



**Insurance Committee  
2005-06 Minutes**

April 27, 2006  
March 28, 2006  
February 28, 2006

November 15, 2005  
October 11, 2005

**IMPERIAL VALLEY COLLEGE  
INSURANCE COMMITTEE  
April 27, 2006  
Unadopted Minutes**

Present:	Absent:	Visitors:
Mary Bell, consultant	Rosie Pechtl, CSEA Retiree	Suzanne Gretz
Dr. Marion Boenheim	Mariaelena Thibodeaux	
Carlos Fletes	Dr. Joe Vogel	Julie Revoir, Keenan & Assoc.
Carol Hann		Sarah Pence,
Zula Hartfield		American Fidelity
Chris Mays		Raelene Walker,
Lorraine Mazeroll		American Fidelity
Gail Parish		
Bertha Ortega		
Jim Pendley, Certificated Retiree		
Mary Carter, Recorder		

The regular meeting of the Insurance Committee was called to order at 2:00 p.m. on Tuesday, April 27, 2006 in the Transfer Center, by Carlos Fletes.

Approval of minutes

*M/S/C Parish/Hartfield to approve the minutes of the March 28, 2006 meeting as presented.*

Report by Keenan

Julie Revoir, Account Manager from Keenan & Associates, reported on the following:

Loss Ratio Reports

- Vision—on target at 91%
- Dental 98%—funding increase required; claims for January, February and March are up
- Medical for the last 12 months: claims 71% and expenses 25%; total of 96% (1/2 of the expense is the cost of stop loss insurance)

Dental Funding/Ambulance Benefit

Julie Revoir reported that the 1% savings on the medical/prescription plan will not cover the cost of increasing the ambulance benefit and the recommended 8.43% increase to the dental funding. Chris Mays stated that the committee could make a recommendation that the District make up the difference. Carlos Fletes stated that the District's position is that any increase to the health benefit plan is negotiable; the current agreements with the bargaining units are that benefits remain status quo (no change). Bertha Ortega stated that the unions need to pursue the issue by asking for a re-opener.

125 Plan

Julie Revoir introduced Raelene Walker and Sarah Pence of American Fidelity Assurance Company. The current two year agreement with Flex America for administration of the 125 plan comes to an end June 30. The transition to American Fidelity is coming up, and College's help is needed to support the change and make it as seamless as possible for employees. Ms. Walker

stated that the company serves 575 school districts in California, and is the largest 125 plan provider in the country. There will be representatives available at the May 17 CSEA luncheon, who will be making individual appointments for employees. The company will be doing electronic enrollment, and will also be offering voluntary insurance products, such as cancer and disability insurance. The faculty will be having a luncheon on May 9 from 11:30 to 2:00 p.m., and American Fidelity will also attend to make appointments with faculty.

#### Open Enrollment/Health Fair

It was agreed that open enrollment should be held by the end of May. A wellness/health fair should be held next year, possibly in conjunction with the student health fair. Suzanne Gretz suggested having an insurance company presence at the fall convocation.

#### Next Meeting

The next meeting will be held May 23, 2006. Items for discussion will include “Personal Choices” and wellness.

Meeting adjourned at 3:30 p.m.

**IMPERIAL VALLEY COLLEGE  
INSURANCE COMMITTEE  
March 28, 2006  
Unadopted Minutes**

Present:	Absent:	Visitors:
Dr. Joe Vogel, chair	Dr. Marion Boenheim	Julie Revoir, Keenan
Mary Bell, consultant	Zula Hartfield	
Carlos Fletes	Rosie Pechtl, CSEA Retiree	
Carol Hann	Mariaelena Thibodeaux	
Chris Mays		
Lorraine Mazeroll		
Gail Parish		
Bertha Ortega		
Jim Pendley, Certificated Retiree		
Mary Carter, Recorder		

The regular meeting of the Insurance Committee was called to order at 2:05 p.m. on Tuesday, March 28, 2006 in the Transfer Center, by Carlos Fletes.

