

Employee Benefits Advisory Committee

Minutes from the August 31, 2015 Meeting

ATC, Room 116

Attendance:

Mark Lacey (Chairperson)	Jametoria Burton (APC)
Denise Giarrusso (APC)	Belinda Potts (Career) - Absent
Amanda Miller (Career)	Dawn Swed (Resource/Career Alternate)
Christina Goodell (Faculty)	Steve Milczanowski (Faculty)
George Coleman (Faculty Alternate)	Carmen Anchia (Resource/Note Taker)
Dennis Blank (Resource)	Anita Bozic (Resource)
Stan Jurewicz (Resource)	Al Little (Resource)
Judy Robbins (Resource)	Larry Snell (Resource /APC Alternate)
Cleve Warren (Resource)	

The meeting commenced at 3:01 pm EST. A quorum was confirmed to be present.

Introductions (Lacey)

Chair Lacey welcomed everyone and introduced the guests from the Consortium: Justin Piazza, Robert Pralle, and Natalie Dyksterhouse.

Approval of Minutes (Lacey)

Chair Lacey tabled this. He will send the minutes via email, giving opportunity for feedback, and the group can vote electronically.

403(b)/457(b) Vendor Listing (Lacey)

Handouts included the list of 403(b) and 457(b) vendors with low participant levels that will be frozen to new enrollments effective September 1, 2015. Chair Lacey explained that employees who are currently in these plans may continue to participate, but new members will not be allowed to enroll.

Premium Review (Jurewicz)

The three sheets following are premiums for dental and vision. Mr. Jurewicz confirmed with the Consortium the 5.8% increase across the board for health plans. The higher paid employees will see the full 5.8% increase, while lower paid employees are subsidized and will see a lower percent increase. The fee for employees who opt out of health will remain at \$111 for Dental/Vision.

Mr. Jurewicz looked at dental claims for July and found them to be a little high, so he did not bother adding these to the analysis and stuck to the premiums for the 2016 Plan year he

presented last week. Dental DHMO premiums for the 2016 Plan year is staying the same. The shortcoming of the DHMO plan is the limited number of available dentist participants accepting new patients, so it is important for employees to be sure they have access to a dentist in the group.

Regarding the vision plan, based on claims, the employee rate for the 2016 Plan year went up 12.5%, with a 1.9% increase in dependent rates.

The FSA contribution for employees who opt out of health will be \$720 per year (not per month).

Ms. Swed pointed out that on the handout under the Consortium plan it should read Dental/Vision plan.

Discussion: Faculty representatives wanted clarification on how the College/Consortium came up with the initial premium rates. Are the rates for spouses and employees calculated differently? The thought was that the rates for employee and spouse would be calculated as the same pool. Additionally, why is the cap on the highest salary set at \$70,000? Why not pass along more of the cost to those at higher salaries? Also, what was the largest participant population?

Regarding the dental plan premiums, why was the PPO dependent increase so high at 24%? Is the increase a result of switching to Delta Dental? Why not combine the pool of employees and dependents to see a smaller increase? What is the average increase the Consortium is finding on dental plans? Do employees know that they can use an FSA for dental?

Faculty also wanted to know if there were any cost containment strategies and/or health literacy programs available. Also, regarding dependent verification, quoted studies from SHRM and Mercer show that 11% of over-age dependents are really ineligible. What percent are we in the Consortium pool?

Career representatives wanted to know if it would be beneficial in terms of cost savings to remove the Domestic Partnerships from the plan. Also, what is the verification process? Ms. Swed wanted to remind everyone that the Domestic Partnership classification was added because same sex couples were not able to marry. Since they now can, would the College want to consider removing the classification?

Mr. Jurewicz explained that the College set the spouse or dependent rate as a percent of the employee rate initially, and the increase is calculated proportionally. He further explained that the College provided the Consortium with our initial ratio and the Consortium quoted us the rate for employee and spouse. Moving forward, the Consortium will look at our claims experience and the original rate will be adjusted proportionally.

Mr. Little invited Mr. Pralle from the Consortium to elaborate further. Mr. Pralle explained that they (the Consortium) do not look at spouses differently, but use one pool to determine the premiums for the plans. The initial rate is set actuarially, and they use Florida Blue and Mercer

as consultants. The starting rate is taken from the actuarial tables and the increases are applied within all tiers. This practice is consistent with all the 23 colleges.

Mr. Jurewicz explained that we cannot charge more than 100% of the cost of the plans to employees at higher salaries. We could certainly look at reviewing, and possibly adjusting, the salary bands. Also, while Mr. Jurewicz did not have the data on the populations, he would say it is a bell curve, possibly a bit to the left. He went on to explain that the analysis was based on claims using the average of the past 11 months. Mr. Jurewicz reviewed the costs and found that the numbers are pretty consistent; and, he left off one month that had a large number of adjustments.

He clarified that the dental PPO plan is self-insured and the numbers are based on claims. Perhaps something to review for next open enrollment is lowering the maximum out of pocket from \$1500 to \$1000. To address the suggestion of combining the pools of employees and dependents, he does not believe the administration has the funds to subsidize the cost of dependent dental. The College is already absorbing over \$100,000 by not moving to the Consortium's plan and it (the College) is not in a position to absorb more. This increase may be an adjustment/correction. He expects to see less of an increase next year.

Ms. Swed noted that most employees pick the dental PPO plan with the "Delta Dental Premier network" because of the flexibility to go to a much larger network of dentists. The Consortium is finding, on average, a 4-7% increase to their dental plans. However, that can be heavily influenced by the claims experience.

