs are still too high a percentage of total claims costs.

2. Mr. Hattar, Account Director at Express Scripts (ESI) presented a Strategic Planning Session regarding the prescription drug plan that is associated with the PPO medical plan. Dr. Skoog, Senior Clinical Program Manager, explained the difference between generic and brand drugs and gave information on how generics can be effectively used in treatment rather than more expensive brands. Mr. Hattar demonstrated the differences between the Palomar College plan and other accounts represented in ESI's book of business. Palomar's per member per month costs are currently double the costs of all other accounts in their book of business. Another startling statistic is that Palomar employees currently pay only 1.5% of Preferred Brand costs when using mail order, and 6.5% at retail. A co-pay analysis of 30-day retail and 90-day mail order prescriptions showed significant savings of a quarter million dollars with an increase to approximately 16% member cost. Other comparative plans with even greater savings were also shown. Another suggested change is to eliminate the 500-dose prescription to avoid stockpiling. As an example, in certain cases a one-year supply of a drug could be obtained for \$5.00.

John Tortarolo pointed out that this is part of the education process this year, as any changes will have to be negotiated with the various constituent groups. However, the double digit premium increases of recent years will continue to be a factor, one which we cannot ignore.

F. Comments/Discussion

Bonnie Dowd had expected to present an update to a retiree health benefits actuarial study that had been done a year or so ago. This is in connection with future funding of retiree benefits. Due to a lack of time, this item is tabled until next month.

A request from a retiree had been sent through the PACRA representatives. Again, a lack of time requires that this be put on the agenda for December.

G. Adjournment

There being no further business, the meeting was adjourned at 4:03 p.m.

Next Meeting: Wednesday, December 6, 2006 (SU-18)