

EL CAMINO COLLEGE
Insurance Benefits Committee Meeting Notes
November 25, 2014

MEMBERS AND ALTERNATES PRESENT:

Beam, Linda	Chairperson
Jeffrey, Valerie	President's Appointee
Brown, Donald	ECCFT
Cohen, Jeffrey	ECCFT
Higdon, Jo Ann	Co-Chairperson
Leiby, Mary Ann	ECCFT
Lindberg, Lynn	President's Appointee (Alternate)
Sutton, Philip	President's Appointee
Turano, Debbie	ECCE

MEMBERS AND ALTERNATES ABSENT:

Chambers-Salazar, Polli	ECCFT (Alternate)
DeSanto, Michael	POA (Alternate)
Elliott, Momi	ECCE
Hayden, Diane	President's Appointee (Alternate)
Miranda, Gloria	President's Appointee
Newton, Michael	President's Appointee
Robertson, Gary	POA
Stanojevich, Diana	ECCE
Trevis, Michael	President's Appointee

ALSO ATTENDING:

Tonia Adams, Keenan & Associates
Sharen Stanek-Lowe, Keenan & Associates
Luukia Smith, El Camino College
Gary Turner, El Camino College

Open Meeting, Introductions & Roll Call

Linda Beam called the meeting to order at 1:07 pm.

Review / Approval of October 28, 2014 Meeting Notes

Linda asked everyone to please take a minute to review the notes.

There were no comments or questions about the notes from last month's meeting.

Premium and Claims Reports

Linda asked for an update on the dental and vision claims reports.

Tonia noted that the claims reports consist of information on a rolling 12 month basis. The first report reviewed is the Delta Dental report that shows 12 months from 10/12 - 9/13 whereby the Expense Loss Ratio is 90.75%. The average enrollment was 750 employees. That is a pretty decent Expense Loss Ratio when looking at overall claims versus premiums and including the administrative and eligibility fees. Without including the additional fees, the Paid Loss Ratio is only 85.47%.

When reviewing the current year Expense Loss Ratio, looking at the period of 10/13 - 9/14, the overall actual Expense Loss Ratio is 87.63%, including the additional fees. Without the administrative and eligibility fees, the Paid Loss Ratio is 82.53%.

For the VSP Vision program, looking at the prior period of 10/12 - 9/13 the Paid Loss Ratio reported was 79.85%. For the current period of 10/13 - 9/14, the Paid Loss Ratio reflects 79.18%.

Linda commented that Winter Holidays are the time when employees tend to get more dental and vision services completed as they have more time. So the committee will look to see the changes on the future reports.

COLA Adjustments

This topic was brought up at the last meeting by Momi Elliot and she wanted to have this addressed by the Committee. Momi was not in attendance at this Committee Meeting; however, Linda presumes based on dialogue that is being had with the ECCE representatives that the matter which is being asked about had to do with contract language that appears to have different interpretation between the District and representatives from the ECCE.

Linda asked Luukia if she was there to speak on behalf of Momi and this request. Linda restated that this was an ECCE requested item. Luukia indicated that she was not there to speak on Momi's behalf and indicated that Momi had requested that the item be placed on the agenda this month not knowing at the time when the initial request was made what path it would take. Luukia clarified that she was not there to speak on this request.

Linda clarified for the benefit of the Committee the nature of the request. She indicated that there was language in the ECCE contract that talks about a COLA adjustment. This is language that was included in the last contract from 2011 which was effective 2012. Jeff inquired if this was about the imposed contract and Linda clarified that this pertained to the ECCE actual contract and not the Federation's imposed contract.

Don asked for an explanation of the agreement. Linda clarified the language had to do with Article 15 of the ECCE contract and the fact that it had to do with the medical premium contributions being effective 1/1/12 and basically it says that for those single employees the contribution is \$590.00. For two-party employees the contribution would be \$1022.00, and for families the contribution would be \$1,328.00 per month that the District would contribute. It also says that effective 1/1/13 the District shall increase these rates by the percentage increase in the District's funded cost of living, the COLA, on the general apportionment that is funded by the State of California in that fiscal year. So the question that has come up now is does that fiscal year mean just 2013 or is it meant to be interpreted as **every** fiscal year?

That is the dialogue that is going on now between the District and ECCE.

Don stated that he would like to know why the District felt it inappropriate for the District to propose the same language to be included in the Federation contract.

Linda stated that the language was a carryover from a contract signed sometime in October 2011. Ultimately the language that was included in the Federation contract was different. It did not have that exact same contract.

Jeff indicated that the District chose not to give the same language to the Federation as what had been given to the ECCE. He went on further to state that the Federation had an imposed contract. He stated that the District chose the language for the contract and that they chose not to give that clause that there is nothing in the contract about any increase ever.

