

Santa Monica College
Collegewide Benefits
Minutes of the Meeting
March 2, 2006

Present

Pat Brown, Co-Chair
Sandi Burnett, Co-Chair
Peter Geltner
Jeanette Goolsby
Mitra Moassessi
Ana Rojas
Reaga Romali - via conference call

Absent

Lenore Banders
Al DeSalles

Assistants

Letty Kilian, Staff Assistant
Mimi Vaval, Resource Staff Assistant

Co-chair Patricia Brown called the meeting to order at 9:35 a.m. There was no quorum but she asked the Committee to review the February 16, 2006 Minutes.

Quorum was reached at 9:42 a.m.

February 16, 2006 Minutes

Motion was made by Jeanette Goolsby and seconded by Mitra Moassessi to approve the Minutes of February 16, 2006.

Unanimously approved.

Reports and Discussions

Mid-Year Report - A draft of the report prepared by Co-Chair Burnett summarizing the Committee's activities since the last report was approved as written with an additional statement added to the **Healthcare Plan Decision-Making Timeline**.

The Committee agreed to include the Committee's Interim Summary with the February 16, 2006 Minutes.

COLLEGEWIDE BENEFITS COMMITTEE INTERIM SUMMARY February, 2006
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This report summarizes activities since the Committee's last report dated July 7, 2005. The members resumed regular meetings August 30 and have primarily focused on implementation of the Committee Recommendations documented in the July report. (Appendix A)
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Recommendation #1---Consider joining with LACCD benefit pool 2007

No contract action has occurred with LACCD or with the collective bargaining units matters required to implement a relationship with LACCD.

The current SMCCD Benefits office has been systematically reviewed. Gregory Brookins, Business faculty, performed a detailed Workload Summary of the Benefits Office. His stipend contract and report was completed November 16, 2005. (Appendix B) This review is the first step necessary to gauge the administrative "infrastructure" of managing functions currently handled by PERS, if the District were to assume such responsibilities.

Recommendation #2---Encourage enrollment in PERChoice option rather than

PERSCare

The District offered the collective bargaining units a Section 125 incentive if employees currently in the Care option (not to those in Kaiser or HMO plans) switched to Choice during open enrollment, October, 2005. An MOU agreement was not achieved with either unit. In preparation for a potential agreement, the Benefits Committee hosted a forum for all employees, September 22, 2005, with representatives from Blue Cross, PERS and Caremark providing detailed information comparing the two options.

Recommendation #3---Request for improved dental coverage, especially orthodontia

The Delta PMI option is seen as adequate coverage by the District.

Recommendation #4---Continuation of the Committee throughout 2005-06 and hold employee forums

The Committee continues as a vehicle for inter-constituency communication. In addition to the forum described in #2, the Committee also held an interactive forum November 2. That forum provided an overview of all employee benefits and gathered the concerns of those attending. The next forum is scheduled for March 30, 2006. The Committee website www.smc.edu/collegebenefits continues to provide a complete record of all the committee activities.

Recommendation #5-----Benefits office workshops for transition from active to retiree status

The office is implementing this recommendation with a classified employee workshop scheduled late February, a faculty workshop scheduled early March.

Recommendation #6----Cost saving measures

New PPO enrollees who reside outside of Los Angeles County are encouraged to use SMC's zip code rather than their home address.

A financial incentive for all employees eligible for health coverage with other agencies or those married to SMC employees may be considered by the bargaining units.

Verification of dependent eligibility through an "audit" was not accepted by the District; rather, status authenticity continues to depend upon the annual notification and voluntary response prior to open enrollment.

Recommendation #7---Explore "riders" for lifetime health maximum

Group catastrophic insurance to exceed the \$2 million lifetime, up to \$10 million, was proposed by the District if the Choice option was adopted. But no action to provide a SMCCD self-insurance plan to cover the different risk exposure has been triggered by those enrolling in Choice. The District would not pursue a rider if joined with the LACCD pool.

The Committee adopted a **Healthcare Plan Decision-Making Timeline** commencing July 2005. (Appendix C)

Implementation of the RFP development and release process is delayed, as noted.

- Committee minutes noted October 6 that the District Interim Superintendent will handle implementation of the RFP, rather than hire a consultant.
- November 3 minutes noted a plan by the Interim Superintendent to ask the Purchasing department to contact other Districts and JPA's who may be interested in another organization joining their pool.
- December 8 minutes, Co-chair Brown reported the Purchasing department will not be involved in contacting any JPA's and that the Interim Superintendent decided to ask a consultant to shop our existing plan with other plans, with the same coverage for retirees, with the current plans serving as a RFP. The RFP

proposal will be available January 15 for review by the Committee.

