



BENEFITS COMMITTEE MINUTES

December 6, 2006

A meeting of the Benefits Committee was held on Wednesday, December 6, 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, Ruth Barnaba, Theo Brockett, Dave Forsyth, Jo Anne Giese, John Goldsworthy, Sherry Gordon, Nancy Horio, Cheryl McCarron, Jean Ruff, Dr. Omar Scheidt, John Tortarolo

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

Members Absent: Jim Bowen, Bonnie Dowd, Lee Hoffmann, Nancy Horio, Shannon Lienhart, Shirley Morgan, Dr. Rocco Versaci (on leave)

Ex-Officio Members Absent: None

Guests: Mike Dimmick, Becky McCluskey, Maggie Beauchamp (JPA)

C. Minutes

Minutes from the May 3 and November 1, 2006 meetings were approved, noting a correction to the November minutes that Sherry Gordon was absent.

D. Old Business

None.

E. New Business

1. Brian distributed the "Rolling 12's". The cumulative loss ratio has moved up to 108%. Drug costs in particular are spiraling upward, nearly \$200,000, and represent 30% of total claims costs. Brian emphasized once again the need to contain drug costs before they negatively impact the plan. Some discussion followed regarding the presentation last month by Express Scripts. John suggested that this topic be revisited in February, and in the meantime additional copies of the ESI handouts will be obtained and distributed to those members who were absent last month and wish to have a copy.

A question was asked regarding stop loss recoveries. Brian has that information and will provide it for the next meeting.

2. Brian and Victoria made a presentation on the Self-Funded PPO Plan, including the highlights of the plan, comparisons to other Districts using a self-funded plan, and outlining suggestions for cost containment. This is considered a very rich plan by comparison, with low deductibles, copays and out of pocket caps which likely could not be duplicated in today's market. Information was presented on various plan designs, such as employee premium sharing and related rate tiers, increased deductibles, increased copays and/or increased out of pocket caps. Again John reiterated that this presentation is part of the education process this year and that the Benefits Committee members should inform their respective constituent groups of the information presented.

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. As Dr. Dowd was unable to be present, this item is tabled until the next meeting.

John mentioned two articles in today's news (*Union Tribune* and *North County Times*) regarding the health benefits currently provided for San Diego County retirees, and the efforts of San Diego County to contain those costs. He mentioned that their annual accrual for future health benefits is around \$60 million, compared to our current accrual of \$2 million.

An article from the news last month was distributed regarding The Leap Frog Group and their research on hospitals in America. This group rated the hospitals on various factors including quality and safety. Of 59 hospitals across America rated worthy of the designation, only one from San Diego County made the list: Kaiser Permanente (Zion), a distinct honor for Kaiser.

It has been requested that a full list of the Districts who have self-funded PPO plans through the FBC be provided, along with the premiums paid for those plans. Brian agreed to provide that information for the next meeting.

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 February.

G. Adjournment

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

Next Meeting: Wednesday, February 7, 2007 (SU-18)