



## BENEFITS COMMITTEE MINUTES

March 22, 2018

**A. Call to Order**

Dr. Lisa Norman called the meeting to order at 9:07 a.m.

**B. Roll Call**

**Members Present:** Cheryl Ashour, Ruth Barnaba, Colleen Bixler, Mike Dimmick, Judy Dolan, Dan Dryden, Jenny Fererro, Ralph Johnson, Teresa Laughlin, Becky McCluskey, Leann Pell, Jean Ruff, Bernard Sena, Steve Spear, Lesley Blankenship-Williams

**Ex-Officio Members Present:** Wendy Corbin

**Members Absent:** Tsung Lee, Lorraine Lopez, Terri Wallace

**Ex-Officio Members Absent:** None

**Guest:** Michael Muheisen & Rebecca Ellis, BrightPath Consulting Services, Inc.

**C. Approval of Minutes**

**No minutes were presented for review**

**D. New Business**

**Presentation Of The Medical Request For Quote Responses.** Lisa Norman informed the committee that the presentation would review only the information pertaining to the medical plans. The Benefits Committee will look at the data and make determinations regarding which vendors will be interviewed. Rebecca Ellis indicated that the presentation would be an interactive process, and that BrightPath Consulting Services does not have any interest in which vendors are chosen for interviews. Each member of the Benefits Committee was provided with a binder which contained summary information for the quotes that were received. Wendy Corbin will have the binder with the detailed complete quotes if anyone is interested in looking at each option in depth. Michael Muheisen stated that the information contained in the binders is highly confidential and should be contained within the Benefits Committee only. It could be very disruptive to the process if the confidentiality was violated. If the members of the Benefits Committee share this information with their representative groups it is very important that the confidential nature of this information is preserved. Rebecca Ellis explained that they performed a broad market search with a goal of preserving benefits while saving money. In the process the goal will be to align all benefit effective dates, ideally to a January 1<sup>st</sup> effective date. Some obstacles were encountered during the process: current benefits with SISC are pooled, claims are blended with all other member districts in the pool, quote is based on either pooled data or old claims, hard to quote retirees on active plans, and some plans do not accept retirees over the age of 65 at all. If the over age 65 retirees were 20% or less of the total insured then Blue Shield may have been willing to quote. Palomar College retirees over the age of 65 comprise greater than 20% of the total insured population at Palomar College. The vendors provided quotes for plans that are as close as possible to the current benefits. Currently the Kaiser benefits are obtained through SISC, if we move to a direct option for the PPO then Palomar would need to purchase the Kaiser benefit directly from Kaiser. Michael Muheisen stated that if Palomar moves away from SISC then the Kaiser Benefit structure may change if Palomar purchase the benefits directly from Kaiser. SISC will release their new rates in May, so Kaiser will not provide a quote until those rates are released. Rebecca Ellis reviewed the presentation demographics. It was explained that with fully insured benefits the vendor holds all of the claims risk, and with a self-insured plan the District would be responsible for all the claims cost. Leann Pell asked why the District did not want to stay self-funded. Rebecca Ellis explained that the decision was due to the potential fiscal risks and to stabilize budgeting. Lisa Norman stated that for the purposes of this Request for Proposal the goal was to examine like for like benefits, we are currently fully insured so the vendors were asked to quote only fully insured plans. Michael Muheisen emphasized that the goal was to be able to compare apples to apples. Palomar has been in a pool for a couple years, so there is no longer Palomar specific claims experience. If the District purchase a plan directly from a carrier then Palomar will have current claim experience data. The presentation will only address pooled or direct carrier benefits. Jean Ruff asked whether stop loss insurance took care of the potential risk. Rebecca Ellis stated that stop loss only controls so much of the risk. Michael Dimmick asked about lifetime maximums, and stated that he thought ACA eliminated this issue in 2010. Rebecca Ellis returned to the slide presentation. Jean Ruff expressed frustration with the fact that some vendors refused to quote because of lifetime retirees, she feels that these members lower the overall plan costs. Michael Muheisen worked with Dr. Lisa Norman to try to get these vendors

to quote, the problems revolved around the age of the claims experience and not having any current data. The Fringe Benefit Consortium said that the claims were trending up at the time we left their PPO, the claims experience was in the 90% range. Medical carriers like the claims experience to run in the 80% range. Rebecca Ellis returned to the presentation. She noted that the Cigna plan has a very different formulary than the current SISC plan. Michael Muheisen stated that Cigna no longer offers an open formulary, like the District had with the Fringe Benefit Consortium, but they would be willing to quote. They advised that the quote would increase substantially with this option. Bernard Sena asked whether it was possible to negotiate the District concerns with SISC. Michael Muheisen stated that they will be looking to bring the high level executives to the interview process, and that would be the time to ask for solutions. Lesley Blankenship-Williams what it means that Cigna is all "in-house"? Rebecca Ellis stated that Cigna has its own pharmacy and dental under their Cigna umbrella, all of the claims information is in their Cigna systems. Cigna is also looking to merge with Express Scripts. Michael Muheisen stated that when pharmacy benefit management vendors grew so did the cost of medication, 20% of the premium is for drugs. Lower drug costs reduce medical premiums. The trend is moving toward more pharmacy benefit manager integration in order to lower costs to the member. Rebecca Ellis stated that CVT offers no real benefit over SISC. Michael Muheisen moved the conversation towards the next steps. The Benefits Committee will need at least 3 hours to meet with SISC and up to two other carriers. The dental, vision, and life quotes will be presented in April. Lisa Norman polled the Benefit Committee members in the room regarding the vendors that they would like to interview.

<b>Lisa Norman:</b>	SISC and Cigna
<b>Michael Dimmick:</b>	SISC, Cigna, CVT
<b>Ralph Johnson:</b>	SISC, Cigna, CVT
<b>Leann Pell:</b>	SISC, Cigna, CVT
<b>Bernard Sena:</b>	SISC, Cigna, CVT
<b>Colleen Bixler:</b>	SISC, Cigna, CVT
<b>Jenny Fererro:</b>	SISC, Cigna, CVT
<b>Cheryl Ashour:</b>	SISC, Cigna, CVT
<b>Becky McCluskey:</b>	SISC, Cigna, CVT
<b>Steve Spear:</b>	SISC, Cigna, CVT
<b>Judy Dolan:</b>	SISC, Cigna, CVT
<b>Ruth Barnaba:</b>	SISC, Cigna, CVT
<b>Teresa Laughlin:</b>	SISC, Cigna, CVT

F. Other  
None

G. Adjournment

The meeting was adjourned at 12:00 p.m.

**Next Meeting: April 4<sup>th</sup>, 2018**