



## BENEFITS COMMITTEE MINUTES

May 19, 2010

A meeting of the Benefits Committee was held on Wednesday, May 19, 2010, at 3:30 p.m., in MB-6.

**A. Call to Order**

John Tortarolo called the meeting to order at 3:34 p.m.

**B. Roll Call**

**Members Present:** Sheila Atkins, Dr. Andrea Bell, Dr. Ken Burns, Jayne Conway, Dave Forsyth, John Goldsworthy, Lisa Hornsby, Teresa Laughlin (for Shayla Sivert), Cheryl McCarron, Becky McCluskey, Jean Ruff, Dr. Omar Scheidt, Josie Silva, John Tortarolo

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

**Members Absent:** Jim Bowen, Dr. Bonnie Dowd, Sherry Gordon, Lee Hoffmann, Phyllis Laderman

**Ex-Officio Members Absent:** None

**Guests:** Chris Wick

**C. Minutes**

The May 5, 2010 meeting minutes were approved, with three abstaining.

**D. Old Business**

None.

**E. New Business**

1. Tammy reviewed the Rolling 12's. The PPO has dropped down to 104% ratio, which represents an improvement. The dental plans are up slightly, but still have very good ratios of claims to premium, and vision remains flat again this month.

A question was raised about acceptable loss ratios; John indicated that Brian had reviewed that several years ago. Tammy did not have the information immediately available for this meeting.

2. Tammy discussed the risk pooling plan design. This plan design was developed by actuaries from The Epler Company as requested by the FBC. She distributed two handouts for discussion. All districts with a PPO plan are currently eligible to join. These come from the San Diego County, Imperial County and Los Angeles County Office of Education. At this time, seven of the eligible districts have committed to join the pool. Under the proposed plan, the pool would pay all claims from first dollar up to \$100,000. AIG, as the stop-loss carrier, would pick up everything over \$100,000. AIG currently picks up claims starting at \$300,000. This plan design represents options that the FBC designed for consideration by districts to reduce overall health care costs. Palomar is not obligated to make this change, and may design its own plan changes.

Tammy explained that this would be a true pool, and therefore we would not have the Rolling 12's every month as we currently do. The committee wanted to know the number of claims that have

exceeded the stop loss level for the last five years. This information will be made available at the next meeting. (In the 2008-2009 plan year, PCCD had 19 claims in this category.)

A discussion followed on various points of the proposed plan, including retiree vs. active group prescription drug costs. Some information on current demographics has just been received, but was not immediately available at the meeting. This information will be distributed separately.

3. Regarding committee membership, Dr. Rocco Versaci is being replaced by Shayla Sivert; in Professor Sivert's absence Teresa Laughlin will be her designee.

4. At the April 7, 2010 meeting, John indicated that he would follow up with legal counsel on the issue of retiree vesting of benefits and any proposed changes to the plan. He stated that due to other more pressing issues, counsel had not yet had an opportunity to review and comment. Counsel is now researching the issue. While a member of the committee had requested that Governing Board minutes be researched for retiree benefit items, the District will wait to perform this search until counsel advises what specific information they need. In this way, the research will only be done once. The committee needs to begin working on proposed plan design changes for the District's large active employee group without waiting for this legal opinion. Any draft modifications to plan design may be made to accommodate retiree vested interests once we have the legal opinion. It was pointed out that no other district in the FBC's proposed risk pool covers retirees, so the FBC does not have any experience with plan design changes affecting eligible retirees and dependents

5. The committee then met without the FBC representative. John reviewed the membership of the task force set up to interview and possibly select an independent benefits consultant. Lucy reviewed the firms being contacted and the status of those contacts. She has contacted the five proposed consulting firms to find out the name of the appropriate person to handle our request, and has received responses from four of them, so we can begin to set appointments. The task force, in the meantime, must meet to put together a list of proposed questions and set the parameters for these interviews. HRS will convene the task force for this purpose.

**F. Adjournment**

There being no further business, the meeting was adjourned at 5:04 p.m.

**Next Meeting: Wednesday, June 2, 2010 (MB-6)**