College-wide Benefits Committee
Minutes of the Meeting
March 16, 2011

Present
Fran Chandler, Co-Chair
Anna Rojas
Dennis Frisch
Lenore Banders
Linda Sinclair
Sherri Lee-Lewis
Willis Barton

Absent
Marcy Wade, Co-Chair
Al Vasquez

Assistant
Vanna Ratnaransy, HR Analyst-Leaves & Benefits
Laurie Heyman, HR AA-III-Confidential

The meeting was called to order at 1:34 pm.

Approval of the Minutes

Minutes for the meeting of January 12, 2010
Move to accept the minutes:

Motion made by: Dennis Frisch
Seconded by: Lenore Banders
Ayes: 7
Noes: 0
Abstain: 0

Presentation: Long Term Care Insurance
Presented by Karen Perry & Teresa Campama:

<table>
<thead>
<tr>
<th>Karen Perry</th>
<th>Teresa Campama</th>
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<tbody>
<tr>
<td>Retirement Options for Educators Partner</td>
<td>Retirement Options for Educators Partner</td>
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<tr>
<td>(650) 341-5050 x118 Work</td>
<td>(714) 955-3300 Work</td>
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<tr>
<td>(650) 224-9204 Mobile</td>
<td>(714) 756-2640 Work</td>
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<tr>
<td><a href="mailto:kperry@jhntravel.com">kperry@jhntravel.com</a></td>
<td><a href="mailto:Teresa8@aol.com">Teresa8@aol.com</a></td>
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<td>5191 Fernwood Drive</td>
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<td>Huntington Beach, CA 92648</td>
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KP: 7th year in LTCi; passion is educating people on LTCi; partnered with TC who is based in Southern California.

TC: In LTCi about 13 years, worked as VP in marketing, sales for large insurance companies; also LTC giver

KP: Quick recap: discuss carriers and changes in past 12-18 months; recommendation of carriers, and implementation period.

Recap
- Average annual cost of nursing home: $72,000- $100,000
- Average time in nursing home: 2 years, 9 months (end of life stage)
- 80-90% get home care first, then transition to a nursing home
- Length of time for LTC = 4 years+
- 2.5 years of LTC can drain savings of $250,000
- $200 per month typically is contributed by the family care giver
- 1 in 3 Americans who receive LTC are working
- Half of all family care givers are juggling full time jobs
- $34 billion represents loss in productivity annually due to family functioning as care givers
- Employees who provide care and have LTCi, are twice as likely to stay on the job

Why Buy LTCi?
- Choice. Policy allows you to hire a care giver and gives some freedom to the family
- Act of independence to get a policy
- Policy protects family assets

Medicare, Medi-Cal, Family
- Medicare covers physician visits, therapy, not nursing or home care past the first 100 days
- Medi-Cal covers nursing home care
- Family members want to help out. But can they do it geographically? Emotionally? Physically? LTC can place a serious strain on the family
- Goal: have a policy, no matter how small

What is covered by LTCi?
- Home care, i.e., Adult Day Care
- Assisted living facilities and nursing homes after first 100 days

Who is covered?
- Full time employees (25-35 hours?) depends on District negotiations with carrier
- Spouses, Domestic Partners, adult children, retirees

Value of LTCi?
- Care worker develops a plan of action – care coordination is very important as a resource to family members
- Aids at home: grab bars, wheel chair ramps, etc
- Light housekeeping; meal preparation; training a primary care giver, referrals, assists with filing claims
- Payroll deduction; discounts when offered through the District
- Reduced productivity losses
• Adds benefit at no cost to District, benefits families and employees
• Hiring incentive
• Turn key implementation with KP/TC functioning as the administrators; point of contact, marketing, materials, education

Carrier Considerations
• S  Stable with strong financials
• A  Accessibility – carrier with fair claims practices
• F  Flexibility – carrier with options
• E  Economical

Screening Issues
• Simplified health screening
• Minimal yes/no questions
• No nicotine/tobacco questions
• No height/weight questions
• No nurse to house
• No medical records requested
• 98% approval rating, but there are long term disabilities which will result in an employee being disapproved

Cost of LTC program qualifiers
• How much coverage do you need?
• Where will you retire?
• How soon will you need coverage? (How many days elimination period?)
• Inflation rider – money you put away should cover rising costs

Example: $100/day coverage x 3 years (=1,095 days) = $109,500 pool of money to draw upon

Miscellaneous
• John Hancock – outdated product; they pulled it and are in the process of updating their product offerings. Not available presently.
• Inflation Protection Options: 3% compound/ 5% compound/ 5% simple
• Comdex: Factor looking at financial strength of carrier and ability to meet their obligations
• A LTC event can happen more than once.
• To qualify for a LTC event, 2 of 6 activities must be impacted, or a cognitive impairment has occurred

Implementation
• Implementation Schedule: see appendix in handout – 60-90 day process
• Suggest April 01 as a start date

TransAmerica
• Reduced underwriting
• 5 year rate guarantee
• Group rates for employees and families
• Online application
• Strong, experienced, committed carrier
Rates
- Expect 1-2 rate increases in lifetime; in California, probably 8-10% per increase

Questions:
- Which carrier did Marin go with? TransAmerica
- How long is the turn around? Policy turnaround is about 1 month. At the time of delivery of policy, Karen or Teresa will sit with the client and reassess the current needs of the client.
- Looking at the TransAmerica page, for $150/day, if a person is paying $93.55/mo, they are 65 years old, and there is a spouse, how does the 40% discount work? A: The spousal rate is built in. If you are single, you will pay a slightly higher rate.
- Payment options: Payroll deduction monthly; after separation from District employment there are more payment options

Questions for Karen Perry
1. Can the District offer LTCi from more than one company at a time?
   No; the companies will not compete against each other in the same venue and will not underwrite.

2. How long does a decision to go with one company lock in the District?
   Not locked in.

3. Does Prudential offer a 5 year rate guarantee?
   o No.

Discussion
- Vote by proxy: the entire constituency of management was missing (Sherri Lee-Lewis left the meeting at approximately 3pm); committee decided it was not a good precedent
- No quorum; not able to vote

Meeting adjourned approximately 03:35pm.

Next Meetings:
- **Tuesday, March 22**  2:30pm-3:30pm HSS 301
- **Wednesday, April 27**  1:30pm – 3:00pm Location Drescher Hall Loft (DPAC day)
- **Wednesday, May 25**  1:30pm – 3:00pm Location BUS 111 (DPAC day)