



## BENEFITS COMMITTEE MINUTES

November 4, 2020

**A. Call to Order**

Linda Beam called the Zoom meeting to order at 3:03 p.m.

**B. Roll Call**

**Members Present:** Linda Beam, Christine Winterle, Judy Dolin, Teresa Laughlin, Barbara Baer, Becky McClusky, Jenny Fererro, Mary Jayne Conway, Mike Dimmick, Ping Lee, Ruth Barnaba, Steve Spear, Yulian Ligioso, Lesley Blankenship Williams.

**Ex-Officio Members Present:** Wendy Corbin, Veronica Sadowski

**Members Absent:** Michelle Fifield, Loran Green, Tricia Frady, Carmen Coniglio, Anel Gonzalez, Aaron Holmes

**Ex-Officio Members Absent:** None

**Guest:** Michael Muheisen and Brent Crane, BrightPath Consulting Services, Inc.

**C. Review of Minutes**

1. Review meeting minutes May 6, 2020. Suggested edits: None

Change: Motion to approve: Mike approved Teresa seconded – all said – Jenny Fererro & Julian abstain

2. Review meeting minutes October 7, 2020. Suggested edits: Change page 1 from Oct 8<sup>th</sup> to Oct 7<sup>th</sup> – Steve Spear is singular

Motion to approve: Barbara approve – Teresa second – all said yes – Yulian abstains

Linda called for a motion to approve minutes with edits. Teresa Laughlin approved and Jenny Fererro seconded the motion. Lesley Blankenship-Williams abstained and all other present members approved.

**D. Discussion Items**

Linda Beam welcomed the group. First discussion item A: Dependent Audit Savings. Linda Beam started the discussion by reminding the committee that information regarding the dependent audit was previously provided. As a recap, the District underwent a dependent audit this summer. We were waiting for the first payroll to run, October 2020, to reflect open enrollment and dependent audit changes. In regards to the dependent audit, some employees did voluntarily opt out by not verifying their spouse and/or dependent children and some were unable to provide documentation to continue benefits. As of the October 2020 payroll, the estimated monthly savings is about \$16,782., annualized around \$201,384. This does not reflect the full fiscal year as we are already a quarter into the 2020-2021 fiscal year. Although dependents may have been removed from a plan there may not have been a savings. If an employee had three dependents and one dependent was not eligible, the family rate remains the same. The removal of dependents may not have resulted in a cost savings. Linda wanted to ensure the committee was aware that there was a review person-by-person in order to ascertain what the actual savings was. Wendy Corbin stated that family situations continually change in the Benefits office. Savings on one person during Open Enrollment may no longer be the case if they added another eligible dependent. It could change due to changes made during the year that we have no control over. Christine Winterle asked if this data was based on Open Enrollment new elections or what the employee had before Open Enrollment. Wendy responded that it is based on the Open Enrollment new elections effective 10/1/2020. This includes the new employee contribution and new rates. Becky McClusky noted the total dependent opt out number was listed as forty-seven but there were savings on twenty-seven. What about the other twenty-seven? Christine Winterle stated they were already on a shared plan and although the dependent was removed, the tier level did not change. There is no savings to report on dental. Dental rates are composite rates. One monthly rate per employee regardless of the number of dependents covered or tier level. Linda Beam asked if any other questions. Judy Cater asked for information to be saved.

Next discussion item B: Benefit Plan Change Savings. Wendy Corbin shared a spreadsheet and stated she attempted to provide an overview of what the affect was of the transition to the new benefit redesign plans. The information presented was gathered from the October 2020 payroll. Review of Column F is medical where you will see a savings of \$116,925 per month. What you see in Column A is an explanation, fund 11 is general fund. Keep in mind, many of our employees are paid by categorical funds and their benefits are charged that way as well. While the grand total is for all enrollees, they have been separated out to see the actual affect to the general fund as well as the other district funds; which explains the four lines. Below that is dental. Modified

