



## BENEFITS COMMITTEE MINUTES

March 5, 2008

A meeting of the Benefits Committee was held on Wednesday, March 5, 2008, at 3:00 p.m., in SU-18.

**A. Call to Order**

Debbie Allen, Director, Human Resource Services, called the meeting to order at 3:05 p.m. She introduced herself to the Committee and asked the Committee members to introduce themselves.

**B. Roll Call**

**Members Present:** Yvonne Anderson, Jim Bowen, Theo Brockett, Ken Burns, Dave Forsyth, Lee Hoffmann, Cheryl McCarron, Sandy Nanninga, Jean Ruff, Dr. Omar Scheidt

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

**Members Absent:** Elaine Armstrong, Ruth Barnaba, Dr. Andrea Bell, Dr. Bonnie Dowd, John Goldsworthy, Enrique Herrera, John Tortarolo, Dr. Rocco Versaci

**Ex-Officio Members Absent:** None

**Guests:** Becky McCluskey (CCE/AFT), Linda Turley (Kaiser Permanente), Carol Davidson (Kaiser Permanente)

**C. Minutes**

Minutes from the December 5, 2007 meeting were approved.

**D. Old Business**

Ken Burns brought up the subject of retiree vision coverage again. He acknowledged an inability to locate any files on the subject from previous administrations. Debbie Allen suggested that in the absence of any old information, the Committee should postpone discussion until another time.

**E. New Business**

1. Brian Vivian distributed and discussed the "Rolling 12's". The cumulative paid loss ratio for the PPO is currently at 92% with the month of January posting at 115%. We are continuing to experience several very high claims. In addition, the February claims are behind in processing. Prescription drugs continue at a high level, and Brian reminded the Committee of an approximate \$500,000 in savings which would be realized with a relatively small plan redesign. The dental plans reflect the results of five weeks worth of claims, slightly higher than usual at 101% and 105% for the month of January.

Some discussion followed regarding the new provider network in the PPO plan. The new network has negotiated deeper discounts with providers, but it is too early to tell if this change will result in significant savings to the plan. The FBC continues to solicit contracts with out of network providers being utilized by employees and retirees.

2. Carol Davidson and Linda Turley, representing Kaiser Permanente, presented very detailed information regarding how the rate renewals were calculated. These plans are fully insured as opposed to being self-funded. The part time faculty plan, based on a group size of 1 – 499 members, is calculated on a manual rating as there isn't enough claims information on which to determine a rate. The manual rate is based on demographics due to low census and lack of claims experience. The active employee plan, covering a much larger membership, is strictly based on claims utilization. Plan designs were presented, incorporating small changes which, if implemented, would considerably reduce the premium costs.

Some discussion followed on combining the two groups into one pool for the purpose of rate renewals, with no clear answers immediately available. Such a possibility would require a great deal more research and discussion.

F. **Adjournment**

There being no further business, the meeting was adjourned at 4:05 p.m.

**Next Meeting: Wednesday, April 2, 2008 (SU-18)**