

Employee Benefits Advisory Committee

Minutes from the September 19, 2009 Meeting
ATC, Room 116

In attendance:

Christine Arab (Chairperson)	Steve Bowers (Resource)
Bill Barfield (APC)	Stan Jurewicz (Resource)
Jerry Lewis (Career Alt.)	Janet Meigs (Minutes Recorder)
Paul McNamara (APC)	Sonya Polke (Resource)
Robert Peeples (Career)	Judy Robbins (Resource)
Belinda Potts (Career)	Larry Snell (Resource/APC Alt)
Jack Spears (Retirees)	Dawn Swed (Resource)
Kenneth Whitten (Faculty)	Elaine Tisdale (Resource)

Absent:

Troianne Grayson (Faculty Alt.)	Yvonne Horner (Resource)
Steve Milczanowski (Faculty)	

The meeting commenced at approximately 1:39 p.m. A quorum was confirmed to be present.

Introduction of New Member(s)

Paul McNamara was introduced as the new APC representative replacing Ron Allen.

Approval of Minutes (2/26/2009 and 6/17/2009)

Motion: Approve both sets of minutes as presented with revisions suggested by Larry Snell via email. The motion was approved by unanimous vote.

Subcommittee Report

- The subcommittee has developed a list of action items/initiatives to be explored. If approved, the first step will be to identify the third party independent health insurance consultant/auditor to perform the work.
- Two Requests for Information (RFIs) will be developed, both of which will ask the consultants whether there is an existing contract the College can “piggyback” on.
- The subcommittee will review the responses, determine the finalists and bring them in for an interview.
- The RFIs will be divided into lots and will allow one consultant to either do all lots or one individual lot.
- The intent of one RFI lot is to have an audit conducted to determine whether BCBS is managing the College’s claims correctly by examining what the College was billed based on agreements with physicians.

- The audit will not focus on pointing our human errors but on whether an error is being made consistently which will require correction.
- The best case scenario would be that the College is due a refund; worst case is that the College breaks even on claims costs.
- Insurance companies have quality review programs that typically run at 80% indicating 20% of claims processing could be wrong.
- The intent of a second RFI lot is to retain an independent health insurance consultant to use their national and local experience to analyze the College's health insurance paid claims data to identify recommendations.

Claims Experience / 2010 Premium Recommendations

- With regards to our claims experience last year, medical claims were on budget.
- Graphic trend representation will be sent to EBAC members at a later date once the data has been received from BCBS and analyzed.
- According to the trends, single premiums will need to be increased 11%.
- The College experienced a decline in claims experience for dependents. With the same 11% increase in costs projected, **dependent premiums will not need to be increased next year.**
- The College will continue to be able to subsidize dependent health premiums on the salary tier structure.
- PPO dental premiums will need to be increased 4-5%.
- Our DHMO provider has not raised their rate in 4 years. However, with a new contract the 2010 DHMO premiums will be increased by 19.5% which will result in an increase of just over \$3.00 per month.
- Life insurance rates will remain the same as will vision insurance rates.
- BlueMedicare rates will need to be increased by \$10 per month for both the retiree and their spouse as BCBS lost their subsidy from the government.
- The Board Agenda item draft shows the proposed 2010 premiums. For health insurance, the employee/retiree rate will be \$517 per month.
- The Senior Solutions plan for both retiree and retiree spouse will increase by \$10 per month.
- As the premiums for health insurance for retired employees mirror the College's cost, their premiums will increase to \$517 per month or 11%.
- The number of retired employees on the BlueMedicare is double that of last year.
- COBRA rates will be 2% more than the College's rates to cover the administration fee.
- Employees whose positions were eliminated are eligible for nine months of a 65% premium subsidy from the government for their health, dental and vision coverage.
- If the employee is unable or chooses not to retire, they may receive the subsidy through COBRA elections.
- Next year the EBAC may want to look at the life insurance benefits through the Consortium as an additional, less expensive option for lower benefit levels.

Motion: Approve the premiums as presented on the draft of the Board Agenda items. The motion was approved by unanimous vote.

Open Enrollment Tentative Schedule

- Open enrollment will begin October 26 after the Board approves the premiums.
- The benefits team will be on each campus during the first week.
- All forms will be made available online.
- Changes made regarding dependents will show on the December 8th paycheck.
- As in previous years, all employees wishing to participate in the 2010 Flexible Spending Account will need to complete an enrollment form.
- Outside of the open enrollment period, changes may only be made for life change events such as birth, adoption, death, marriage, divorce, loss of coverage, or court order.

Other Items

- The question was raised as to whether an analysis has been done of the potential impact to our insurance plan from proposals moving through Congress. It is really too early to tell decisively but the progress will be monitored through Web sites previously provided by Brian Klepper such as www.Healthcareblog.com. Our consultant will be asked to provide the College with his best sense of the likely impact. However, based on the information received so far, the College's plan does not meet the definition of being a Cadillac plan.
- Employees are calling about changes to the formulary. One issue in particular is regarding the number of diabetic strips an employee can receive per month. Prime, the Rx provider, can update the formulary several times per year. BCBS advises of updates prior to their effective date.

There being no other business, the meeting adjourned at 2:35 p.m.