Employee Benefits Advisory Committee

Minutes from the September 13, 2007 Meeting
MCC, Room 443

In attendance:

Elaine Tisdale (Acting Chairperson)
Ron Allen (APC)
Bill Barfield (APC)
Steve Milczanowski (Faculty)
Mark Peeples (Faculty)
Robert Peeples (Career)
Belinda Potts (Career)
Jack Spears (Retirees)
Kenneth Whitten (Faculty)
Steve Bowers (Resource)
Yvonne Horner (Resource)
Stan Jurewicz (Resource)
Janet Meigs (Minutes Recorder)
Sonya Polke (Resource)
Judy Robbins (Resource)
Dawn Swed (Resource)

Absent:

Chris Arab (Chairperson)
Karl Schmidt (Career Alt.)
Larry Snell (APC Alt/Resource)

The meeting commenced at approximately 1:35 p.m. In Chris Arab's absence, Elaine Tisdale served as the Committee Chairperson. The agenda was reviewed with the Committee.

Approval of Minutes (8/2/07)

Motion: Approve the minutes as presented. The motion was approved by unanimous vote.

Approval of Minutes (8/15/07)

Motion: Approve the minutes as revised. Proposed amendments were distributed and discussed. The motion was approved by unanimous vote.

Health Insurance Subcommittee Report

Motion: The EBAC recommend the following:

- the College move to the BlueOptions health insurance plan with tiered premiums based employees' salaries as of November 16, 2007;
- the College provide a one-time payment to employees with dependent coverage equal to one-half X the difference in the increase; and

- the College offer Senior Solutions with a prescription carve-out option to Medicare eligible retired employees.

Discussion points:
- Tiering of dependent coverage premiums intended to increase affordability and to help employees with paying for dependent coverage.
- Salary breaks were determined in part based on number of employees that fell into a certain salary range.
- Even with a reduction in the College's subsidization of the plan, the College will still face a 6.5% increase in costs.
- Employees with HMO insurance who carry dependent coverage in 2007 and continue to carry dependent coverage in 2008 will receive a one-time payment equal to half of the annual impact as a transition expense.
- Consideration should be given to allowing employees to receive the transition expense payment in a qualified account on a pre-tax basis (i.e., 403b or FSA). Otherwise, the transition expense payment will be subject to taxation.
- For payroll administration, it is being suggested the payment be issued in February.
- By introducing the Senior Solutions health insurance plan to our Medicare eligible employees, the risk pool would benefit.
- The Senior Solutions plan does not require minimum enrollment and would be less expensive for our retired employees.
- If a retired employee opts to go to the Senior Solutions plan, they can return to the group plan during the next open enrollment period. If they go to the prescription only plan, they cannot return to the group plan or the full Senior Solutions plan.
- To be eligible for the Senior Solutions plan, the retired employee must purchase Medicare Part B for $93.50 per month.
- The retired employee and their spouse can participate in separate plans (Senior Solutions and group health).

There being no further discussion, the motion passed by unanimous vote.

Motion: Based on claims experience, the premium rates for the DHMO plan remains at the current level. The premium rates for the PPO dental plan and the VisionCare Plan be reduced as presented by the sub-committee.

There being no discussion, the motion passed by unanimous vote.

Motion: The EBAC recommend the offering of an additional 1x in life insurance coverage (total of 4x – College plus 3x) at the current rates. Supplemental insurance for dependents remain at the current offering level ($25,000 policy for spouse, $10,000 for child(ren)) and at the current premium rates.

Discussion points:
- A survey was conducted among the other 27 community colleges in an effort to ascertain the market practice regarding the offering of life insurance. All respondents indicated their college provides college-paid life insurance.
- The level of supplemental coverage could increase to 3x without a change in premium rates.

- Keeping the policy coverage cap at $350,000 could be changed but it helps protect the College both financially and with adverse selection.
- We are the actuarial pool on which the rates are based. A large number of deaths in the pool will impact the rates for both the College and for employees.
- The premiums collected cover the claims unless we encounter adverse selection.
- Minnesota Life will guarantee our rates at the increased level (3x) for three years.
- We do not have age rated insurance. By putting everyone in one pool allows for attractive rates.
- Under the new contract, spouses are eligible for a $50,000 policy.
- There are a fixed number of retired employees receiving a subsidized life insurance rate.
- At age 70, employee/retiree coverage will be cut in half as will the premium.
- Should the spouse also be an employee, a supplemental spouse policy cannot be purchased by either individual.

There being no discussion, the motion passed by unanimous vote.

Other Topics:

- The FSA health insurance opt out contribution will be raised from $400 to $720 based on the cost of administrative claims.
- Education sessions on the new health insurance will be planned for and conducted on all campuses.

The meeting formally adjourned at 3:01 p.m.