As a follow up question, Faculty wants to know if we could determine specifically from where the cost increase was resulting. In response, Mr. Jurewicz explained that he did not drill down to the actual spending; it could just be higher utilization or a change in behaviors. He did want to reiterate that he did not know how much longer the College can sustain the \$1500 maximum out of pocket because the standard is \$1000.

Ms. Robbins assured the group that employees are informed that they can use an FSA for all types of qualified expenses.

Chair Lacey explained that the Consortium does have a wellness piece that we will be tapping into. He also informed the group that just today he had a meeting with staff to try and take advantage of the wellness programs. The College is not looking to hire an employee, but rather assign the responsibility to one or more employees in the HR group. He went on to say that the intent is to really try to utilize the Consortium incentive plans where the College (and employees) can earn points to reduce costs.

Mr. Pralle shared that the College population made up 12% of the pool.

Ms. Robbins wanted to follow up on the over-age dependent concern by assuring the group that all of our contracts specifically state that dependent coverage will automatically be stopped at age 26.

Chair Lacey wanted to assure the group that the College has done a good job of dependent verification in the past, so there may not be a great deal of savings available there. Regarding the verification requirements for Domestic Partnerships, there are specific guidelines that have to be met to qualify, and the information may be found online. Additionally, Ms. Robbins explained that we currently only have 11 Domestic Partner participants on the plan. Mr. Little interjected to explain that the Administration has not had any discussions to remove Domestic Partners from the plan. The Committee could certainly make the recommendation for the next plan year.

Voting on Premiums (Lacey)

Before moving forward with the vote, Ms. Robbins would like to request that the 2016 Plan Year premium numbers be rounded off, to make them even and easily divisible.

Motion to approve made by Mr. Milczanowski, seconded by Ms. Giarrusso.

Consortium Presentation

Mr. Piazza mentioned that Santa Fe College is the Consortium's fiscal agent. He went on further to say they are college employees too and have a vested interest in the plans as well. There are no plan design changes for 2016.

Mr. Pralle had two handouts to share with the group. But first, he wanted to mention that the main advantage of participating in the Consortium is the collective purchasing power it provides. Of the two handouts, one is a benchmark study which looks at member claims costs such as deductibles, copays, and out of pockets in comparison to national, regional, and southeast region industry-specific (education). With the Consortium plans, the member cost comparison is more favorable to the member. The other handout focuses on health plan rate changes and, looking at 2012-2016, the rate claims change have been an average of 4.4%.

The College is on Affordable Care Act (ACA) compliant plans and is already set for the future. The mandated fees alone for the Consortium are \$764,000, \$101,238 just for FSCJ. The mandated benefits are also a challenge. For example, the age increase for dependents, plan maximums went away, as did preexisting conditions, etc.

Discussion: Career representatives wanted to know if there are any plans for increasing prescription costs noting that last year the group was told there would be no changes, and there were.

A Faculty representative wanted clarification on whether the comparison shown had any plan changes through years. Also, they wanted to know if there were any Consortium plans with lower maximum out-of-pocket costs. Another Faculty member wanted to know if the College was considering offering part-time employee health benefits.

Ms. Swed was wondering whether the benefit changes going into effect January 1, such as preventative service and birth control being offered at no cost, would be highlighted to employees as value added to the plans. She also wanted to know if reducing the number of plans offered to employees would be a cost saving measure.

Mr. Little explained that Florida Blue reviews and determines the prescription formulary and cost tiers. He reiterated that the Consortium and the self-insured plans the College previously offered had to follow the Florida Blue formularies as well; any changes would have been seen regardless of switching to the Consortium plans. Mr. Pralle agreed that any changes to prescription costs would be driven by Florida Blue formularies. Ms. Robbins wanted everyone to know that Florida Blue representatives have been invited to attend our open enrollment meetings to assist employees and answer questions on any topics including prescription costs.

Mr. Pralle explained that the plan changes since 2009 have been an increase in benefits provided. He confirmed that the College currently had the plans with the lowest maximum out of pockets, which is \$6,000. Consolidating or removing one of the plan choices will really not be a cost savings because it is not costing the College any more money to offer its employees more choices. Mr. Little reminded everyone that the three plans were created to mirror what the College was offering before it transitioned to the Consortium plans.

Clarification was made about the terminology used by the College in naming the Consortium plans: the Base PPO is the PPO 03769 with 1,062 participants, and the PPO Plus is the PPO 03559 build-up plan which was created just for the College.

Mr. Little clarified that ACA has a requirement for part-time employees and the College offers coverage to comply. There is no plan to offer part-time employees health benefits at this time.

Ms. Dyksterhouse assured the group that the additional covered benefits would be added to the benefits highlights on the employee plan information piece.

Chair Lacey thanked the Consortium for coming and presenting to the group.

New Business (Lacey)

The group wanted to know whether there were any plans to add short-term disability as a benefit option.

Ms. Robbins shared that The Hartford has reviewed this for the College. The analysis showed that it would take a 25% participation to meet the required number of enrollment, and they did not believe the College would meet that requirement. There was a suggestion that perhaps the College could look at a voluntary product the way it did with the long term care plan. Mr. Snell said it was certainly something we could review. However, he wanted to add that continuing the product might be problematic if we only had 25% or less participation. He wanted the group to realize that it meant having 480 employees willing to pay for this benefit. It is certainly something the group can discuss in the future.

Next Meeting (Lacey)

Mr. Little would like to suggest that the Committee meet in early spring next year to allow more time to review/address issues and plan design. This would be with the understanding, of course, that the health plans could not be altered because we did not control that aspect. Chair Lacey followed up by suggesting a meeting in February or mid-March. If the group hears suggestions

or good ideas from members, consider sending a note to add it to the discussion next year. With that, Chair Lacey thanked everyone for their participation and adjourned the meeting at 4:20 p.m.