

EL CAMINO COLLEGE
Insurance Benefits Committee Meeting Notes
September 27, 2016

MEMBERS AND ALTERNATES PRESENT:

Beam, Linda	Chairperson
Miranda, Gloria	President's Appointee
Cohen, Jeffrey	ECCFT
Jeffrey, Valerie	President's Appointee
Leiby, Mary Ann	ECCFT
Lindberg, Lynn	President's Appointee (Alternate)
Stanojevich, Diana	ECCE
Solorzano, Erika	POA (Alternate)
Elliott, Momi	ECCE
Newton, Michael	President's Appointee
Trevis, Michael	Presidents Appointee

MEMBERS AND ALTERNATES ABSENT:

Brown, Donald	ECCFT
Chambers-Salazar, Polli	ECCFT (Alternate)
Sutton, Philip	President's Appointee
Gary Robertson	ECCE
Higdon, Jo Ann	Co-Chairperson
Turano, Debbie	ECCE

ALSO ATTENDING:

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

Open Meeting Introductions & Roll Call

Linda Beam called the meeting to order at 1:03 pm.

Review/Approval of September 27, 2016 Meeting Notes

Linda asked the group if anyone had changes on the meeting minutes from the last meeting. There was one question about the meaning of "ER" on page three of the Minutes. This was an abbreviation of the word "Employer".

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

Premium & Claims Reports (Delta Dental & VSP)

Sharen reviewed the Dental and Vision Premium and Claims reports from August 2015 – July 2016. They include the numbers for both Active and COBRA members.

For the dental plan, the carrier is Delta Dental. Sharen explained each column that is included on the report. As of July 2016, there were 763 enrolled employees. This was consistent over the last twelve months. There was a little spike in the “Paid Loss Ratio” column in January, which is typical since the Annual Maximum amount resets in this month. The last 12 months Paid Loss Ratio was showing an 85.25%. Any number under 85% is great for a dental plan.

Column G is the Cumulative Cash Balance, which shows that the reserves are a little over the monthly premium. Column H shows the Total Paid Claims and Column I shows the Total Paid Loss ratio. The group is not over utilizing the plan and the funding is at the right level.

For the vision plan, the carrier is VSP. Sharen said the claims are running at \$137,779. The utilization is less than the total premium. This plan is running well at a 76.44% loss ratio.

Linda said there was no rate change on the Dental and Vision for 2017.

2016 - 2017 IBC Meeting Calendar Review

The group approved the four dates listed below for IBC meetings.

September 27, 2016
November 15, 2016
February 28, 2017
April 25, 2017

Results of the Health Fair

Valerie advised the group that the Health Fair was well attended with about 220 employees in attendance. CalPERS attended and Valerie has been sending out their flyers from the Health Fair.

She was asked great questions by employees and most of the employees brought their open enrollment mailer to the Health Fair, as a reference.

Valerie said she would be sending out flyers in a week about the American Fidelity open enrollment. She would also be working on the \$400 reimbursements.

Linda Beam informed the group that the Blue Shield Access HMO plan increased by 19% and this is a popular plan. The Health Net Smart Care and Salud y Mas plans had a decrease. These plans are all effective January 1, 2017.

Diana Stanojevich asked if CalPERS was their only option.

Linda said the District can look at any options they choose including ASCIP, which is a Joint Powers Association.

The only issue with making a change to another group/pool is they will want to look at the group's utilization. Other carriers will also look at demographics.

A major disadvantage of leaving CalPERS is they will not provide the District with their claims experience and this would affect their ability to change carriers or Pools. Another issue with leaving CalPERS is they will not let you back in for three years.

Linda said the District can work with their broker to find out what are their best options.

Jeff Cohen asked if retirees would lose their CalPERS plans if the District decided to leave CalPERS.

Valerie said retirees would also be changing over to the new carrier.

Sharen explained how CalPERS is a Pool and there are many other Pool options. She said we could always do a market check to see what other pools/carriers will provide.

Diana mentioned how other colleges are in ASCIP including Compton Community College District.

Sharen clarified that Compton Community College District's United Healthcare medical coverage is with ASCIP but their other lines of healthcare coverage are in a direct carrier contract arrangement. Sharen went on to say that just as ASCIP offers coverage, VEBA another Pool also offers coverage as well specifically with United HealthCare and Kaiser with a variety of plan designs to choose from.

Val asked if ASCIP has a relationship with STRS and PERS and if they deduct the premiums from retirees for PERS and STRS. Retirees are concerned with how they will pay the premiums.

Sharen said we can bring this back to the next meeting.

Linda said it is a detailed process to move carriers. It is not like changing car insurance carriers. She said health care will continue to be a challenging topic over the next few years.

Linda said they provided a breakdown of each Union and where their members are enrolled. It showed that Faculty tend to be enrolled in CalPERS Choice and Care programs and Classified employees lean towards Kaiser. This information was provided to the Unions and it is done on an annual basis.

