



BENEFITS COMMITTEE MINUTES

September 5, 2012

A meeting of the Benefits Committee was held on Wednesday, September 5, 2012, at 3:00 p.m., in A-1.

A. Call to Order

John Tortarolo called the meeting to order at 3:04 p.m.

B. Roll Call

Members Present: Cheryl Ashour, Sheila Atkins, Colleen Bixler, Jayne Conway, Kelly Falcone, John Goldsworthy, Lisa Hornsby, Teresa Laughlin, Becky McCluskey, Christine Moore, Ron Perez, Jean Ruff, John Tortarolo

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

Members Absent: Susan Coleman, Aaron Holmes, Sandra Nanninga, Dr. Omar Scheidt, Michelle Tucker

Ex-Officio Members Absent: None

Guests: None

C. Minutes

The May 2, 2012 minutes were approved.

D. Old Business

E. New Business

1. John Tortarolo advised the Committee that a Dependent Eligibility Review will take place during Open Enrollment. The last review took place four years ago and is needed at this time to verify the eligibility of all dependents since we will be going to tiered rates in 2013. This will also help to keep claims costs under control.

2. John also reviewed an ongoing issue with 403(b) and 457 contributions taking what seems to be an inordinate amount of time getting posted to employee accounts with individual vendors. He outlined the process and indicated that the District is doing everything possible to move the contributions expeditiously.

3. In regard to the Affordable Care Act and the Health Insurance Premium Rebate for 2011, John explained that Kaiser Permanente had operated well under the required levels and would not be required to rebate premiums. The Fringe Benefits Consortium's (FBC) PPO plan is self-funded, and as such, is not subject to the same requirements. Therefore, no rebates will be forthcoming. He also explained that if there had been any rebates, these would have come to the District, not to individual subscribers, and likely would have been in the form of a credit against future rate renewals.

4. An issue has come up with a few employees (approximately a half-dozen) having difficulty obtaining prescription drugs, primarily at CVS. This minor glitch did not seem to warrant issuing a separate prescription drug ID card. As new ID cards are to be issued for 2013, there is nothing additional that needs to be done at this time.

5. John outlined an issue that was brought to the District only recently by the FBC, and asked Tammy Reed to update the Committee. The Executive Committee of the FBC has, for the last 1-1/2 years, been researching a new network of providers for those enrolled in the PPO plan, and has now recommended a change from MultiPlan to Cigna. This change will provide more cost efficiencies and a

greatly expanded network of providers. The research included comparing claims paid from mid-2011 to mid-2012 to determine the number of providers in MultiPlan who are not in the Cigna network and found only 18 providers used by the District's employees and dependents. A total of 98.85% of all providers to whom claims were paid during this period are in the Cigna network. Additionally, there are in excess of another 200 providers now available that were not previously in MultiPlan. This change, had it been in effect during the 2011-2012 period of claims examined, would have saved the District approximately \$440,000. Of course there is no guarantee that same amount will be realized in 2013 since it cannot be assumed that the same claims will occur. Any cost saving will be reflected on the rate renewals for 2014.

6. After excusing Tammy Reed from the meeting, John brought up the issue of continuing the Keenan consulting contract. The District incurred approximately \$25,000 in consulting fees in the last fiscal year, and with so many changes now implemented or under review, he asked the Committee whether it made sense to continue the contract. The District will have to give Keenan a 60-day notice of termination. The Committee has requested a brief summary of the recommendations made by Keenan compared to the current status of each item. John said he would prepare the summary and distribute.

7. A question was raised concerning a previous request regarding the part time faculty health plan. This plan is currently provided by Kaiser Permanente and was negotiated and selected by the PFF in 2006. The Committee has requested to see some additional plan designs that might provide a better benefit at a lower cost. Kaiser will be asked to attend the next meeting and present the requested information.

F. Adjournment

The meeting was adjourned at 4:00 p.m.

Next Meeting: Wednesday, October 3, 2012 (A-1)