

Employee Benefits Advisory Committee

Minutes from the August 2, 2007 Meeting ATC, Room 116

In attendance:

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

Absent:

Steve Milczanowski (Faculty Alt.)	Kenneth Whitten (Faculty)
Elaine Tisdale (Resource)	

The meeting commenced at approximately 2:08 p.m. Chris Arab confirmed a voting quorum was present. Stan Jurewicz was introduced as a new resource to the Committee in his capacity as Director of Risk Management.

Approval of Minutes (6/21/07)

Motion: Approve the minutes as presented. (Motion made by Bill Barfield and seconded by Jack Spears.) The motion was approved by unanimous vote.

Health Insurance Subcommittee Report

Steve Bowers distributed a handout and reviewed the key points to include:

- BlueOptions still seems to be the best offering to meet the College's health insurance needs in light of the anticipated reductions in State appropriations.
- Hospitals are tiered with associated tiered pricing in BlueOptions.
- The out-of-pocket maximum is individualized.
- The BlueOptions plan has a lower copay for visits to specialists than HMO.
- BlueOptions is accessible nationwide.

The request was made to provide the percentage of how much larger the physician network for BlueOptions is than for the HMO network.

The discussion continued to include a revisit to the Tier 3 hospitals (St. Luke's and Mayo) being in the network although not all associated physicians may be included. The out-of-pocket maximum would still apply. Other discussion points included:

- The hospital tiered copay amounts do not include pharmaceuticals.
- If the hospitals/physicians are within the network, balance billing is not allowed.
- There will be a partial cost shift to employees for dependent coverage.
- A strong educational campaign will need to be done for employees at which BCBSFL should be present.

The discussion turned to the topic of Senior Solutions.

- The rate received from BCBS is \$292.94 per month.
- The identified risk pool would be limited to College retirees versus a statewide pool.
- Premiums would be based on claims experience.
- Joining the plan would be optional.
- Retirees who join the Senior Solutions plan can return to the College plan during open enrollment.
- A retiree can participate in Senior Solutions and their spouse participate in the College plan.
- Retirees participating in Senior Solutions plan would still pay Part B Medicare.
- Currently, 75 of our Medicare eligible retired employees are purchasing the College's offered insurance. The Senior Solutions would offer a premium savings.
- Any physician who accepts Medicare should accept the Senior Solutions plan.

Mr. Bowers reviewed the financial perspective based on a more favorable claims experience for 2007 to include the BlueOptions plan with and without the retired employees risk pool. The following points were made:

- The budget requirements would allow the College to absorb an increase in costs of \$429,467.
- Total employee paid premiums for 2008 would need to be \$2,667,618 to meet the budget requirements.
- Retired employees would pay \$449 per month for the BlueOptions plan.
- The College needs to collect \$1,843,795 in dependent premiums.
- A dependent premium plan based on employee income was revisited with lower paid employees having the smallest increase in monthly premiums.
- It may be possible to provide employees with a one-time payment equal to one-half of the amount of increase to help reduce the initial impact.
- The review for adverse selection needs to be included in all decisions.
- If the College goes to an income based premium plan for dependent coverage, the lines of separation can be revisited every year.

- A quick review of available market data confirms that the HMO health offering is vanishing with BlueOptions taking its place.
- Our current dental, vision, and long term disability offerings places us above the market.
- Based on the budget situation, benefits like dental and vision offerings will need to be considered.

Another August meeting will be scheduled to finalize the September information Board item.

The discussion turned to the life insurance RFP. The only company deemed to be responsive is Minnesota Life who came in at the current level offerings with the current premiums.

There being no further business, the meeting adjourned at 4:01 p.m.