Don reiterated that so far there is no language in the contract that addressed the previously made point.

Jeff went on further to say that was the choice of the District as it was an imposed contract. He said that this was the first time that he heard about this and that Faculty would not be happy about this at all. Faculty would not be unhappy to hear that ECCE has it, but unhappy that it was not offered to the Federation.

Don stated that regardless of what's happened in the past that it is believed that this should definitely be entertained and discussed in the future to have the same language in their employee contract whereby the cap can be raised.

Linda stated that these are all negotiable items that are able to be proposed by the Federation or any of the Unions where the contract affects the salary, benefits, or working conditions as benefits are definitely a component of all negotiations. So the Federation may certainly in the future bring the District contribution towards benefits as one of the items to be discussed during negotiations.

Jeff stated that it was all up to the District in terms of what was given and indicated that the Federation was not at all involved with the compilation of the Imposed Contract. So basically the teachers had no say in the contract that was provided to them.

Don indicated that there really isn't anything that the Benefits Committee can do about the language in the contracts for the future.

JoAnn stated that she appreciated all of the suggestions given and went on further to say, "hindsight is always more clear than foresight." Like it has been previously described, the contracts were achieved through different paths but she would like to encourage all of those attending the meeting that they all have different representations and that they all need to follow the path that is provided in the law for any complaints about contracts. She went on further to say that the Committee cannot be part, nor any of the managers, be a part of a discussion in any other environment that has anything to do with negotiations. They could then be accused of bargaining in bad faith.

Jeff followed up by stating that there were no negotiations going on during the Committee Meeting and that they should be allowed to discuss anything they wanted at this time.

JoAnn clarified that this is a topic that is to be covered in negotiations.

Linda transitioned to the next item on the agenda.

Direction of the Committee

The question that Don brought up was what is the purpose of the Committee?

Linda brought an excerpt from each of the three affected contracts (ECCE, The Federation, and the POA).

She indicated that there is a little different language in each of the contracts which include excerpts which define the purpose of the Committee.

She looked at the first contract, the ECCE contract, which talked about what the Insurance Benefit Committee is charged with as it relates to the Classified Union. The next contract reviewed pertained to the Federation group. It showed Article 17 which talked about review, studying, or recommending changes to benefits. The last page reviewed was from the Police Officer Association (POA) and it showed that the Benefits Committee would be changed in accordance with negotiations between the District and the Union.

Each contract talked about the representation on the Committee.

Linda posed the question that was asked in a couple of meetings back, what is the purpose of the Committee now that it has been redefined by the restructure in virtue of the language of the contracts? Prior to now the Benefits Committee may have had a different charge and at this point it appears that the changes in each of the respective contract languages really makes this a Committee to review the benefit expenditures as well as provide an opportunity for the review and perhaps come recommendations regarding some benefit changes. But ultimately any changes to the benefits have to go back to the bargaining units for review. There was conversation about the opportunity for this Committee to take on some special projects if there was an interest in looking at enhancing certain benefits. For example, the Committee could suggest looking at orthodontia and use Keenan & Associates to get the quotes and/or information needed in order to make the necessary analysis regarding benefits. But ultimately that information would have to be sent back to the unions as this would this be something that would be negotiable.

The District's medical coverage is with CalPERS and their offering of medical plans is pretty set. But it doesn't mean that if this body was interested in looking at alternatives that they would not be able to do this. This is something that our Broker, Keenan & Associates, would be able to assist. Linda stated that she could see this Committee researching benefit options, but not necessarily proposing kinds of packages that would change contributions or teachers getting one thing, while classified are getting something else.

The District has been very egalitarian whereby for the most part everyone is offered the same benefit plans. That may not always be the case at all Districts.

Linda suggested that they could take a look at other benefits as a Committee if that is the Committee's interest.

Don mentioned that would be something that would have to be negotiated. Linda agreed and stated that would be the union's rights.

Don then asked, "What is the purpose of all of them meeting together? If it is up to the Federation to decide what the Federation wants, why are we all meeting together?"

Linda stated that this Committee is basically an artifact of the current union contracts and reiterated that this Committee has been in existence for quite some time now.

Don reiterated that it appears that the Committee does not seem to exist for a purpose at this point.

Linda followed up by saying that definitely is a discussion item.

Lynn commented, "We were recommending the Committee at the time when the 2011/2012 negotiations were going on, but because they were talking as a Committee about the cost of benefits that were going up exponentially they discussed ways to look at cost. It gave perspective."

Luukia stated that the Committee actually decided what the medical benefits were.

Jeff stated that the vote was made at the Committee and that was what the District would implement. It was all spelled out in the contracts.

Lynn followed up by stating that the discussion leaned towards what recommendations the Committee could make.

Luukia stated that the Benefits Committee was the Committee that actually decided the benefits. There were not recommendations given, it was a decision on the medical benefits.

