



BENEFITS COMMITTEE MINUTES

October 3, 2012

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

A. Call to Order

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

B. Roll Call

Members Present: Cheryl Ashour, Colleen Bixler, Susan Coleman, Jayne Conway, Kelly Falcone, Aaron Holmes, Lisa Hornsby, Teresa Laughlin, Becky McCluskey, Sandra Nanninga, Jean Ruff, John Tortarolo, Michelle Tucker

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

Members Absent: Sheila Atkins, John Goldsworthy, Christine Moore, Ron Perez, Dr. Omar Scheidt

Ex-Officio Members Absent: Tammy Reed (FBC)

Guests: None

C. Minutes

The September 5, 2012 minutes were approved.

D. Old Business

E. New Business

1. Brian Vivian discussed the Rolling 12s which had previously been distributed electronically. Medical claims are at 97%, which he termed "overheating". This is fairly cyclical as children get school and sports physicals, etc. The dental plans are performing at an acceptable level, and the vision plan is currently marginal.

2. John Tortarolo then asked Brian to present the 2013 renewal rates for all benefit plans. The PPO medical plan increased by 2.8% and the Kaiser active employees increased by 13.5%. The Kaiser early retiree rate increased by 13.9%, but the Senior Advantage rate was only up by 1.79%. The dental, vision, life, long term care and long term disability plans remained level. The renewal information presented did not include the line item detail that is normally provided; this detail will follow later. The PPO rate increase does include stop loss recoveries. The rates presented today were composite in nature. The tiered rate breakdown will follow. This is necessary as tiered rates will be effective for 2013.

3. A question was raised concerning CIGNA and the proposed cost savings. Brian distributed information on comparative savings between MultiPlan/PHCS and CIGNA. Current MultiPlan/PHCS savings are 36%; the anticipated percentage of savings by using the CIGNA network is expected to be 42%. The actual savings will not be reflected until the 2014 renewal as we currently have no experience with the CIGNA network and may be slightly different as we cannot assume the claims experience will be the same in 2013. A letter is being sent to all PPO subscribers, introducing the new CIGNA network. A copy of this mailing was distributed to the Committee.

4. A request was made for information on the CalPERS medical plan rates.

5. No new part time faculty health plan information was available.

6. After excusing both Keenan and FBC representatives from the meeting, John again brought up the issue of continuing the Keenan consulting contract at \$25,000 per year. A list of the Keenan-proposed changes and the current status of each had previously been distributed to the Committee electronically. Two items are incomplete: the duplicate coverage issue is still on the table; the wellness and disease management would be available to Kaiser subscribers, but there is no money to provide this program for PPO members. Of the items considered complete, the provider network change is being implemented; no plan design changes will be made at this time, the stop loss has been changed from \$75,000 to \$125,000, the ERRP plan was approved and accepted, but the funds for that federal program had already been exhausted. The question again is, do we still need Keenan's assistance? It was recognized that Keenan's work was certainly effective in getting the FBC to investigate and implement some of these changes. The Committee consensus was that the District should issue the 60-day notice of contract termination.

7. John discussed what may be an alternative plan to using Keenan's services. He has been in contact with representatives from the California Education Coalition for Health Care Reform (CECHCR). This is a joint labor/management group who, essentially, provides some of the same assistance that we received from Keenan. They appear to have workable solutions, and are a not for profit group. They will provide a three-hour workshop for the Committee and perform an analysis of our benefit plans at no cost. John distributed an informative printout from their website to Committee members. This preliminary work will all be done at no cost. If we decide to go forward, they will take a percentage of any cost savings. As a third party consultant, their costs will be much lower than Keenan's. They will make a presentation at a future Committee meeting.

John will be in contact with the Committee electronically in the next week or so.

F. Adjournment

The meeting was adjourned at 3:49 p.m.

Next Meeting: Wednesday, November 7, 2012 (A-1)