

Santa Monica College
Collegewide Benefits
Minutes of the Meeting
May 11, 2006

Present

Sandi Burnett, Co-Chair
Lenore Banders
Al DeSalles
Peter Geltner
Jeanette Goolsby
Mitra Moassessi
Anna Rojas

Absent

Pat Brown, Co-Chair
Marvin Martinez

Assistants

Letty Kilian, Staff Assistant
Mimi Vaval, Resource Staff Assistant

Co-chair Sandi Burnett called the meeting to order at 9:35 a.m. and noting that there was no quorum, asked the Committee to review the April 20, 2006 minutes.

Reports and Discussions

American Fidelity Health Benefits Proposal - The Committee reviewed the outline of a health benefits audit proposed by American Fidelity previously provided by Co-chair Pat Brown. Discussion centered on who would have ownership of the information obtained by American Fidelity for the purposes of a benefits audit. Even if it was turned over to the District, it is possible that American Fidelity would also keep the information. Another concern is that District employees would be subjected to American Fidelity's sales pitch of their products. Furthermore, the Committee was hoping to implement the audit before or during the open enrollment of health benefits and American Fidelity would be available to administer the audit after the PERS open enrollment mid-September to mid-October. Due to these concerns, the Committee decided not to pursue a health benefits audit by American Fidelity. With quorum achieved at 9:48 a.m., the Committee made the following recommendations.

Motion was made by Peter Geltner and seconded by Jeannette Goolsby that the Committee reject American Fidelity's proposed health benefits audit.
Unanimously approved.

Motion was made by Mitra Moassessi and seconded by Anna Rojas that the Committee investigate the possibility of the District implementing a health benefits audit of full-time active employees, early retirees and their dependents.
Unanimously approved.

April 20, 2006 Minutes

Motion was made by Mitra Moassessi and seconded by Lenore Banders to approve the minutes of April 20, 2006. ***Unanimously approved.***

Leadership Forum Notes - Corrections to the May 4, 2006 Leadership Forum Notes were made as follows:

- #2. To assist in the process, the District hired a consultant to **compare** alternate plans with the current medical health plan serving as the RFP. Consultant Anne Clifford and Terry Gaulke, of Fickewirth & Associates, shopped the RFP with Aetna, Blue Cross, CIGNA, Health Net, and PacifiCare.
- #3. The Committee discussed verification of dependent eligibility through an audit to verify eligibility of employees and their dependents health coverage by the District. Previously, the District was **more in favor of a voluntary approach of verification of eligibility instead of a mandatory audit process**. The Committee feels that this effort would be a great cost-saving measure with significant savings to the District.
- #7. GASB 45– Governmental Accounting Standards Board (GASB) issued new accounting standards that will require community college districts to **report their unfunded liability for retiree health benefits in their annual financial statements**.

*In addition, the Report by Co-chair Brown to the District Planning Advisory Committee summarizing the work of the Collegewide Benefits Committee will also be added to the May 4, 2006 Leadership Forum Notes.

Motion was made by Peter Geltner and seconded by Mitra Moassesi to accept the Forum Notes as modified.

Unanimously approved

Incentivizing PERSChoice - Last year, the District proposed to use Section 125 as an incentive to all employees currently enrolled in PERSCare to select PERSChoice during the health benefits open enrollment for 2005-2006. The incentive to switch would be \$1,000 annually for a two-party or family, and \$500 annually for individual reimbursement. There was no incentive agreement by the bargaining units.

The Committee discussed providing an incentive to HMO enrollees as a way of acknowledging that their enrollment in an HMO is a great savings to the District. It appears that people moving from an HMO would most likely switch to PERSCare and not to PERSChoice. The Committee would like to explore how much it will cost to obtain a rider to increase the lifetime maximum and the out-of-pocket cost, in addition to the use of a Section 125 as an incentive to PERSCare enrolled employees. Under PERSCare the lifetime maximum is unlimited; under PERSChoice the lifetime maximum is \$2 million.

Motion was made by Peter Geltner and seconded by Mitra Moassessi that the Committee investigate the criteria which will be needed by the Committee to persuade the membership to switch from PERSCare to PERSChoice; and that Consultant Anne Clifford be asked to assist in researching the requested information.

Unanimously approved.

The Committee's Co-chairs will meet with Dr. Tsang to discuss the potential increase in consultation cost that may be required by the additional work of the Consultant.

Agenda for Next Meeting

- Report on the Motions and discussion with Dr. Tsang
- Aetna Quote

Adjournment: 10:50 a.m.

The next meeting of the Collegewide Benefits Committee will be held on Thursday, May 18, 2006 from 9:30 - 11:00 a.m. in the Library Conference Room (2nd floor).