

Santa Monica College
Collegewide Benefits
Minutes of the Meeting
September 29, 2005

Present

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

Absent

Al DeSalles
Reagan Romali
Mimi Vaval

Assistants

Letty Kilian, Staff Assistant

Guest

Bernie Rosenloecher

A quorum was not present.

Co-chair Sandi Burnett called the meeting to order at 9:40 a.m. noting that there was no quorum and moved on to reports and discussion.

Reports and Discussion

Plan Analysis Progress - Co-chair Burnett reported that Consultant Gregory Brookins is currently working on the detail analysis of the plan administration. He will be invited to the October 6th meeting to report his findings. He is currently into the second week of work.

Scope of RFP - The Committee is in the process of determining the scope of the Request for Proposal. There was some discussion as to whether there should be two RFPs one for all full-time employees and a separate one for adjunct faculty. A question arose as to whether the adjunct faculty should be included with the full time employees. Currently, the adjunct faculty are not part of PERS. After some discussion regarding the scope of the RFP, the following motion was made.

Quorum was reached at 10:00 a.m.

Motion was made by Ana Rojas and seconded by Peter Geltner that the District request competitive bids for comparable coverage to current District medical benefits coverage. The RFP will include a quote for medical benefits coverage for all full-time employees; a quote for medical benefits coverage for adjunct faculty; a quote for both full time employees including adjunct faculty; and a quote for medical benefits including dental and vision insurance coverage.

Unanimously approved.

Co-chairs Brown and Burnett will meet with Interim Superintendent Tom Donner to discuss the possibility of hiring consultant Anne Clifford to prepare the RFP.

Motion was made by Peter Geltner and seconded by Jeanette Goolsby that the Collegewide Benefits Committee request that the District hire Consultant Anne Clifford and that RFP be released to health insurance carriers by December 1, 2005.

Unanimously approved.

Section 125 MOU - Committee member Mitra Moassessi reported that the Faculty Association had proposed that the savings generated by the Section 125 plan be used toward faculty salaries. The District was not in agreement with this. Therefore, there is no MOU.

Bernie Rosenloecher reported that a meeting between CSEA and the District to discuss the Section 125 MOU was still pending.

Approval of September 8, 2005 Minutes (as amended)

Motion was made by Peter Geltner and seconded by Mitra Moassessi to approve the minutes of September 8, 2005. ***Unanimously approved.***

Approval of September 15, 2005 Minutes

Motion was made by Ana Rojas and seconded by Jeanette Goolsby to approve the minutes of September 15, 2005. ***Unanimously approved.***

Online Faculty Handbook - There was consensus that the Online Faculty Handbook be updated and correct information be provided for the use of all faculty and to widely disseminate its existence.

Health Benefits Forum - A Health Benefits Forum was scheduled for Wednesday, November 2, 2005 from 3 - 4:30 p.m. in Business111 (B111).

Summary of Health Benefits Forum - The summary of the September 22, 2005 Health Benefits Forum will become part of the September 29, 2005 Minutes.

Summary of Health Benefits Forum

Thursday, September 22, 2005
Drescher Hall 301A (LOFT)

Presenters: Mark Johnson, CalPERS
Rose Ulrich, CalPERS
Renee' Perea, CAREMARK

The Health Benefits Forum addressed the District proposal to use a Section 125 Plan as an incentive to all employees currently enrolled in PERSCare to select PERSCchoice during the open enrollment that concludes on October 15, 2005. The incentive to switch would be \$500 annually for individual reimbursement, and \$1,000 annually for a two-

party or family. The new 125 Plan would assist with out-of-pocket costs, deductibles and co-payments for those employees who switch from PERSCare to PERSChoice.

- CalPERS self-insures both PERSCare and PERSChoice
- CalPERS offers both PERSCare and PERSChoice PPO plans
- ~~Currently there are approximately 85,000 members~~ **the percentage of members enrolled in PERSChoice is 85%** and ~~15,000~~ **15%** in PERSCare
- PERSCare has been around since the 1980's
- PERSChoice was created in the early 90's
- The annual deductible of \$500 is the same for PERSCare and PERSChoice
- The main difference between PERSCare and PERSChoice is the cost of the premiums
- After the deductible has been met, PERSCare will pay 90% and the member pays 10% for most medical benefits; PERSChoice will pay 80% of eligible medical costs and the member pays 20%
- PERSCare premium cost is 68% higher than PERSChoice premium **but the estimate of the added value is 5% more with PERSCare**
- It is expected that CalPERS enrollment will drop this year by 15,000
- PERSCare and PERSChoice have the same deductible
- PERSCare drug prescription benefit is for up to a 34-day supply, PERSChoice drug prescription benefit is for up to a 30-day supply
- Under PERSCare the lifetime maximum is unlimited
- Under PERSChoice the lifetime maximum is \$2 million
- PERSCare maximum calendar year co-pay is \$2,000/per member and \$4,000/per family
- PERSChoice maximum calendar year co-pay is \$3,000/per member and \$6,000/per family
- Out-of-network providers may be used under PERSCare and PERSChoice
- PERSChoice and PERSCare offer the same network of doctors

CAREMARK

- CAREMARK will, as the laws allow, change the brand drug prescription ordered by the physician to a generic medication as a cost-savings measure
- To prevent this from happening, ask your physician to flag the prescription by marking it DAW (Dispense as Written) and Do Not Change
- CAREMARK's generic medications are \$5 (short term); \$10 for retail pharmacy maintenance; and mail service for up to 90 days is \$10
- Preferred brand meds are \$15 for retail pharmacy (short-term); \$25 for retail pharmacy maintenance; and \$25 for mail service for up to 90 days
- Manufacturer's packaging and shipping guidelines are strictly followed for mail order prescriptions

- When using the mail order service, make sure that the physician writes the prescription for 90 days to avoid a co-payment and also mark it DAW (if desired)
- CAREMARK's 24-hour dedicated customer service phone number is 866-999-7377
- CAREMARK's physician online service is 800-378-5697; please do not use this number if you are a member
- If a prescription medication has been sitting in a mailbox for an indeterminate amount of time and there is concern, CAREMARK will send out a new medication at no additional cost
- Prescriptions may be ordered using the following methods:
 - Via the web at www.caremark.com/wps/portal
 - Customer service is 866-999-7377 - #1 retail pharmacy; #2 IPR (interactive phone response); or #3 for a customer representative
- When registering online or via the automatic phone system, you must drop the first three alpha/numeric characters on the Blue Shield ID card; the CAREMARK system will not recognize them

Co-chair Burnett requested that the 2006 Basic Plan Comparison chart (without check marks) provided by CalPERS representative Mark Johnson be posted on the Committee's website.

Agenda for Next Meeting

- Report on Consultant's Gregory Brookins' data analysis progress
- Report on meeting with Tom Donner regarding Anne Clifford
- Decision Making Timeline
- Current and past years Section 125 Savings distribution
- Health Benefits Forum

Adjournment: 10:55 a.m.

The next meeting of the Collegewide Benefits Committee will be held on Thursday, October 6, 2005 from 9:30 - 11:00 a.m. in the Library Conference Room.