



BENEFITS COMMITTEE MINUTES

October 20, 2010

A meeting of the Benefits Committee was held on Wednesday, October 20, 2010, at 3:00 p.m., in MB-15.

A. Call to Order

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

B. Roll Call

Members Present: Sheila Atkins, Dr. Ken Burns, Jayne Conway, Dr. Bonnie Dowd, Dave Forsyth, John Goldsworthy, Phyllis Laderman, Teresa Laughlin, Cheryl McCarron, Sandra Nanninga, Jean Ruff, Dr. Omar Scheidt, John Tortarolo, Michelle Tucker, Colleen Weldele

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

Members Absent: Sherry Gordon, Lisa Hornsby, Josie Silva

Ex-Officio Members Absent: None

Guests: None

C. Minutes

The October 6, 2010 meeting minutes were discussed and then approved with a number of additions and corrections. Corrected minutes, including an attachment containing the Full Consulting Services proposed by Keenan and Associates, will be posted on the website.

D. Old Business

None.

E. New Business

1. Tammy Reed presented a new program the FBC has implemented. Health Cost Control (HCC) is a company that reviews medical claims to determine if any savings can be realized. A sample analysis of 13 consortium member claims, totaling \$736,220.34 was reduced to \$640,726.40, thus saving a total of \$95,493.94. (These claims were a composite of all districts and not necessarily Palomar College claims.) HCC retains 18% of savings, and if there are no savings, HCC receives nothing. HCC is reviewing current and ongoing claims; there is some question whether they will be able to go back and review closed claims. HCC also indemnifies the FBC for savings that they identify through the bill review process, if the savings are not ultimately obtained from the network and/or the medical provider.

There was some discussion on how this firm could interact with the proposed new benefits consultant. It was agreed that HCC would be beneficial in any plans the District might implement to contain costs in the future.

2. John Tortarolo distributed a list of the consulting services proposed by Keenan and Associates. He indicated that a revised contract is in progress with Business Services, and it is expected that this revised contract will be on the November Governing Board draft agenda which will be circulated to all

constituent groups. The draft agenda is normally posted on the website 72 hours prior to the Governing Board meeting.

John indicated that during the consultant interviews, Aon had quoted \$75,000 for a one-year contract, and Hewitt had quoted \$58,000, although Hewitt's quote did not cover the same scope of services. They were quoting on the actuarial portion only (up through 1. K. of the list provided by Keenan) and did not include any of the services referred to in Keenan's list as items 2 through 4. Keenan's price quote was originally \$87,000, but later was reduced to \$74,500 as a result of negotiations with the District. This price includes a full 12 calendar months of work to provide the services listed.

F. Adjournment

There being no further business, the meeting was adjourned at 4:05 p.m.

Next Meeting: Wednesday, November 3, 2010 (MB-15)