Momi Elliott said many people are interested in knowing who comes up with the medical rates.

Sharen said CalPERS has Underwriters on staff and they work with the carriers to come up with rates each year. She also explained the renewal process at Keenan and how we have our Underwriters review the initial renewal. We would then send that commentary to the carriers and

the carriers would do their review of our findings and send a response/rebuttal. We would get a second phase of rates typically with the carrier's response. Sharen said Kaiser is pretty good at rating themselves and they usually come in with a solid number from the start.

There is also the option of changing the plan design to bring down the rates.

In the PPO environment there is more of a back and forth exchange between carrier and broker because of the claims and determining whether the claims will go into the next year.

Valerie said the CalPERS Anthem PPO plan is Self-Insured and the HMO plans are fully insured.

Linda said CalPERS is one of the largest programs in the nation. Their website shows who their Board is and the details are online. They have many members and they are always trying to keep the costs low. They have a large group of people that work on the renewals.

Valerie said they also have monthly webinars. They are two hours long and they include many attachments. She advised the members to call in if they would like to get more involved.

2017 Renewals

Sharen reviewed the one page renewal summary with the group. She said we would add the sub groups to the group number section of the document.

Sharen explained how there was a 0% increase on the dental, vision, Life and Accidental Death & Dismemberment plans for 2017. The COBRA rates were also included and they include a 2% administrative fee.

She informed the group that employees enroll in COBRA for various reasons including termination, dependent children aging out and divorce. If an employee passes away then their dependent child and/or spouse could enroll in COBRA. It allows that individual to continue on the exact same plan.

Valerie explained how the District's vision plan covers dependents until age 23, the Dental Premier plan covers dependents until age 25 and the Delta Care dental plan covered dependents until age 26. The medical plans also cover dependents until age 26.

Sharen said most plans have changed their contracts to cover dependents until age 26 to keep it consistent and for ease of administration.

She also said we can run numbers and do a cost analysis for next year's renewal to see about changing the dependent age limit on the dental and vision.

Keenan Wellness Newsletter

Sharen informed the group that we included a Newsletter for the fall, which discusses how a healthy diet and exercise may help keep Alzheimer's at bay. The Newsletter also included an article about back to school challenges. The committee asked if Keenan could email the Newsletter to them. Jamie said she would email it to Valerie.

New Business

Valerie informed the group of the American Fidelity-Section 125 open enrollment dates which are Tuesday, November 1 through Friday, November 18. She said the representatives will be on campus in Library 105.

Jeffrey Cohen asked if the contribution changed on the HSA - it is currently \$2,550.

Sharen said the Federal Government usually releases the numbers in either October or November.

Lynn Lindberg said their employees should explore the option for Short Term Disability. They would like to encourage their employees to meet with the American Fidelity representatives to find out more information about this program.

Linda Beam said a voluntary disability plan is very important.

Mary Ann said she met with an American Fidelity representative and he explained the importance of these programs.

Sharen said it could be beneficial to have American Fidelity provide a lunch and learn session to employees.

Valerie also informed the group that CalPERS may drop the Net Value plan next year because it had a 20% increase this year.

Legislative updates

Sharen mentioned there were five legislative updates that were released in July and August:

- July 2016- Health Care Reform: Proposed Regulations Issued on Opt-Out Payments
- July 2016- Recent Court Ruling Regarding Cash-In-Lieu of Benefits, May Affect Many Public Agencies and Other Employers
- July 2016- AB 2018: Anticipated Legislation Requiring Mandated Reporter Training In CA Community College Districts
- August 2016- AB 1995: Proposed Legislation Regarding CCD Shower Facility Access for Homeless Students
- August 2016- Wellness Plans: Preparation for Next Plan Year Introduction

She said we would email them to Valerie. A few of them would not pertain to the District.

One of the briefings explained the new guidance on Wellness programs. Gift cards are now taxable and if the College decided to sponsor a gym membership, it would also be taxable to the employees.

Another briefing that could apply to the District was about colleges giving shower facility access to homeless students. If the college has shower facilities for their athletic program, homeless enrolled students would have to be given access to these showers.

If a homeless student is under the age of eighteen, there needs to be a process in place to make sure the student, who is a minor is taken care of. This will definitely impact colleges.

The briefings from July were about Cash-in-Lieu and Opt-Out programs. There is more legislation and clarification on these topics. These briefings are also available on the Keenan website.

Out of the ten briefings provided over the past year, nine of them were about the Affordable Care Act.

Mary Ann asked if there was a legislative update on smoking. Linda said they just reviewed this at the college but nothing was changing at this time.

Meeting adjourned

The meeting was adjourned at 2:01 pm. The next meeting will be held on November 15, 2016 at 1:00 pm at El Camino College in the Library, Room 202.