

Santa Monica College
Collegewide Benefits
Minutes of the Meeting
July 20, 2006

Present

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

Excused

Peter Geltner
Mimi Vaval

Guests

Anne Clifford
Teri Gaulke
Mary Guadagno
Peggy Shannon

Assistants

Letty Kilian, Staff Assistant

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

Approval of Minutes via Email

The following Collegewide Benefits Committee Minutes were approved.

June 29, 2006
June 22, 2006 .
June 15, 2006
June 8, 2006

Approval of July 6, 2006 Minutes

Motion was made by Mitra Moassessi and seconded by Jeanette Goolsby to approve the Minutes of July 6, 2006. **Unanimously approved.**

Reports and Discussion

Blue Cross Update -Blue Cross representative Mary Guadagno presented Blue Cross' plan that provides the same plan for the retirees that we have for the active employees. The Blue Cross Active and Early Retiree Estimated Rate Comparison shows an estimated annual savings for active employees at \$1,152,795; an estimated annual increase to the District for retirees at \$179,776; and an estimated annual increase to retirees at \$550,994 with an estimated net savings of approximately \$422,025. The out-of-state retiree plan is not part of this proposal. It will be looked at separately.

The Committee expressed concern with the increase to the retirees; however, the District may opt to use the estimated savings from the actives to offset the increase.

- The calendar year deductible for Blue Cross High Option PPO is the same as PERSCare's \$500/member/year; \$1,000/family/year with a \$250 inpatient deductible per admission
- Annual Out-of-Pocket Maximums is the same for PERSCare and Blue Cross \$2,000/member/year; \$4,000/family/year
- The Lifetime Maximum with PERSCare is unlimited

- The Lifetime Maximum with Blue Cross and CalPERS is \$5,000,000 per person covered under the plan
- The lifetime maximum continues into retirement
- Three out of four doctors are Blue Cross providers
- Blue Cross retail pharmacy service is a better benefit with Blue Cross but it is different from CalPERS
- Blue Cross administers its own mail-order drug prescription program
- Blue Cross will grandfather members who have pre-existing medical conditions
- Blue Cross will facilitate a transition to ensure that these members are not harmed by the change to Blue Cross
- Blue Cross will staff the District's Open Enrollment
- Enrollee reaction to a change in the network of providers is, in general, very difficult
- Mary stated that the biggest concern that members have is whether they will have the same benefits
- Blue Cross is willing to do a disruption analysis to determine the disruption to the doctor network

Mary Guadagno provided the Committee members with a Blue Cross packet of information and stressed to the Committee that it needed to make a decision whether to stay with CalPERS or not. The consultants will ask Mary Guadagno to revisit the retiree benefits package in an effort to decrease the cost to the retirees plan.

Health Benefits Audit Selection Committee - Co-chair Sandi Burnett, Al DeSalles and Anna Rojas plan to meet on July 31st with Purchasing Director Keith Webster to review the proposals submitted for the Health Benefits Audit

Third Party Administration - No report was available.

Health Reimbursement Account - No report was available.

Agenda for Next Meeting

- Modified Blue Cross Proposal for Retirees

- Committee Recommendations

Adjournment: 3:15 p.m.

The next meeting of the Collegewide Benefits Committee will be held on Thursday, July 27, 2006 from 1:00 - 3:00 p.m. in the Library Conference Room (2nd floor).