



BENEFITS COMMITTEE MINUTES

December 1, 2010

A meeting of the Benefits Committee was held on Wednesday, December 1, 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, Lisa Hornsby, Phyllis Laderman, Teresa Laughlin, Cheryl McCarron, Sandra Nanninga, Jean Ruff, Josie Silva, John Tortarolo, Michelle Tucker, Colleen Weldele

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

Members Absent: Sherry Gordon, Dr. Omar Scheidt

Ex-Officio Members Absent: None

Guests: None

C. Minutes

The November 3, 2010 meeting minutes were approved.

John Tortarolo requested that the following items be added to today's agenda:

- EASE newsletter
- California tax law as it affects Adult Child medical coverage

Dave Forsyth requested to revised the October 6, 2010 minutes as Item #3, to include a paragraph regarding retiree benefits. The amended minutes are to be posted on the website.

The Committee agreed to both requests by consensus.

D. Old Business

None.

E. New Business

1. The Rolling 12's had been distributed to the Committee electronically prior to today's meeting. Regarding the medical claims, discussion ensued as to the reason for the paid/loss ratio being in excess of 100%. The FBC will research the issue to see if there were large claims or if it was a backlog due to claims review by Health Cost Control (HCC). Maggie stated that HCC is now caught up with their review process, and the process flow is normal again, with an additional 4-5 work days for the HCC bill review. She also said that HCC's review has resulted in significant savings which should be reflected in 2012 renewal rates.

2. Tammy Reed presented the 2011 rate calculation sheet. The 2011 rates include a 10% trend in claims but administrative fees are flat, as they have been for a number of years since the FBC does not

charge a commission. The stop-loss insurance fee is more than double that of last year. The increase is due to the difference in rating the District receives outside the new FBC pool. The overall 9% rate increase is considerably less than had been anticipated.

A request was made that the Committee receive copies of the quarterly financial statement as provided by the FBC. The request was approved.

3. The cost of compounded drugs was again briefly discussed. For compounded prescriptions not available through the Express Scripts Home Delivery Program, the new drug maintenance plan charges the 30 day rate for prescriptions provided by a local pharmacy. This plan change was made by the FBC's Board of Directors, and the District did not have any discretion in this matter. Therefore the District is unable to make any exceptions to the pricing of non-mail order prescriptions.

4. John briefly mentioned the EASE program and encouraged Committee members to suggest the use of this confidential program to their constituent groups, particularly at this time of year. Substance abuses are frequently more predominant at the holidays, and EASE counselors are available to provide confidential services.

5. John also advised the Committee that there may be a tax issue for employees with an Adult Child enrolled in one of the medical plans as of January 2011. We have recently become aware that SB 1088, signed into law in September, may possibly consider such benefits taxable, similar to the added-value tax assessed to domestic partners. Legal counsel is being sought on the matter.

6. A draft work description for a benefits consultant was distributed to the Committee for its information.

F. Adjournment

There being no further business, the meeting was adjourned at 4:00 p.m.

Next Meeting: Wednesday, February 2, 2011 (MB-15)