

Santa Monica College
Collegewide Benefits
Minutes of the Meeting
June 22, 2006

Present

Pat Brown, Co-Chair
Sandi Burnett, Co-Chair
Lenore Banders
Peter Geltner
Marvin Martinez
Mitra Moassessi
Anna Rojas

Excused Absence

Al DeSalles

Absent

Jeanette Goolsby

Guests

Anne Clifford
Teri Gaulke
Peggy Shannon

Assistants

Letty Kilian, Staff Assistant
Mimi Vaval, Resource Staff Assistant

Co-chair Sandi Burnett called the meeting to order at 1:05 p.m.

Reports and Discussion

Consultants' Report on the Proposed CalPERS and Aetna Rates

PPO Plan Comparison Summary for Actives and Early Retirees

- The CalPERS rates increased by 12 to 13 percent
- The main benefits design of Aetna is comparable to the PERS benefits (with noted exceptions)
- With the new PERS rates, rates are more under PERS than with Aetna
- Currently the District pays \$432/month on a tenthly basis for health benefits for the eligible retirees
- The Aetna \$400 penalty for failure to pre-certify (in-patient hospital, treatment facility, skilled nursing facility, home health, hospice, and private duty nursing care) applies to active and early retirees
- Aetna's High Option PPO out-of-network is \$6,000 per member per year and \$12,000 per family per year; PERSCare out-of-network is \$2,000 per member per year and \$4,000 per family per year
- The Inpatient/Outpatient hospital PERSCare admission deductible is \$250 for each admission; Aetna's confinement deductible is \$500

- There is no documentation that CalPERS made any changes to the life time maximum benefit for PERSChoice as proposed previously
- Retail Pharmacy with Aetna is \$5/generic, \$15/brand, \$30/non-formulary. PERSCare retail pharmacy is \$5/generic, \$15/brand, \$45/non-formulary. However, the formulary brand with PERS may be different than with Aetna
- Emergency Room visit - PERSCare's deductible is \$50 unless admitted; Aetna's co-pay is \$75, however, non-emergency care is not covered
- Under Aetna, prior authorization is required for Mental Health, Substance Abuse, and Home Health Services. If there is no prior authorization, a \$400 penalty will be applied to active and early retirees
- PERSCare does not penalize if there is no prior authorization but services may be declined
- Aetna does not cover acupuncture services and stipulates "spinal manipulation" only from chiropractic

PPO Plan Comparison Summary for Retirees

- Under Aetna's Medicare Supplement, the annual out-of-pocket maximum is \$3,000/member/year and \$6,000/family/year; PERCcare is \$2,000/member/year and \$4,000/family/year
- The lifetime maximum is unlimited under PERSCare and Aetna
- Under Aetna, it is the responsibility of the retiree and not the doctor, to obtain prior authorization for diagnostic X-Ray/lab work
- Retail Pharmacy with Aetna is \$5/generic, \$15/brand, \$30/non-formulary. PERSCare retail pharmacy is \$5/generic, \$15/brand, \$45/non-formulary. Again, the formulary brand with PERS may be different with Aetna
- The \$400 penalty also applies to Emergency Services, Mental Health, Substance Abuse and Home Health Services if no prior authorization for services is obtained

The network of providers under Aetna will not overlap as much with the Blue Cross provider list as compared with Blue Shield's provider list. The consultants reported that enrollee reactions to a change in the network of providers are, in general, very difficult, even when there is a significant overlap of providers.

Blue Cross - Consultant Anne Clifford will look into the Blue Cross rates based on Moassessi's suggestion that Blue Cross re-"retiree" benefits become the same as Actives. The District will lose the Blue Shield HMO; Blue Cross has its own HMO. The lifetime maximum with Blue Cross is \$5 million.

Incentive Alternatives - Anne Clifford spoke about the Health Reimbursement Account (HRA) as an incentive alternative. The employer makes contributions into individual accounts. The funds may only be used for health care expenses and any unused funds are rolled over to the following years. Unlike the Section 125 and FSA accounts where the employee or employer can make the

contribution, only the employer makes the contribution into the HRA.

Kaiser Quote - Since there has been no quote from Kaiser, the Committee made the following motion.

Motion was made by Mitra Moassessi and seconded by Peter Geltner that the Collegewide Benefits Committee needs official confirmation that Kaiser will accept the District's active full time employees and retirees who are currently covered under CalPERS Kaiser with comparable coverage and what the 2007 rates for such coverage would be. The Committee requests that this information be provided by June 30, 2006.

Unanimously approved.

Co-chair Burnett will send an email to Dr. Tsang requesting implementation of the motion.

Agenda for Next Meeting

- Blue Cross Rates
- Kaiser Quote
- Health Reimbursement Account
- Benefits Audit
- Third Party Administrators

Adjournment: 2:35 p.m.

The next meeting of the Collegewide Benefits Committee will be held on Thursday, June 29, 2006 from 1:00 - 2:30 p.m. in the Library Conference Room (2nd floor).