- As of February 21, 2006 the RFP was sent out by Consultant Anne Clifford. She expects to have a response for the Committee by March 15, 2006.

Increased numbers of employees signing up for **Section 125** appears to have resulted from the November forum and the District incentive offer. Additionally, Co-chair Brown will seek a legal clarification as to whether the District allows an increased grace period for medical expenses under Section 125, described in a memo sent to employees, June 28, 2005.

HIPAA Rules for Employment Separation and Benefits - A HIPAA Disability Benefits handout was provided by co-chair Burnett who recently attended a conference for disability specialists. The Health Insurance Portability and Accountability Act of 1996 (HIPAA) may lower your chance of losing existing coverage, ease your ability to switch health plans and/or help you buy coverage on your own if you lose your employer's plan and have no other coverage available.

The District's group health plan is HIPAA eligible and as such, an eligible individual may apply for individual health coverage within 63 days after losing group health coverage due to termination or separation from the District. HIPAA does not limit the amount you can be charged for the policy. There are, however, limits that the State may set, e.g., if your coverage is through a network plan, HIPAA does not guarantee that your policy will be renewed if you move outside the area or if your coverage is through a high-risk pool and you move out of the State, HIPAA does not guarantee that your coverage will be renewed.

HIPAA also establishes requirements and limits under which pre-existing condition exclusions can apply and if there are pre-existing conditions, HIPAA helps to minimize the impact of exclusion on access to health coverage.

Your eligibility to have HIPAA guarantees you the right to purchase individual health insurance and coverage depends on your ability to meet all of HIPAA's requirements one of which is whether you accepted and used up your COBRA continuation coverage or similar State coverage if it was offered to you. If you elect COBRA coverage when you lose group health coverage, you will have to exhaust the COBRA coverage before you will be entitled to special enrollment into another health plan. You will have to determine whether it is more to your advantage to special enroll into the other health plan immediately or to first take COBRA continuation coverage from your old health plan.

The Committee strongly feels that HIPAA information needs to be made available to all employees, especially employees who are separating from the District or employees with dependents with a pre-existing condition. The Committee will try to publicize this information through the Faculty Association and CSEA. The recommendation of the Committee is that this information be made available to the entire college community.

Faculty Retirement Workshop - This workshop scheduled March 2, 2006 is for full-time members of STRS only.

Spring Health Benefits Forum topics

- RFP Information (if available)

- Differences between COBRA and HIPAA
- Annual Statement of Benefits Form issued by Human Resources
- Statement of Benefits issued in August by CalPERS
- Notification of changes to information on CalPERS statement

Implementation of Recommendations - It is hoped that the Annual Statement of Benefits Form recently sent out by Human Resources, will encourage SMC employees to verify that the information posted on the statement is correct and that notification will be made to the Human Resources department if there have been any changes. A notation of the type of enrollment, e.g. family, two-party, is needed for employees to accurately assess the statement.

RFP Process Update and Kaiser

Co-chairs Brown and Burnett met with Interim Superintendent/President Donner February 24 to discuss how a quote for Kaiser coverage will be achieved without inclusion in the RFP. The understanding from the meeting is that comparable coverage would not cost more than our existing plan with Kaiser through PERS. The problem would be the out-of-state retirees who have Kaiser health insurance. California Kaiser is not available in other states. The District would have to shop other insurances for the retiree group. Tom Donner assured the Committee that it will not be more than what we are currently paying for Kaiser right now.

Co-chairs Burnett and Brown held a conference call with Anne Clifford and conveyed to her the Committee's concerns with the draft RFP. She was willing to take all of the recommendations and revise the RFP accordingly.

- The 5% flat commission has been adjusted to 3%
- COB - Coordination of Benefits
- Provider Credentials - We may be able to compare two bids for the RFP
- PBM - Prescription Benefit Management
- Quotes for the following medical plans will be provided in the RFP:
Blue Cross, Health net, AETNA, CIGNA, Pacific Care

Agenda for Next Meeting

- Faculty Retirement Benefits Workshop Report
- Spring Benefits Forum
- Retirement Benefits Workshop for Classified
- RFP Process Update

Adjournment: 10:40 a.m.

The next meeting of the Collegewide Benefits Committee will be held on Thursday, March 23, 2006 from 9:30 - 11:00 a.m. in the Library Conference Room.