



BENEFITS COMMITTEE MINUTES

May 5, 2010

A meeting of the Benefits Committee was held on Wednesday, May 5, 2010, at 3:00 p.m., in SU-203.

A. Call to Order

John Tortarolo called the meeting to order at 3:05 p.m.

B. Roll Call

Members Present: Sheila Atkins, Jim Bowen, Jayne Conway, Dr. Bonnie Dowd, Dave Forsyth, John Goldsworthy, Sherry Gordon, Phyllis Laderman, Cheryl McCarron, Jean Ruff, Dr. Omar Scheidt, Josie Silva, John Tortarolo

Ex-Officio Members Present: Lucy Nelson, Tammy Reed (JPA)

Members Absent: Dr. Andrea Bell, Dr. Ken Burns, Lee Hoffmann, Lisa Hornsby, Becky McCluskey, Dr. Rocco Versaci

Ex-Officio Members Absent: None

Guests: None

C. Minutes

After some discussion, the April 7, 2010 meeting minutes were approved.

D. Old Business

None.

E. New Business

1. Tammy reviewed the Rolling 12's covering the period April 2009 through March 2010. The PPO has been under 100% for the last two months, and an even greater overall ratio is anticipated next month. The dental plans continue trending down, and vision has also been flat for the last two months.

2. John reviewed plans for meetings during the summer months. It appears the projected schedule of meeting dates is acceptable to all committee members and/or their designated summer replacements. John also suggested that we continue with an extra meeting on the third Wednesday of the month in the fall. A suggestion was made to change the start time of the second meeting to 3:30, as it may be easier to find meeting space by doing so. Sheila Atkins will work with Jennie Vastola on meeting space.

3. Tammy discussed the "stop-loss pool" that is being proposed for the FBC and participating Districts. One proposal had been made, but the actuaries are now looking at making changes based on feedback from the various districts. Increased copays and deductibles would result in lower premiums. The actuaries are using the previous 36 months of claims experience for all districts in this review. Tammy stated that if they were to quote Palomar's 2011 premium today, the increase would be at least 15% overall. There will be no change in the network of providers.

Tammy also reported that the third private insurer, BlueShield, has declined to quote on our plan, indicating that it would not be financially advantageous for them to do so. (As reported last month, BlueCross and United Healthcare have already declined.) If we want an insured plan, we will have to consider moving toward the type of plan more commonly in use among insureds.

4. In follow-up to last month's meeting, John asked the committee about any feedback received from their constituent groups regarding converting the premiums for voluntary insurance products from twelve monthly premiums to ten monthly premiums. No issues were reported and the committee approved making this change. Only a small number of employees will be affected by this change.

5. The Kaiser Family Foundation has put together a "Health Reform Implementation Timeline" which lists in some detail the highlights of the new health care reform recently enacted. A website URL was provided to committee members where this information can be found.

In connection with a discussion on the proposed tax on "Cadillac" plans, John asked that the 2010 COBRA rates be sent out electronically to all committee members as a reference. Using the single COBRA rate for the PPO, it is apparent that the tax will not apply to our plan, at least using 2010 figures. However, the tax does not go into effect until 2018 and our single PPO rates may be different then.

6. The committee then met without the FBC representative. John discussed the need for an outside benefits consultant to look at plan design issues and provide professional advice and guidance. President Deegan is willing to support the committee's desire for independent advice. The committee voiced concurrence with this action. Initially, five independent consultants will be invited to meet with a task force from the Committee to discuss our situation and the need for changes. The recommended consultants are:

AON Risk Consultants
Hewitt Associates
Keenan & Associates
PriceWaterhouseCoopers
Towers Watson

John asked for one volunteer from each constituent group to form a task force to conduct a fact-finding meeting with each consultant. The task force members are:

Sheila Atkins, CCE/AFT
Omar Scheidt, PACRA
Phyllis Laderman, Administrative Association
Shayla Sivert, PFF (John will contact Shayla to obtain a PFF representative, as Rocco was absent at today's meeting)
Josie Silva, CAST
Lucy Nelson, Human Resource Services
John Tortarolo, Human Resource Services (Chair)

F. Adjournment

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

Next Meeting: Wednesday, May 19, 2010 (MB-6)