



BENEFITS COMMITTEE MINUTES

May 18, 2011

A meeting of the Benefits Committee was held on Wednesday, May 18, 2011, at 3:00 p.m., in MD-155C.

A. Call to Order

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

B. Roll Call

Members Present: Jayne Conway, Lisa Hornsby, Phyllis Laderman, Teresa Laughlin, Christine Moore, Sandra Nanninga, Jean Ruff, Dr. Omar Scheidt, Josie Silva, F. Perry Snyder, John Tortarolo, Michelle Tucker, Colleen Weldele

Ex-Officio Members Present: Rossanne Wetzel (Keenan), Lucy Nelson

Members Absent: Sheila Atkins, Dr. Ken Burns, Dr. Bonnie Dowd, John Goldsworthy, Cheryl McCarron

Ex-Officio Members Absent: Jovita Juanillo (Keenan), Tammy Reed (FBC)

Guests: None

C. Minutes

The May 4, 2011 meeting minutes were approved.

D. Old Business

None.

E. New Business

1. As there were no Rolling 12's available for review, John Tortarolo asked Rossanne Wetzel of Keenan & Associates to distribute and discuss copies of the Benefit Plan Options & Alternatives. This version corrected errors on page 4 and page 29 and addressed issues arising from Committee discussion of the original draft copy which was presented at the May 4, 2011 meeting.

A question was raised about how many community colleges are represented among the 17 Employer PPO Plans referenced in the survey information on page 6 of the document. Rossanne will find out and report back at the next Committee meeting.

Discussion ensued on the stop loss figures presented (page 24). The two-year experience reports a 50% loss against recoveries. This is one area that can be corrected immediately by negotiating a new contract, either with AIG, the current provider, or by seeking a replacement provider. If the negotiations include a new contract for organ transplants, significant savings might be realized very quickly.

Another question involved drug manufacturer rebates. At the May 4, 2011 Benefits Committee meeting, Keenan reported that pharmaceutical companies provide rebates to large pharmaceutical purchasers such as employer health plans and prescription drug plans. However, no such rebates have been reported by FBC or Express Scripts. The District will ask the FBC to provide this information.

Since this document is a preliminary report, the Committee asked Keenan to prepare a more detailed, final report which will be distributed via email to Committee members. After the final report is reviewed, the Committee will meet later in June for discussion and review before forwarding to the Governing Board at its July meeting.

2. With regard to the federal government's ongoing implementation of the Affordable Health Care Act of 2010, John Tortarolo indicated that the District will be required to report the cost of group health plan benefits as an informational item on employee W-2 forms beginning with the W-2s issued in January 2013 for tax year 2012. John will email the Committee members a copy of the Keenan advisory on this topic, which includes a URL link to the Internal Revenue Service implementing regulations.

3. Beginning in September, the Benefits Committee meetings will be held in AA-140.

F. Adjournment

There being no further business, the meeting was adjourned at 3:42 p.m.

Next Meeting: TBD