



## **BENEFITS COMMITTEE** *MINUTES*

February 3, 2010

A meeting of the Benefits Committee was held on Wednesday, February 3, 2010, at 3:00 p.m., in SU-18.

**A. Call to Order**

John Tortarolo called the meeting to order at 3:02 p.m.

**B. Roll Call**

**Members Present:** Sheila Atkins, Dr. Andrea Bell, Dr. Ken Burns, Jayne Conway, Dr. Bonnie Dowd, John Goldsworthy, Sherry Gordon, Lisa Hornsby, Phyllis Laderman, Cheryl McCarron, Becky McCluskey, Dr. Omar Scheidt, Josie Silva, John Tortarolo, Dr. Rocco Versaci

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

**Members Absent:** Jim Bowen, Dave Forsyth, Lee Hoffmann, Sandy Nanninga

**Ex-Officio Members Absent:** Tammy Reed (JPA)

**Guests:** None

**C. Minutes**

The November 4, 2009 meeting minutes were approved.

**D. Old Business**

None.

**E. New Business**

1. John Tortarolo explained that Maggie Beauchamp was representing the Fringe Benefits Consortium (FBC), as Tammy Reed was absent due to a family emergency.

Maggie reviewed the Rolling 12's. Medical claims in December were down to 80%, but the overall ratio continues above 100%, currently at 112%. The dental plans are holding steady at 94% and 87%. Vision is up slightly at 92%, likely due to increased volume over the winter break. Questions from the committee resulted in Maggie's discussion about the Rolling 12's and how they work.

As promised last month, Maggie again went over the 2010 renewal numbers and discussed in detail the various components that go into the calculations on which the annual renewal is based. She described what each component represents, where the information comes from and how it is used in the final calculation, including information on trends.

A question was raised on the value of switching carriers and becoming fully insured as opposed to our current self-insured plan. The committee requested information regarding what has occurred over the last three years with fully insured plans such as BlueCross, Aetna, United Health Care, etc. Maggie will obtain this information and bring it to the committee next month. John Tortarolo advised the committee that it is difficult to compare our plan design to others, given the low out of pocket costs and the high level of benefit coverage.

He reminded the committee that our current plan providers have made presentations to the committee over the last two years, including various options on how the plans could still provide an acceptable level of coverage at significant cost savings. Express Scripts, Kaiser, the FBC, Delta Dental and VSP have all made recommendations. Our higher utilization rates, together with the richness of our plans as compared to other districts, make it hard to compare.

Another question was raised concerning using the FBC as a broker in shopping for new plans, questioning whether this represented a conflict of interest. Why couldn't we do it ourselves? Maggie answered that large group health plans are required to use a broker or consultant. She explained that if the FBC, as broker, searched out and placed a new plan, they would only take a 1.5% fee for expenses whereas any other broker would take at least 3%. John mentioned that if we used a consultant for this process, they would likely charge an hourly fee for service. Both of these factors would be cost factors to be considered.

In response to a question about the mandatory prescription drug mail order plan, the committee was advised that the projected savings would not be seen until the next renewal since the renewal is calculated on the previous 12 months. Maggie also explained that the Fringe Benefits Consortium Board did not have a quorum at its January meeting, so a vote could not be taken on implementing the mandatory mail order program. The next board meeting will be in June.

**F. Adjournment**

There being no further business, the meeting was adjourned at 4:00 p.m.

**Next Meeting: Wednesday, March 3, 2010 (SU-203)**