



**BENEFITS COMMITTEE**  
*MINUTES*

April 4, 2007

A meeting of the Benefits Committee was held on Wednesday, April 4, 2007, at 3:00 p.m., in SU-18.

**A. Call to Order**

Nancy Horio called the meeting to order at 3:05 p.m.

**B. Roll Call**

**Members Present:** Yvonne Anderson, Elaine Armstrong, Ken Burns, Dave Forsyth, Lee Hoffman, Nancy Horio, Cheryl McCarron, Sandy Nanninga, Dr. Omar Scheidt

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

**Members Absent:** Ruth Barnaba, Jim Bowen, Theo Brockett, Dr. Bonnie Dowd, Jo Anne Giese, John Goldsworthy, Sherry Gordon, Enrique Herrera, Jean Ruff, John Tortarolo, Dr. Rocco Versaci

**Ex-Officio Members Absent:** Victoria de la Torre (JPA), Maggie Beauchamp (JPA)

**Guests:** Carla Haynal, representing VSP.

It was determined that there were an insufficient number of attendees to constitute a quorum. However, the committee proceeded with the agenda in the absence of a quorum.

**C. Minutes**

Minutes from the March 7, 2007 meeting were approved.

**D. Old Business**

None.

**E. New Business**

1. Brian Vivian distributed the "Rolling 12's". The loss ratio for the PPO has dropped to 82% for February with a cumulative ratio of 104%. The drop is probably due to a short month in February and will likely rise when March is factored in. The prescription drug costs have also dropped slightly to approximately 27%.

2. Carla Raynal, Senior Account Executive for VSP, presented information on the vision plan currently in place. Approximately 75% of all employers provide a vision plan for their employees. This number is expected to rise to around 86% within the next few years. This is largely due to an aging population, increased computer use and is now more of an expected benefit in many organizations. VSP is a not-for-profit organization, founded in 1955, with 50 million members. In addition to providing standard vision services, they have focused on providing regular eye care to underprivileged children, and have undertaken an educational initiative through a diabetic awareness program. Raising awareness about the importance of annual eye exams provides more effective care and manages healthcare costs. The estimated savings in health care costs for a managed diabetic vs. an unmanaged diabetic is \$4,000. With diabetes becoming an ever increasing medical problem, managed eye care will be a plus for our medical claims.

Ms. Raynal presented some plan design options to help reduce costs. Changing plan frequency (i.e., frames every 24 months instead of the current 12 months) would result in a 20% decrease. Moving to a slightly smaller network of providers might save 15-20%. Adding copays ranging from \$10 - \$25 would net anywhere from 11% to 25% decrease in premium. At the same time, such changes might be made more palatable by adding one or more of the top three cosmetic options not currently covered, such as anti-reflective coatings, progressive or polycarbonate lenses, at an increase of 6% -16% of premium.

**F. Comments/Discussion**

There was a discussion about providing vision coverage for retirees. A request was made for a study to be done on this subject, and will be put on the agenda for the May meeting.

The question was raised on how soon information would be provided regarding out of state PPO networks for retirees. It was reiterated that this information would not be available before October.

**G. Adjournment**

There being no further business, the meeting was adjourned at 3:45 p.m.

**Next Meeting: Wednesday, May 2, 2007 (SU-18)**