

Santa Monica College
Collegewide Benefits
Minutes of the Meeting
August 30, 2005

Present

Pat Brown, Co-Chair
Sandi Burnett, Co-Chair
Al DeSalles
Peter Geltner
John Gonzalez
Jeanette Goolsby
Mitra Moassessi
Ana Rojas

Absent

John Gonzalez (arrived at 10:50 a.m.)

Assistants

Letty Kilian, Staff Assistant
Mimi Vaval, Resource Staff Assistant

Co-Chair Sandi Burnett called the meeting to order at 9:35 a.m. and asked the Committee to review the July 1, 2005 minutes.

July 1, 2005 Minutes

Motion was made by Pat Brown and seconded by Mitra Moassessi to approve the minutes of July 1, 2005. ***Unanimously approved.***

Reports and Discussions

Co-chair Sandi Burnett reported that the response to the SMC Collegewide Benefits Committee Recommendations was positive. Praise was also expressed for the Decision Making Timeline.

Co-chair Brown met with Interim President Tom Donner to discuss the Benefits Committee Recommendations. Following is a summary of proposed future action from that discussion.

- Joining with LACCD
What is in it for LACCD? It appears that SMCCD will increase the pool risk for LACCD. SMCCD's effect on Blue Shield cannot be known without SMCCD first withdrawing from PERS. Caution and a full investigation of all pertaining issues is urged.
- Section 125 Plan Incentive
The District proposed a provision of annual contribution to a Section 125 Plan for employees who switch from PERSCare to PERSChoice. 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 will assist with out-of-pocket costs, deductibles, and co-payments for those employees who switch.
- Orthodontia
Delta PMI is the option for those needing orthodontia. The Delta PMI plan features coverage for orthodontia.
- Collegewide Benefits Committee

Continuation of the Committee is up to the bargaining units. It is the understanding of the Committee that it is to continue for 2005-06.

- Health Benefits Forum
Dates need to be determined for a Health Benefits Forum. As a cost-savings measure, special attention should be given to filing of appropriate forms with CalPERS for classified (AESD-1) and academic retirements (HD-86) and resignations upon separation from the District.
- Eligibility of Dependents
As another cost-savings measure, college employees will be required to verify eligibility of dependents annually during the open enrollment period. Also, develop a method to encourage new faculty who live outside the LA county region to use the District's address.
- Lifetime Maximum
Group catastrophic insurance can be sought for coverage of illness that exceeds \$2 million lifetime to increase coverage maximum to \$10 million or unlimited. This additional coverage would only apply to PERSChoice enrollees. It will not apply if we join with LACCD. The LACCD Blue Shield PPO plan carries a \$6 million dollar lifetime maximum.
- Decision Making Timeline
Discuss the method for achieving a detailed analysis of plan administration processes, timelines, client interface, etc.

The administrative ramifications and fiscal impact in making a change from CalPERS are unknown. The Committee needs to address the first step in designing a general plan, a detailed analysis of the administrative responsibilities currently handled by CalPERS. A study will be necessary in determining the current day-to-day operations of the Benefits Office. The following ideas were agreed to by the Committee:

- Contact three brokers and request that they provide detailed information on how to approach the task of conducting a detailed analysis of plan administration
- Contact the company that works for LACCD and request information
- Co-Chairs Brown and Burnett will meet with Vice President of Academic Affairs Jeff Shimizu to discuss the possibility of a Business department faculty member to execute a "time and motion" study of the SMC Benefits Office and contract methods for reimbursing such a service.

Revised Benefits Analysis Report

Co-chair Pat Brown provided the Committee with a revised SMC PPO Plan Comparison Summary. The annual out-of-pocket maximum with PERSChoice's is not \$1,000 per member, \$3,000/member, and not \$3,000/per family, rather \$6,000/per family.

Incentive to switch from PERSCare to PERSChoice

Interim Superintendent Tom Donner offered that the District set up a separate plan for Section 125; the District would make an annual contribution of \$500/per member and \$1,000/per family to those employees who switch from PERSCare to Choice.

Motion was made by Mitra Moassessi and seconded by Peter Geltner that the Committee recommend that the District offer **the approved amounts for** the Section 125 Plan **as an** incentive to employees currently enrolled in PERSCare to switch to PERSChoice, and to all new employees to sign up for PERSChoice for 2006 during the open enrollment period. Currently enrolled PERSChoice employees will have the additional benefit of the Section 125 contribution.

Unanimously approved.

Motion was made by Peter Geltner and Jeanette Goolsby that the Committee recommend that the District obtain a rider to increase the lifetime maximum.

Unanimously approved.

Co-chair Brown and Burnett, will meet with Dr. Donner to discuss implementation of the Motions. Perhaps the Section 125 incentive could be established in time for the 2006 Open Enrollment starting in September 15 and, thereby, potentially produce an overall effect this fiscal year.

Announcement

Co-chair Pat Brown informed the Committee that RBC (Retirement Benefits Consulting) was interested in meeting with the Committee to discuss the possibility of holding a retirement workshop for the college community. The Committee requested background information on RBC. However, the Committee is unable to meet with them at this time.

Agenda for Next Meeting

- Health Benefits Forum
- Retirement Workshop
- Report on plan administration analysis progress

Adjournment: 11:00 a.m.

The next meeting of the Collegewide Benefits Committee will be held on Thursday, September 8, 2005 from 9:30 - 11:00 a.m. in the Library Conference Room.