



**College-wide Benefits Committee
Minutes of the Meeting
December 01, 2010**

Present

Fran Chandler, Co-Chair
Marcy Wade, Co-Chair
Al Vasquez
Anna Rojas
Dennis Frisch
Lenore Banders
Linda Sinclair
Sherri Lee-Lewis
Willis Barton

Assistants

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

The meeting was called to order at 1:35 pm.

Approval of the Minutes

Minutes for the meeting of September 15, 2010

Motion made by: Linda Sinclair
Seconded by: Lenore Banders
Ayes: 9
Noes: 0
Absent: 0

Minutes for the meeting of November 11, 2010

Motion made by: Willis Barton
Seconded by: Anna Rojas
Ayes: 9
Noes: 0
Absent: 0

Old Business

Issue: Hiring of consultant based on Resolution on Scope of Work for Benefits Consultant

- Debate by email initiated after Nov. 11, 2010 meeting was a failure. Only one person responded to the initial email.

Discussion:

- We decided on a consultant (Fickewirth) who was not acceptable to the District, leaving Aon and Mercer. In the meeting on 09.15.2010, the committee did not second a motion to hire either Aon or Mercer. Do we vote (again) on Aon and Mercer, or move on from there?

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Dr. Chui L. Tsang, Superintendent and President

College-wide Benefits Committee

- The representatives of the bargaining units were set on Fickewirth. I thought either Aon or Mercer would be able to do the job, but I felt that the committee would not be interested in those options. The task before us is do we consider the other two?
- Did Aon provide us with a timeline?
- Aon did, but at a later date.
- The phrase, "Arrangements with other companies" (as it appears in the Recap of the Presentations) has uncomfortable connotations.
- Only Fickewirth had experience with community colleges.
- Experience with Mercer suggests that they are able to do the job.
- Time is a big consideration. If Mercer says 4 weeks, that is worth looking at.
- Time is an issue, but in looking at Fickewirth and Mercer, is it going to be thorough enough?
- That is what is built into the proposal- the specifics.
- If Dr. Tsang is concerned about price, Mercer is the priciest.
- Dr. Tsang is willing to give certain dollars for this. Cost is not the whole issue.
- What was the objection against Fickewirth?
- Dr. Tsang said he had experience with Fickewirth and would not work with them again.
- Aon did not give us a cost.
- Aon supplied cost and time lines later:
 - **Analysis of cost of switching from Care to Choice (\$3-5K)**
 - **Impact Analysis (\$5-10K)**
 - **HRA and other benefit alternatives (\$3-8K)**
 - **HRA implementation (\$10-15K)**
 - **Total cost approx (\$21 - \$33K)**
 - **Timeline for project: 4 weeks from receipt of all necessary data**
- I've spoken to other colleagues in other schools. They have worked with Aon and Mercer and found them to be very pro-Administration. I could not vote for them.
- I'm hearing we are not going to vote for either company. If not, what then?
- If we are not going to vote for either company, then what?
- Straw poll taken on considering Aon or Mercer-
 - Pro: 3 votes
 - Con: 6 votes
- How to proceed? Can we do the work ourselves?

Fran Chandler disbursed a draft proposal to the Benefits Committee:

Draft Proposal to Benefits Committee
December 01, 2010
Fran Chandler

Assumption: We should forget the health reform bill for now. Too much is still unsettled.

However, for now, we should do the following:

- HR should analyze, summarize, and report the effects of switching from PERSCare Basic to PERS Choice on employees and the District.
- HR and Co-chair Chandler will highlight plan differences and costs for individuals in a spreadsheet (making assumptions as to usage levels, identifying differences such as chiropractic visits, durable medical, physical therapy, occupational therapy, home health, skilled nursing, etc.).
- CSEA and FA committee members will develop scenarios using the above information to show the impact of changes on individuals.
- District representatives should analyze, summarize and report on effects of Health Reimbursement Arrangements and other benefits alternative incentive plans on each employee category and the District.

Other incentives should include:

- Paying the total savings for the next five years to each employee who makes a change to a lower cost plan or those who drop District-paid coverage completely.
- Instituting District-paid lifetime medical, dental and vision coverage for retirees and their spouses as a retirement incentive that might partially pay for itself (via increased retirement of high-cost individuals and the hiring of less highly paid employees and/or part-time faculty).

Other:

- In late February the committee can meet to go over all of the above.
- In March or April, we can finally vote as a committee on whether we have found equivalent coverage at a lower price. Does a change make sense for our constituents? Can we recommend a change to our constituent bodies?

Discussion, continued...

- The committee can assemble the data we need. Do not need to look at the Health Care Reform Act due to the situation in Congress.
- For the management group, Human Resources was tasked with looking at the comparison of PERSCare vs. PERS Choice. However, if a consultant would help instill confidence, then we should proceed in that direction.
- Can we find equivalent coverage for a lower cost? If we can, perhaps that is when we go to the education part (and hire a consultant).
 - HR has developed a presentation which looks at the comparison of Care vs. Choice. The link to the presentation will be emailed to the Committee.
 - Committee would like to see several different scenarios showing costs and highlighting the differences in costs to individuals between the two plans.
- Regarding the comfort level of the committee on the HRA:

Motion made by: Dennis Frisch

Seconded by: Linda Sinclair

- Motion:

The committee shall undertake a study of several key issues:

1. A study of the similarities, differences and impact of switching from *PERSCare* to *PERS Choice*
2. A study of the advantages, disadvantages and impact on Faculty and Staff of the HRA (Health Reimbursement Arrangement) plan
3. Develop alternatives to the HRA

Discussion:

- Need clarification on committee's feelings about HRA.
- HRA will cover out of pocket costs
- The structure of the HRA is one thing. Is there any guarantee that the District will continue to pay into the HRA 5 years from now?
 - The HRA is based on District savings; can not guarantee the continuation of savings from which the HRAs are funded.
- Other incentives mentioned are bargaining issues needing to be discussed at the negotiations table and are based on what the District can afford to spend.
- Are we restricted to what the District has already put on the table?
- We should not be restricted to only the one incentive the district put before the committee, i.e., the HRAs.
- If we are going to push this forward, we need some structure. Who is going to do the work? We need structure so that we hit all the areas of concern as expressed by the groups at the table.
- Incentives other than HRAs can be considered by the committee later.

Motion amended by: Dennis Frisch

Seconded by: Linda Sinclair

- Motion:

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1. A study of the similarities, differences and impact of switching from *PERSCare* to *PERS Choice*
2. A study of the advantages, disadvantages and impact on Faculty and Staff of the HRA (Health Reimbursement Arrangement) plan

Ayes: 8

Noes: 1

Abstained: 0

Further Discussion:

- Committee shall look at the existing data in the presentations made for the management group and decide if the information is sufficient and/or if additional information is required.
- If we are working on this as a committee and not with a consultant, staff will see that we are working together.
- We should meet to look at the material that will be sent out (existing material developed by HR comparing *PERSCare* and *PERS Choice*).

College-wide Benefits Committee

Meeting adjourned approximately 3:00pm.

Next Meeting: Wednesday, Jan. 12, 10:00am-11:30am BUS 111