



## BENEFITS COMMITTEE MINUTES

November 3, 2010

A meeting of the Benefits Committee was held on Wednesday, November 3, 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, Dave Forsyth, John Goldsworthy, Lisa Hornsby, Sandra Nanninga, Jean Ruff, Dr. Omar Scheidt, John Tortarolo, Michelle Tucker, Colleen Weldele

**Ex-Officio Members Present:** Lucy Nelson, Maggie Beauchamp (JPA)

**Members Absent:** Dr. Bonnie Dowd, Sherry Gordon, Phyllis Laderman, Teresa Laughlin, Cheryl McCarron, Josie Silva

**Ex-Officio Members Absent:** None

**Guests:** None

**C. Minutes**

The October 20, 2010 meeting minutes were approved.

**D. Old Business**

None.

**E. New Business**

1. A question was raised and discussion followed regarding the announcement at the October 6 meeting regarding retiree benefits. John Tortarolo reiterated that it was the District's intent to continue benefits at the present level as long as possible. Active employees and future retiree benefits continue to be dependent upon negotiations with the PFF, CCE and meet and confer groups. PACRA will delay sending the announcement to the retirees until they can meet with President Deegan on this issue.

2. Maggie Beauchamp reviewed the Rolling 12's. All plans are currently maintaining acceptable claims/payment ratios.

3. Maggie provided additional information about Health Cost Control (HCC) as presented at the last meeting. HCC has over 17 years of experience in bill review and is reviewing all claims to be certain they are paid correctly. This process will continue to benefit the District's claims/payment ratios. Maggie indicated that the FBC claims process has been audited at the request of the Escondido School District, and out of 225 claims examined, found only a \$1,500 discrepancy. Much larger firms, such as BlueCross, have a significantly higher error rate.

4. At John's request, Maggie discussed a new proposal just announced by the FBC regarding aggregate stop loss. The District funds all claims to the first \$75,000. Claims costs above that level are covered

through AIG. We are currently paying \$2.50/PEPM for this aggregate stop loss. Now that the FBC has established the pool in which most districts will participate, they have discovered that the aggregate stop loss premium will actually be much higher for Palomar College and one other district who are not participating in the pool and will now stand alone. This coverage is available from AIG at a premium lower than what the FBC would charge, but the benefit is questionable. The District would have to incur in excess of \$10 million in claims in a calendar year in order to recover \$1 million from this insurance. At a cost of \$4.16/PEPM, it may not be practical. This matter will be referred to Business Services for review and any recommendation.

5. John Tortarolo advised the Committee that he has requested the FBC provide more information and opportunity for discussion and negotiation prior to imposing any other changes in the future.

6. The District has requested that the FBC provide a breakdown of the 2011 premiums at or before the next Committee meeting.

7. The IRS has indicated there will be no change to the deferral limits for 2011 for our 403(b) and 457 retirement savings accounts. The Committee was also advised of some inappropriate "cold-calling" being done by AXA Advisors. Although AXA is an approved 403(b) vendor, the District does not endorse or encourage this type of behavior, and is attempting to end this practice.

**F. Adjournment**

There being no further business, the meeting was adjourned at 3:48 p.m.

**Next Meeting: Wednesday, November 17, 2010 (MB-15)**