

Santa Monica College
Collegewide Benefits
Minutes of the Meeting
June 29, 2006

Present

Sandi Burnett, Co-Chair
Lenore Banders
Jeanette Goolsby
Marvin Martinez
Mitra Moassessi
Anna Rojas

Excused

Pat Brown
Peter Geltner

Absent

Al DeSalles
Mimi Vaval

Guests

Peggy Shannon

Assistants

Letty Kilian, Staff Assistant

Co-chair Sandi Burnett called the meeting to order at 1:18 p.m.

Approval of Minutes

June 29, 2006 No quorum.
June 22, 2006 No quorum.
June 15, 2006 No quorum.
June 8, 2006 No quorum.

Reports and Discussion (no quorum)

Miscellaneous Information - Anne Clifford's contract is officially over on June 30, 2006.

Blue Cross Rates - Co-chair Burnett reported that the revised proposal from Blue Cross will include a benefits package for retirees.

Kaiser Quote - Co-Chair Burnett reported that the District's contact for Kaiser confirmed that it would accept the SMC employees and retirees but that the rates would not be available until July.

The Committee would like to know if the part-time eligible faculty grouped together with the full-time Kaiser enrollees would cost more and would the benefits for part-timers be richer if merged with the full-time Kaiser enrollees. The following clarifications are needed.

- Written confirmation that the Kaiser benefits would be comparable to the current Kaiser plan under CalPERS
- A quote for part-time faculty (eligible for benefits) added

to the full-time faculty and early retirees using the CalPERS benefit plan

- A quote for part-time faculty with no changes to the existing Kaiser plan for part-time faculty
- A quote for full-time faculty and early retirees only under the CalPERS benefit plan
- A quote for retirees eligible for Medicare using the CalPERS benefit plan

Co-chair Burnett will send an e-mail to Robert Sammis and a copy to Dr. Tsang requesting the above information and that it be submitted in writing.

Health Reimbursement Account - The Committee has been exploring incentives to encourage a switch from PERSCare to Choice. The Health Reimbursement Account is being considered as a possible and effective incentive as recommended by Anne Clifford. She recommended American Fidelity and Igoe Company as possible administrators of the HRA. More information about HRA's is needed.

PERSChoice did not increase its lifetime maximum to \$5 million as was hoped.

Health Benefits Audit Update - There needs to be a two-week period to solicit a Request for Proposal. A recommendation for a health benefits audit will be made for Board Approval on August 14, 2006. The following vendors will be sent the bid for proposal: Benefits Services Center, Mercer Human Resources Consulting, Strategic Human Resources Company. Benetrac is not being considered as a possible vendor. The WAG of the bid is \$67,000.

Third Party Administration - The Co-chairs will meet with the Superintendent to discuss a Third Party Administration. The Committee will place an item on the agenda to approve a TPA for the Board of Trustees meeting on September 13. The Committee requested that the period to solicit a request for proposal be longer than the required two-week period.

The TPA will be responsible for the following:

1. Billing and Account Reconciliation
2. Building the District's own database
3. Open Enrollment
4. COBRA
5. An enhanced website

The TPA will not be handling the benefit audit implementation

Options

Decision	Implications of Decision
OPTION 1 Stay with CalPERS current health plan	<ul style="list-style-type: none"> • Costs will increase
OPTION 2 Switch from PERSCare to Choice	<ul style="list-style-type: none"> • Who will pay for those who stay with Care? • Incentive needed to encourage

	<p>switch</p> <ul style="list-style-type: none"> • Dollar amount of incentive • Incentive should cover the difference in out-of-pocket cost • *Are retirees eligible for HRAs? • Will the TPA administer the HRA?
<p>OPTION 3 Unions implement an en masse move to Choice</p>	<ul style="list-style-type: none"> • TPA could make a recommendation to the District and bargaining units on an enrollee case by case for expenses previously covered by Care for those enrollees with external circumstances who are unable to pay
<p>OPTION 4 Blue Cross</p>	<ul style="list-style-type: none"> • First proposal from Blue Cross has an unacceptable retiree benefits plan • Lifetime maximum is \$5 million • Same network as CalPERS
<p>OPTION 5 Aetna</p>	<ul style="list-style-type: none"> • Too many penalties • The Committee will no longer pursue Aetna

*Co-chair Sandi Burnett will find out if retirees are eligible to have an HRA

Agenda for Next Meeting

- Blue Cross Rates
- Response about Kaiser
- Health Reimbursement Account
- Benefits Audit
- TPA Update
- Calendar for the next 90 days

Adjournment: 2:35 p.m.

The next meeting of the Collegewide Benefits Committee will be held on Thursday, July 6, 2006 from 1:00 - 2:30 p.m. in the Library Conference Room (2nd floor).