

Employee Benefits Advisory Committee

Minutes from the August 15, 2007 Meeting
MCC, Room 462

In attendance:

Chris Arab (Chairperson)	Steve Bowers (Resource)
Ron Allen (APC)	Yvonne Horner (Resource)
Bill Barfield (APC)	Stan Jurewicz (Resource)
Steve Milczanowski (Faculty)	Janet Meigs (Minutes Recorder)
Mark Peeples (Faculty)	Sonya Polke (Resource)
Robert Peeples (Career)	Larry Snell (APC Alt/Resource)
Belinda Potts (Career)	Dawn Swed (Resource)
Karl Schmidt (Career Alt.)	Elaine Tisdale (Resource)
Jack Spears (Retirees)	

Absent:

Kenneth Whitten (Faculty)	Judy Robbins (Resource)
---------------------------	-------------------------

The meeting commenced at approximately 2:04 p.m. Chris Arab confirmed a voting quorum was present. The agenda was reviewed with the Committee and a request to add life insurance under "Other Items for Discussion" was made.

Approval of Minutes (8/2/07)

Minutes of the August 2, 2007 meeting will be presented for approval along with minutes of this meeting at the September meeting.

Health Insurance Subcommittee Report

To date, the Committee has agreed to the following points with regards to health insurance for 2008:

- A single risk pool will be established.
- BlueOptions will be plan offered.
- Dependent medical premiums will be differentiated according to employee base salary.
- Senior Solutions for Medicare eligible retirees will be offered on a voluntary basis.

Discussion of the above included:

- Retired employees selecting Senior Solutions can return to the BlueOptions plan during the next benefits open enrollment period if desired.
- Retired employees declining participation in both Senior Solutions and BlueOptions may not return to either plan.

A focus of today's discussion will be on the array of benefits to be offered (i.e., vision, long term disability, dental, etc.). A pharmacy carve-out option for retirees may need to be discussed as well.

The agenda was shifted slightly to allow for discussion on the life insurance RFP. Points of the discussion included:

- Minnesota Life will be recommended to as our provider to the October Board.
- If a four year rate guarantee is committed to, it would cost significantly more.
- The review committee's recommendation to lock into a three year guarantee is supported.

Motion: Approve Minnesota Life as the provider and lock in rates for three years. (Motion made by Ron Allen and seconded by Bill Barfield.) The motion was approved by unanimous vote.

Discussion on life insurance continued to include the following points:

- The proposal allows for choosing one or two more additional supplemental life insurance levels of coverage than the current offering at the employee's cost.
- The additional supplemental levels would increase our risk pool exposure by 25% (one) or 50% (two).
- Claims experience could be adversely affected which in turn would impact future rates in year # 4+.
- Even with the additional supplemental level offerings, the maximum policy value would be \$350,000.
- The average employee purchases one extra level of supplemental coverage. Market practice is probably not beyond the 2x level.

Motion: Withdraw previously approved motion to allow for more research to be conducted on the issue. (Motion made by Ron Allen and seconded by Bill Barfield.) The motion was approved by unanimous vote.

The discussion continued.

- A \$50,000 life insurance policy for spouses is available but would require an evidence of insurability (EOI).
- The \$25,000 spouse policies currently being purchased does not require an EOI.
- The life insurance value of the policy for children is also available if desired.
- Part of the analysis needs to include whether employees whose spouse also works for the College can stack their policies (i.e., she purchases a spouse supplemental policy and he purchases supplemental insurance on himself).

- Written information will be requested from Minnesota Life regarding the definition of a dependent.

At this point, the discussion returned to the Health Insurance Subcommittee with a draft of the discussion item for the September information Board meeting distributed.

- There is great concern about keeping child health coverage affordable.
- BlueOptions is the best fit for the College.
- The Senior Solutions offering is the best fit for retired Medicare eligible employees.
- If we have a separate pharmacy plan, a retiree could not return to other plans.
- Even in the time of budget constraints, the College will pay 100% of employee coverage.
- The level of subsidization will be reduced.
- Only one other college subsidizes dependent premiums at all.
- PPO participants with no dependents will not pay anything for their coverage under the new plan.
- To help absorb the cost increase for dependent premiums, a one-time check is being proposed representing an amount of half of the impact to the employee.
- Newly hired employees in 2008 would not receive the one-time payment.
- Employees with a salary of \$26,000 or less would receive a 40% discount of the market rate.
- Salary for benefits premium determination would be base contracted salary only.
- Retired employees would pay the full premiums without any subsidization.
- Retired employees choosing Senior Solutions would need to also pay for Part B of Medicare.
- Senior Solutions can be built with or without a prescription drug plan.
- Even with the cuts proposed, the College will still be paying 4% more for benefits next year than they did this year.

In determining the rate for dependent premiums, the following information was provided.

- Duval County Public Schools price the premium for children coverage at 38% of the full price and spouse coverage at 52% of the full price.
- The Consortium prices children coverage at 45% of the full price and 64% for spouse.
- To keep up market comparable, the proposal is to establish our dependent premiums following the same pattern.

The discussion turned to previously requested information from the subcommittee.

- Mayo Clinic Hospital cannot balance bill over the BCBSFL contract rates.
- Medicare physicians can be identified through Medicare online services.
- For Duval County, 312 or 93% of physicians participate in Medicare.
- A prescription carve-out plan for retired employees has been requested of BCBSFL.
- This past year, employees utilized 2800 physicians.

- Of the 578 primary care physicians used, 473 or 82% are in the BlueOptions network.
- Of the 1485 specialists used, 1041 would be in the BlueOptions plan.
- Only two of the 30 identified hospital facilities would not be covered under the BlueOptions plan.

Additional information on the Senior Solutions needs to be obtained prior to the next meeting to include clarification of any piece of Medicare that must be purchased.

A question still remains about using network physicians who are not in a network hospital (i.e., Mayo). Yvonne Horner and Ron Allen are to call BCBSFL together to attempt to resolve the concern.

When the discussion returned to the current array of benefits offered, the following points were made.

- Eliminating benefits to help supplement dependent coverage would not be equitable to those without dependent coverage.
- Eliminating benefits would result in a savings to the College.
- Any action taken to change the benefits offered needs to be taken in connection to the guiding principles.
- For DHMO dental, the one pool is not statistically valid. HMO dental is included in a national risk pool.

To summarize the consensus of the committee, it is recommended the College retains the current array of dental, vision, LTD, Life Insurance benefits offered in 2008 but revisit them for the 2009 plan year.

The discussion talking points previously drafted need to be resurfaced and provided to all Committee members.

There being no further business, the meeting adjourned at 3:50 p.m.