



**College-wide Benefits Committee
Minutes of the Meeting
March 16, 2011**

Present

Fran Chandler, Co-Chair

Anna Rojas
Dennis Frisch
Lenore Banders
Linda Sinclair
Sherri Lee-Lewis
Willis Barton

Absent

Marcy Wade, Co-Chair
Al Vasquez

Assistants

Vanna Ratnaransy, HR Analyst-Leaves & Benefits
Laurie Heyman, HR AA-III-Confidential

The meeting was called to order at 1:34 pm.

Approval of the Minutes

Minutes for the meeting of January 12, 2010
Move to accept the minutes:

Motion made by: Dennis Frisch
Seconded by: Lenore Banders
Ayes: 7
Noes: 0
Abstain: 0



Presentation: Long Term Care Insurance
Presented by Karen Perry & Teresa Campama:

<p>Karen Perry Retirement Options for Educators Partner</p> <p>(650) 341-5050 x118 Work (650) 224-9204 Mobile kperry@jhnetwork.com</p>	<p>Teresa Campama Retirement Options for Educators Partner</p> <p>(714) 955-3300 Work (714) 756-2640 Work Teresach8@aol.com 5191 Fernwood Drive Huntington Beach, CA 92648</p>
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KP: 7th year in LTCi; passion is educating people on LTCi; partnered with TC who is based in Southern California.

TC: In LTCi about 13 years, worked as VP in marketing, sales for large insurance companies; also LTC giver

KP: Quick recap: discuss carriers and changes in past 12-18 months; recommendation of carriers, and implementation period.

Recap

- Average annual cost of nursing home: \$72,000- \$100,000
- Average time in nursing home: 2 years, 9 months (end of life stage)
- 80-90% get home care first, then transition to a nursing home
- Length of time for LTC = 4 years+
- 2.5 years of LTC can drain savings of \$250,000
- \$200 per month typically is contributed by the family care giver
- 1 in 3 Americans who receive LTC are working
- Half of all family care givers are juggling full time jobs
- \$34 billion represents loss in productivity annually due to family functioning as care givers
- Employees who provide care and have LTCi, are twice as likely to stay on the job

Why Buy LTCi?

- Choice. Policy allows you to hire a care giver and gives some freedom to the family
- Act of independence to get a policy
- Policy protects family assets

Medicare, Medi-Cal, Family

- Medicare covers physician visits, therapy, not nursing or home care past the first 100 days
- Medi-Cal covers nursing home care
- Family members want to help out. But can they do it geographically? Emotionally? Physically? LTC can place a serious strain on the family
- Goal: have a policy, no matter how small

What is covered by LTCi?

- Home care, i.e., Adult Day Care
- Assisted living facilities and nursing homes after first 100 days

Who is covered?

- Full time employees (25-35 hours?) depends on District negotiations with carrier
- Spouses, Domestic Partners, adult children, retirees

Value of LTCi?

- Care worker develops a plan of action – care coordination is very important as a resource to family members
- Aids at home: grab bars, wheel chair ramps, etc
- Light housekeeping; meal preparation; training a primary care giver, referrals, assists with filing claims
- Payroll deduction; discounts when offered through the District
- Reduced productivity losses

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- Adds benefit at no cost to District, benefits families and employees
- Hiring incentive
- Turn key implementation with KP/TC functioning as the administrators; point of contact, marketing, materials, education

Carrier Considerations

- S Stable with strong financials
- A Accessibility – carrier with fair claims practices
- F Flexibility – carrier with options
- E Economical

Screening Issues

- Simplified health screening
- Minimal yes/no questions
- No nicotine/tobacco questions
- No height/weight questions
- No nurse to house
- No medical records requested
- 98% approval rating, but there are long term disabilities which will result in an employee being disapproved

Cost of LTC program qualifiers

- How much coverage do you need?
- Where will you retire?
- How soon will you need coverage? (How many days elimination period?)
- Inflation rider – money you put away should cover rising costs

Example: \$100/day coverage x 3 years (=1,095 days) = \$109,500 pool of money to draw upon

Miscellaneous

- John Hancock – outdated product; they pulled it and are in the process of updating their product offerings. Not available presently.
- Inflation Protection Options:
3% compound/ 5% compound/ 5% simple
- Comdex: Factor looking at financial strength of carrier and ability to meet their obligations
- A LTC event can happen more than once.
- To qualify for a LTC event, 2 of 6 activities must be impacted, or a cognitive impairment has occurred

Implementation

- Implementation Schedule: see appendix in handout – 60-90 day process
- Suggest April 01 as a start date

TransAmerica

- Reduced underwriting
- 5 year rate guarantee
- Group rates for employees and families
- Online application
- Strong, experienced, committed carrier

Rates

- Expect 1-2 rate increases in lifetime; in California, probably 8-10% per increase

Questions:

- Which carrier did Marin go with? TransAmerica
- How long is the turn around? Policy turnaround is about 1 month. At the time of delivery of policy, Karen or Teresa will sit with the client and reassess the current needs of the client.
- Looking at the TransAmerica page, for \$150/day, if a person is paying \$93.55/mo, they are 65 years old, and there is a spouse, how does the 40% discount work? A: The spousal rate is built in. If you are single, you will pay a slightly higher rate.
- Payment options: Payroll deduction monthly; after separation from District employment there are more payment options

Questions for Karen Perry

1. Can the District offer LTCi from more than one company at a time?
No; the companies will not compete against each other in the same venue and will not underwrite.
2. How long does a decision to go with one company lock in the District?
Not locked in.
3. Does Prudential offer a 5 year rate guarantee?
 - o No.

Discussion

- Vote by proxy: the entire constituency of management was missing (Sherri Lee-Lewis left the meeting at approximately 3pm); committee decided it was not a good precedent
- No quorum; not able to vote

Meeting adjourned approximately 03:35pm.

Next Meetings:

- **Tuesday, March 22** **2:30pm-3:30pm HSS 301**
- **Wednesday, April 27** 1:30pm – 3:00pm Location Drescher Hall Loft (DPAC day)
- **Wednesday, May 25** 1:30pm – 3:00pm Location BUS 111 (DPAC day)