dental plan shows a savings of \$32,997 per month. The plan year is Oct – Sept, the column to the left is the actual savings we anticipate for the current fiscal year, \$1,799,065 per year. We are projecting changes, employees are pregnant, some will get divorced. Christine Winterle stated that the data shows active employees only. It does not include retirees as no plan design changes to retirees. These savings do not add to the dependent audit savings. A committee member asked how many employees this included. Wendy Corbin responded, over 750 employees. Linda Beam stated we had several employees who retired at the last minute on 9/30/20 and we will have a more solid projection as we move through the year. There is always movement as we hire or as employees retire. Overall, the dependent audit and plan design changes did result in savings to the district. Committee member mentioned that at the last budget meeting Julian mentioned a \$1.6 million dollar savings in benefits. Julian responded stating that the \$1.6 million was an estimate by the benefit consultant for the entire year. What the committee is seeing today are the actuals pushed through based on the plans that employee elected. Committee member asked if we can say there was about a \$1.6 million dollar savings. Julian responded by stating that the \$1.6 million was only actives. Linda Beam reminded the committee that the information was a preliminary estimate. The spreadsheet we are reviewing is for the first month, October 2020. If committee is looking for a specific number for this fiscal year, the \$1.349 million in Column B would be accurate for this fiscal year for 9 out of the 12 months. The \$1.8 million is the approximate savings over 12 months vs. what you see the remainder of this fiscal year 2020-2021. Michael Muheisen stated that Brightpath Consultants provided the numbers based on a specific date. Employee benefit elections can change throughout the year and that's what we call a fluid number. The number can go up and down and we would be happy to provide different data. A committee member asked for the medical costs of active employee vs. retiree. Linda Beam responded that the Anthem HMO family rate is \$2,061 per month X 12 months = \$24,730 for medical. The district pays about \$24,000 per year for active employees. This number does not include dental or vision. Wendy stated that retirees enrolled in the 40795L, Anthem PPO, those are the rates for retirees under 65. If we were gonna base that off the family rate it is \$2,655 per retiree, per month. The retirees who are Medicare eligible, enrolled in Anthem PPO with EGWP, the District pays \$1,529 per family per month. Most enrollees are either single or two party and there are a few dual covered retirees. The District pays more for retirees that are under 65. Committee member asked why it is so expensive for a retiree when Medicare pays for everything. Michael Muheisen responded stating that the rates are set by SISC based on the overall population and not specific to Palomar College. SISC looks at the Medicare rates and that is why when you are part of a pool, rates might be a little higher. SISC reviews the cost of claims that come through Medicare. The pool pays whatever Medicare does not pay. I can always ask and get a little more specific. Linda Beam asked if there were any more questions to item B before moving on. She stated savings will continue to be monitored.

Discussion Item C: eBenefits and Medicare Coordination Informational Videos. Linda Beam stated that some questions had come up about accessing eBenefits and she reviewed what was discussed previously. Wendy Corbin stated that Brightpath Consultants has provided this information and we are still working on placing this information on our website. Anthem info is a work in progress. Kaiser has provided us with information for SISC. Wendy shared the flyer that was provided by Kaiser. There is also a QR code to access videos. Michael Muheisen stated he expects information from Anthem today or tomorrow. He stated that the Kaiser info is worth reviewing. Wendy Corbin stated that she has been working with eBenefits regarding videos they may have and they are looking into that. Currently, eBenefits does have a guide that is linked to our website. However, it may not be linked on the retiree website. We will make sure it is there as well. A committee member asked for handout to be sent to committee members. Wendy responded stating we will send this document or link as it is a work in progress. Linda Beam asked if there were any other questions regarding item C. Committee member stated they were appreciative for the work showing cost savings for employees but went on to state that they pay \$300 a month for Medicare medical and Anthem is not covering it because they say they won't cover it if Medicare won't cover it. It seems most of the cost for Medicare medical is being picked up by Medicare. If provider has to accept what Medicare pays I'd like some clarification to that and if there is cost savings that may also be a benefit. Linda Beam responded stating we can review retiree costs maybe at the next meeting. Linda stated she understands and it is complicated understanding what Medicare will and will not pay and what the District supplemental plan provides.

Discussion Item D: Retiree Benefit Comments. Linda Beam asked if there were any additional items? Committee member asked if there has been any discussion to any changes to benefits for retirees with Dr. Kahn or on campus. Linda responded stating we've been sharing and our primary focus has been restructuring benefits for active employees. Linda Beam asked if any other questions or comments. Committee member stated they got on SISC monthly meetings and as we go on we plan to protect our employees and our retirees. Provided information regarding severe COVID-19 and asked if District was doing anything to promote flu shots. Linda Beam responded stating that in one of Dr. Kahn's communications he encouraged employees to get the flu shot. Although we aren't offering the flu shots on campus we can certainly put a reminder out to employees. Wendy Corbin stated that an email was sent to Kaiser and Anthem members which included a coupon for a free

flu shot at Costco. Committee member asked about retirees. Wendy Corbin stated that she was not sure if email went to all retirees as there was an issue with the size of email. Linda Beam asked if any other questions and closed the meeting thanking all for their participation.

**F. Adjournment**

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

**Next Meeting: December 2, 2020**