



BENEFITS COMMITTEE MINUTES

March 7, 2007

A meeting of the Benefits Committee was held on Wednesday, March 7, 2007, 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, Jim Bowen, Theo Brockett, Ken Burns, Dave Forsyth, Sherry Gordon, Dr. Enrique Herrera, Lee Hoffman, Nancy Horio, Cheryl McCarron, Sandy Nanninga, Jean Ruff, Dr. Omar Scheidt, John Tortarolo, Dr. Rocco Versaci

Ex-Officio Members Present: Lucy Nelson, Brian Vivian (JPA), Maggie Beauchamp (JPA)

Members Absent: Ruth Barnaba, Dr. Bonnie Dowd, Jo Anne Giese, John Goldsworthy

Ex-Officio Members Absent: Victoria de la Torre (JPA)

Guests: Rosa Aguayo, representing Delta Dental.

C. Minutes

Minutes from the February 7, 2007 meeting were approved with one addition as follows:

F. Comments/Discussion, second paragraph: "...an out of state provider is not under contract and has no obligation to write off the excess costs as a contracted provider would. We have no out of state contracted providers. Use of out of state providers may result in higher costs to the retiree." ...

D. Old Business

None.

E. New Business

1. Brian Vivian distributed the "Rolling 12's". The cumulative loss ratio for the PPO continues at 105%. Actual claims for January were at 86%, but he stated that the drop is probably due to the higher premiums starting in January that offset claims cost. The prescription drug costs continue at close to one-third of the total claims costs. The dental and vision ratios are at more acceptable levels.

2. John Tortarolo discussed a Dependent Audit Verification (DAV), indicating that in May we will have a presentation from an external provider of this type of service. An audit of this nature has been proven to ultimately reduce claims costs by reviewing the current status of all enrolled dependents and making corrections wherever necessary. Claims costs have typically been reduced by 2% - 4% for those Districts employing this tool.

3. Rosa Aguayo, Account Manager for Delta Dental, presented information on the two dental plans currently in place. This included information on how the plans are designed, how the networks interface with each other, and data on some of the most common procedures. Our \$1,500 annual maximum places us with 29.6% of all groups; clearly above 36.5% of groups with only \$1,000 annual maximum. She also indicated that only 4.9% of plan users max out their benefit each year, while only 5% - 6% use a non-network dentist. With an aging population, greater longevity, and advances in

technology, there is a greater need to consider options now to protect the benefits. Some options for consideration would be to convert the Delta Premier Incentive Plan to a PPO Incentive Plan, or add deductibles. Along with such changes, other plan changes might include increasing the number of cleanings per year or possibly including implants.

F. Comments/Discussion

There was a brief discussion on Medicare Part D, the prescription drug benefit. Our employees, their dependents, and our retirees who are Medicare-eligible and enrolled in the PPO are cautioned not to enroll in any plan connected with this program as it will negate the prescription drug benefit which is qualified as being equal to or greater than the Medicare plan. Those in the Kaiser plan will enroll in Senior Advantage with no problem as the benefit is built into our premium costs.

G. Adjournment

There being no further business, the meeting was adjourned at 3:50 p.m.

Next Meeting: Wednesday, April 4, 2007 (SU-18)