



BENEFITS COMMITTEE MINUTES

May 2, 2007

A meeting of the Benefits Committee was held on Wednesday, May 2, 2007, at 3:00 p.m., in SU-18.

A. Call to Order

The meeting was called to order at 3:05 p.m.

B. Roll Call

Members Present: Yvonne Anderson, Elaine Armstrong, Ken Burns, Dave Forsyth, Jo Anne Giese, John Goldsworthy, Enrique Herrera, Lee Hoffman, Jean Ruff, John Tortarolo, Dr. Rocco Versaci

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

Members Absent: Ruth Barnaba, Jim Bowen, Theo Brockett, Dr. Bonnie Dowd, Sherry Gordon, Cheryl McCarron, Sandy Nanninga, Dr. Omar Scheidt

Ex-Officio Members Absent: None

Guests: Laura Gower and Sarah Pence, representing American Fidelity.

C. Minutes

Minutes from the April 4, 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 59% for March with a cumulative ratio of 96%. However, there are some large claims on the horizon which will likely raise this figure next month. The prescription drug costs of \$181,698 are nearly equal to the medical claims of \$200,432, which is not a good ratio. Dental claims picked up in March, although the cumulative ratios remain acceptable.

2. John Tortarolo reviewed the need for a Dependent Audit Verification, indicating that it was a recommendation from our auditors. There is evidence that such audits performed by other school districts have resulted in premium reductions of 2-4%. The goal of Palomar College is to maintain the highest level of benefits at an affordable cost, and any savings realized will assist in meeting this goal. Laura Gower, Western Region Vice President for American Fidelity Assurance Company, then provided information about an audit, including endorsements from other school districts. She explained the process in detail and stressed the confidential nature of their work and their non-confrontational approach. The Committee is asked to provide feedback on the proposed announcement letter and verification form within the next month or so.

F. Comments/Discussion

In follow-up to a discussion from last month's meeting regarding vision coverage for retirees, John Tortarolo indicated that whether or not this benefit might be added would depend on the overall structure and cost of all benefits next year. Any changes to the benefits plans would have to be negotiated by the District and the representative unions.

G. Adjournment

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

Next Meeting: Wednesday, September 5, 2007 (SU-18)