

**EL CAMINO COLLEGE**  
**Insurance Benefits Committee Meeting Notes**  
**February 23, 2016**

**MEMBERS AND ALTERNATES PRESENT:**

Beam, Linda	Chairperson
Cohen, Jeffrey	ECCFT
Jeffrey, Valerie	President's Appointee
Leiby, Mary Ann	ECCFT
Lindberg, Lynn	President's Appointee (Alternate)
Trevis, Michael	Presidents Appointee
Stanojevich, Diana	ECCE
Sutton, Philip	President's Appointee

**MEMBERS AND ALTERNATES ABSENT:**

Elliott, Momi	ECCE
Brown, Donald	ECCFT
Chambers-Salazar, Polli	ECCFT (Alternate)
Newton, Michael	President's Appointee
Miranda, Gloria	President's Appointee
Gary Robertson	ECCE
Solorzano, Erika	POA (Alternate)
Higdon, Jo Ann	Co-Chairperson
Turano, Debbie	ECCE

**ALSO ATTENDING:**

Sharen Stanek-Lowe, Keenan & Associates  
Jamie Kaplan, Keenan & Associates

**Open Meeting Introductions & Roll Call**

Linda Beam Called the meeting to order at 1:06 pm.

**Review/Approval of December 1, 2015 Meeting Notes**

Linda asked the group if anyone had changes on the meeting minutes from the last meeting.

No modifications were noted and meeting notes were accepted as presented.

Linda then mentioned how Tonia Adams is no longer going to be running the meetings. Sharen explained how Tonia has resigned and taken a position with AETNA and will be handling a larger territory of benefits. The territory includes an area where her family is located. As of now, there is no replacement for Tonia's position until Keenan appoints another person.

**Premium & Claims Reports (Delta Dental & VSP)**

Sharen reviewed the January 2014 – December 2014 compared to January 2015 – December 2015 Dental Premium and Claims reports for the District.

The 2014 Dental Expense Loss Ratio was 90.42% for the 12 month total compared to 2015, which is at 91.10%. Sharen explained that this is a good number. If we look at Column N in 2015 there were three (3) spiked months over 100% and the first one was in January. Usually January and July are higher claim months. This is because the Annual Maximum renews in January and then in six (6) months enrollees seek services for another cleaning. Thus, to see spikes in those months is normal. There was a spike of 118.47% in July.

She also mentioned that in Column A- labeled, “Enrolled Employees” the group stayed consistent except for the decrease of one (1) enrollment live from last year. With the renewal, underwriters look at 16 or 18 months of claims experience. This window is used to see how the group utilizes the plan and this is one of the factors used to determine future plan costs.

Sharen then presented the VSP Vision Premium and Claims reports for the same period as the Dental. We compare the current plan to last year’s to see if it is trending the same. The Paid Loss Ratio is listed in the F/E Column for Vision. The total Paid Loss Ratio was 74.94% in 2015. This is a great number and it has dropped from last year, which was 80.36%.

The enrollment headcount in Column A, remained the same at 829 for last year and in 2015. Both the Dental and Vision plans have similar enrollment numbers. It is good to see consistent numbers. Sharen said because of the consistency, these numbers can use as a negotiating tool when requesting the renewal rates. Rate guarantees can also be requested.

Sharen advised that Keenan published an Employee Benefits Survey, which consisted of 18 colleges who were asked about their benefits.

From January through March, there were some months with a low Paid Loss Ratio and these three (3) months helped in 2015 with keeping the Paid Loss Ratio at a low percentage.

Phillip asked what would be re-negotiated? Sharen said plan design and rates. She said some of her District’s who have a July 1<sup>st</sup> renewal date are looking at the survey to compare their plan design against other District’s plan designs.

She said 50% of the Districts have a 12/12/12 plan which means exam, lenses and frames can be gotten every 12 months.

No additional questions or comments were made about the vision program.

### **New Business**

Linda Beam stated that the District is currently in process of communicating about the Long Term Care (LTC) plan and is looking into opportunities to educate employees about the program, which is offered through Transamerica.

Employees can keep their current CNA plan if they would like or they can enroll in the new plan through Transamerica. There will no longer be new enrollment in the CNA plan.

Linda also informed the committee that the Form 1095C was previously sent out to employees. This Form is one of the ACA requirements.

The College is reinstating Inter-Winter Session for the 2016/17 academic year. There was a discussion about the change in pay from 10thly to 11thly because of the winter session.

A review will be conducted on how adding this session will affect pay and benefits (deductions).

### **Legislative updates**

Sharen presented the following briefings:

- December 2015- HCR: New Spending Bill Means Changes to ACA Tax Provisions
- January 2016- HCR: Flex Credits and Affordability under the Employer Mandate
- February 2016- HCR: New Guidance on Cash-in-Lieu and Affordability under the Employer Mandate

Sharen informed the committee that in the last meeting, we briefly discussed the Cadillac tax. This law has been extended and the tax is now to go into effect in 2020. This provides the District with two additional years for planning.

Jeffrey asked if the District has medical plans that are going to be affected by the Cadillac Tax.

Sharen explained the \$10,200 and \$27,500 threshold and how one of their PPO plans will be affected by it.

40% of the amount over would be taxed is to be assessed.

The excise tax was originally assessed to the carriers i.e. they were supposed to pay it. However, consulting firms believe the carriers will pass the excise tax onto the consumer. The revised legislation now allows for an employer to write off the 40% excise tax, which is a huge shift.

Linda asked if the excise tax comes into play is if an employer contributed more than the threshold.

Sharen said if the plans cost is over the \$10,200 or \$27,500 threshold no matter if the District or Employee is paying the premium.

The District would need to review its current structure since the IRS has said anyone over Single is considered a Family,

Sharen said she would use examples at the next meeting to show the threshold dollars for Pers Care and Kaiser.

If an employee doesn't sign up for Section 125, they will be taxed on the premium.

Jeff asked if it is advisable not to enroll in Flexible Spending Account when an employee is enrolled in the Pers Care plan.

Linda said they will be doing employee workshops to educate everyone.

Mary Ann also mentioned how the Flexible Spending Account is added on to it.

Sharen discussed the Cash In Lieu Briefing from February 2016. She explained how it does not clarify the affect that it will have on the individual if an employer currently has cash in lieu plan in place. The law does mention the affect if has on a new company, who decides to offer a cash in lieu.

Linda said they currently have \$420 single or no coverage to opt out of benefits. Since everyone is supposed to have insurance, they need to provide proof that they have another source. She mentioned the minimum value plan and how they need to establish a plan base that is affordable and covers the basics.

If someone is offered medical benefits but they have a choice to do cash in lieu, the government is adding the lowest cost price plan and cash in lieu together to create the new price point. The excise tax purpose is to make sure employer offered health plans are affordable and employees have access to a minimum value plan.

### **Agenda items for April 2016 meeting**

### **Meeting adjourned**

The meeting was adjourned at 1:58 pm. The next meeting will be held on April 26, 2016 at 1:00 pm at El Camino College in the Library, Room 202.