JoAnn clarified that the Committee actually made a recommendation to the Board and reiterated that the Board still made the final decision.

Luukia stated that the purpose of the Committee is very different now.

Don stated that he believed that the Committee may not be as useful as it was before.

Linda asked if there is a belief that the Committee needs to be disbanded. She restated that the existence of the Committee is because it is listed in all three bargaining contracts. She also acknowledged that the Committee in its current configuration has changed from what it was prior to the changes in each of the respective contracts.

Linda acknowledged that the Committee at one point in time had a little more authority to make recommendations with regards to benefits, but that has since changed and the Committee no longer has that authority.

Don asked what was expected of the Committee in terms of actions if they were to review the self-funded dental and vision programs and notice that the utilization is at a point where it is has become too high.

Linda stated that there was a point where there was a time when the dental and vision utilization was significantly higher and the District decided to increase the contribution to the dental plan by about 2% or 3%. This contribution increase was something that was suggested by the Committee and was implemented.

Jeff asked if this was done after the imposed contract. JoAnn responded that it was.

Jeff went on to state that this did not make sense as what was said previously was that each bargaining unit had to take a vote on changes to the benefits, even contributions.

Linda stated that the difference here is that the dental and vision are District Sponsored plans.

Jeff reiterated that since they are negotiated benefits the Committee cannot make recommendations to what happens at negotiations. Based on his interpretation of what had been discussed up to this point it appeared that they were being told that they could not even discuss the benefits that were to be negotiated.

JoAnn stated that the Committee is able to discuss facts. Things that should be negotiated at the table should not be discussed during Committee Meetings.

Linda clarified that there is nothing wrong with taking a look at data. The Committee is able to look at data. They can look at proposals and information pertaining to benefits. The purpose of the Committee is not to take on conversations like whether the District should change contribution amounts or negotiated benefits.

Jeff proclaimed that he did not feel that this Committee can recommend anything. He went on to state that it all had to take place separately in the negotiating groups. It doesn't come from the Committee.

Linda explained that with the dental and vision program, the Committee asked Keenan & Associates to take a look at the program and provide an analysis of the utilization and provide a recommended solution to provide an appropriate level of funding for the program in order for the District to get into a reasonable sustainability. Keenan & Associates ran the numbers and came back with a recommendation of a renewal increase that would allow for the plan to run better.

Jeff reiterated that it is a contradiction that the Benefits Committee can make recommendations.

JoAnn stated that the Benefits Committee has always been a recommending Committee.

Don, Jeff, and Luukia all disagreed.

JoAnn stated that all benefit decisions are finalized by the Board of Trustees.

Luukia asked if individual groups have individual access to Keenan and information about their benefits.

Tonia stated that the contract that Keenan & Associates has is with the District. So anything given to any of the bargaining units would have to go through the District initially.

Luukia asked if the Committee is not able to make decisions about their benefits, why even have the Committee?

Tonia reiterated that the Committee seems to provide information which can be taken back to each of the bargaining units to be shared with their membership.

JoAnn recommended that all parties go back and review the mission of the Committee and what the goals are for the year.

Linda stated that the statement of purpose of the Committee is on the handout passed out at the Committee Meeting. The mission has remained the same for a while. The purpose of the Committee has changed since 2011. She stated that it has been beneficial to have the Committee to discuss information amongst all of the groups.

Don asked if on the ECCE contract for 2013 – does that language carry over?

Linda stated that is what is being researched and evaluated. The matter is not resolved at this time.

Jeff stated that the District never had an imposed contract before and that they should never have an imposed contract again.

MaryAnn asked when the District absorbed the increase for the dental and vision programs as of last year's renewal and does that mean the employee's cost for two party and family go unchanged, or did the employees with one or more dependents get charged for the increase in cost of these programs since the District's contribution is 70%?

Linda brought up an example of when the benefits changed on the medical plan as a result of the ACA (Affordable Care Act) which were not subject to be negotiated by the bargaining units as the changes were made based on the healthcare legislation.

Linda asked again for the Committee to think about what is the purpose of the Committee when considering the language in each bargaining unit's contracts.

The group discussed the medical plan options and the satisfaction with all of the plans being offered through CalPERS.

New Business

Nothing noted.

Legislative Updates

The Legislative Update was put on hold until the next meeting because there was not enough time to review at this meeting.

Agenda Items for Next Meeting

Nothing noted.

Adjourned

Linda mentioned that she appreciated the dialogue that was shared today and said that she had to be respectful of the time of the meeting. The Committee can continue the discussion about certain projects where the Committee can have meaningful dialogue of things that can be done to the benefit program.

The meeting was adjourned at 1:57 pm. The next meeting will be held on February 24, 2015 at 1:00 pm at El Camino College in the Library, Room 202.