

Santa Monica College
Collegewide Benefits
Minutes of the Meeting
June 1, 2006

Present

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

Absent

Marvin Martinez

Assistants

Letty Kilian, Staff Assistant
Mimi Vaval, Resource Staff Assistant

Guest

Peggy Rhoads

Meeting was called to order at 9:35 a.m. by Co-chair Sandi Burnett.

Reports and Discussions

Teri Gaulke spoke to the Committee via a conference call and said that PERS has not released their rates; it is expected that they will mid to the end of June. However, Blue Cross is offering a third option, a PPO plan which is less than Choice. Also presented was an increase to \$5 million for the lifetime maximum for Choice. It appears from the CalPERS Board Meeting minutes, that Blue Cross is not going to increase their rates; this also applies to the rates for retirees. Teri also mentioned that she is reviewing the Aetna proposal and it looks promising but she cannot present it until she has more time to review it. However, the Aetna proposal looks better than what she presented to the Committee on Blue Cross.

Aetna is slightly higher on the HMO retirees' rates when compared to CalPERS rates. However, the PPO rates compared to PERS are lower for retirees. Teri thought it worth noting that the City of Santa Monica previously covered by CalPERS is now with Aetna. Teri did say that Aetna discourages going out of the network by having a higher calendar year maximum for those that do go outside their network. Teri will plan to come to the next meeting on June 8th to present the information available on Aetna.

Approval of May 11, 2006 Minutes

Motion was made by Peter Geltner and seconded by Pat Brown to approve the Minutes of May 11, 2006. *Unanimously approved.*

Approval of May 18, 2006 Minutes

The minutes were approved by *friendly consensus* due to lack of quorum at the May 18, 2006 meeting.

TPA vs. In-house – Co-chair Pat Brown provided a handout to the Committee, “Leaving CalPERS Significantly Impacts Costs” which addresses the financial impact on the administration costs upon leaving CalPERS. The Workload Summary of the Benefits Department prepared by professor Gregory Brookins addresses this in Recommendation No. 4 of the Report.

Discussion centered on the Committee’s options on which a recommendation will be made to the bargaining units.

- Option 1 – Stay with CalPERS
 Subgroup – Switching from PERSCare to PERSChoice
- Option 2 – Leave CalPERS

The first recommendation under Option 1 is to hire another Benefits Department full time employee. Mitra Moassessi informed the Committee that the request to hire another employee for the Benefits Department was given the highest priority by the Budget Committee. Currently, the Health Benefits office inputs all voluntary deductions including TSA and Section 125 information. Among many other duties, the Benefits Coordinator would be more available to provide retiree health benefits counseling and workshops which currently have been offered only once a year; ideally, the workshops should be offered twice a year.

The Third Party Administration would be responsible for the following:

- * Billing and Account Reconciliation
- * Building the District’s own database
- * Open Enrollment – the work may increase due to the audit
- * COBRA – termination of dental and vision benefits notification to employee dependents
- * Benefit audit implementation and future audits
- * An enhanced website with *The Most Frequently Asked Questions* and search engines

PERSCare to PERSChoice question – Rose Ulrich, PERS Health Benefits Analyst, in an e-mail to co-chair Pat Brown responded that because enrollees have a choice of available health plans a resolution cannot restrict enrollees specifically to the PERSChoice plan. But that the District could word the resolution to specify that the District would only pay up to the maximum of the PERSChoice premiums. A sample resolution template for the District to elect to fix (change) the employer’s contribution toward health benefits was emailed and distributed to the Committee.

The Committee feels that there should be a “due process” in place whereby an employee who switches from Care to Choice with external circumstances can make a compelling case and have the District cover the expense not covered by Choice. The District would then have in place a process to review the employee’s compelling case to be covered by the District. A possibility would be to have a Health and Welfare Committee comprised of the three segments, Administration, Faculty Association and CSEA, to review the evidence of these cases and decide the merits of the individual situation.

Incentive Alternatives – Consultant Anne Clifford is continuing to look into possible options for incentivizing a move from Care to Choice.

Parameter of the Benefits Audit – The co-chairs prepared a proposal outlining the parameters of the Benefits Audit proposal.

- All eligible enrollees and their dependents (excluding active single coverage); and early retirees and their dependents, approximately up to 700, will be audited
- Part-time faculty will not be a party of this audit

- Time period for a health benefits audit is planned for August 23 – September 10, 2006. This allows for changes prior to the beginning of September 15, 2006 Open Enrollment
- A notice of the planned health benefits audit will be mailed to employees via U.S. mail on or by July 1, 2006 by the District.
- The company will provide the 2nd and 3rd reminder notices to employees.
- The company will establish an 800-number for employee appointments
- The company will establish appointments at multiple sites: Administration complex, Main campus, Bundy campus, Academy of Entertainment and Technology or by fax, telephone or internet email for out-of-state retirees.
- CalPERS eligibility criteria will be the basis for the audit and enrollees will be reminded of the criteria.
- All information obtained from and/or provided by enrollees will remain the sole property of the District, and may not be shared with anyone outside the District.

Motion was made by Mitra Moassessi and seconded by Al DeSalles that the Committee proceed with the parameters of the benefits audit proposal.
Unanimously approved.

Anne Clifford is still working on the lifetime maximum “rider” inquiry. If the District moves from Care to Choice, the need for a “rider” may be moot if it is possible to switch back to PERSCare. The question arose as to how an employee finds out if he/she is nearing the lifetime maximum. PERS should be able to answer this question.

Agenda for Next Meeting

- Incentive Alternatives
- Aetna and Health Net Quotes

Adjournment: 11:05 a.m.

The next meeting of the Collegewide Benefits Committee will be held on Thursday, June 8, 2006 from 9:30 – 11:00 a.m. in the Library Conference Room (2nd floor).