Approval of minutes

***M/S/C Parish/Ortega to approve the minutes of the February 28, 2006 meeting as presented.***

Report by Keenan

Julie Revoir, Account Manager from Keenan & Associates, reported on the following:

Loss Ratio Reports

- Vision (February 2005 – January 2006): 91%
- Dental 98%
- Medical for the last 12 months: claims 71% and expenses 25%; total of 96%

Renewal, second calculation (Final)

Vision: 0.76% decrease

Dental: 8.43% increase

Medical: Blue Cross has agreed to a 0.1% decrease (\$34,475 savings)

The committee discussed possible uses of the savings (increase to ambulance coverage, additional funding for dental program). ***M/S/C Mays/Hann to recommend that savings from medical plan be used to increase the funding for the dental program.*** This motion was then rescinded and the following motion passed: ***M/S/C Pendley/Mays (abstain: Mazeroll) to recommend that the College accept the renewal with an increase to the ambulance benefit (to 80% of usual and customary charges).***

Carlos Fletes stated that the savings to the medical plan are savings to the College; it is a College's decision how to apply any savings.

### 125 Plan

Julie Revoir reported that the contract with Flex America, the current 125 Plan administrator, will come to the end of its two year contract in June; Keenan is currently paying the fees for the 25 IVC participants (cost of \$4.75 each/month). Keenan cannot afford to continue unless there are mandatory employee meetings. If the College opts to stay with Flex America, mandatory employee meeting must be held or employees will have to pay the monthly fee. Another option is American Fidelity, which offers the debit card, there will be no fee to the employee and they offer the 70 day time extension for filing claims. It was the recommendation of the committee to go with American Fidelity as the 125 Plan administrator for 2006-07. Meetings with classified employees can be held in May, possibly in conjunction with a CSEA meeting.

### Next Meeting

April 27, 2006

Items for discussion: wellness, open enrollment (last two weeks of May).

Meeting adjourned at 3:25 p.m.

**IMPERIAL VALLEY COLLEGE  
INSURANCE COMMITTEE  
February 28, 2006  
Unadopted Minutes**

Present:	Absent:	Visitors:
Dr. Joe Vogel, chair	Zula Hartfield	Suzanne Gretz
Mary Bell, consultant	Lorraine Mazeroll	Julie Revoir, Keenan
Dr. Marion Boenheim	Rosie Pechtl, CSEA Retiree	
Carlos Fletes	Mariaelena Thibodeaux	
Carol Hann		
Chris Mays		
Gail Parish		
Bertha Ortega		
Jim Pendley, Certificated Retiree		
Mary Carter, Recorder		

The regular meeting of the Insurance Committee was called to order at 2:00 p.m. on Tuesday, February 28, 2006 in the Transfer Center, by Dr. Joe Vogel.

Approval of minutes

*M/S/C Parish/Fletes to approve the minutes of the November 15, 2005 meeting as presented.*

Report by Keenan

Julie Revoir, Account Manager from Keenan & Associates, reported on the following:

Loss Ratio Reports

Both the dental and vision self funded programs are running at 94%; ideally self-funded programs should run at 85% to 90% (cost of program and claims divided by premium). Blue Cross loss ratio shows 74%, however, this does not include expenses which add another 20% to 25% to the cost.

Renewal

Dental: the current funding is \$69.93 per employee/per month; Keenan recommends \$70.42.

Vision: the current funding is \$15.77, the recommended funding is \$15.73 (a slight decrease).

Blue Cross: The paid claims for 2004 were \$2,657,579 (\$1,692,676 for medical and \$964,903 for RX). Julie commented that RX claims are high, at more than 50% of the medical claims. Blue Cross has calculated a preliminary renewal of \$3,963,107; the current premium is \$3,934,776. Medical is .9764 less, but RX is 8.3% more. Blue Cross has agreed to give the College a pass (no increase in premium for 2006-07).

Julie Revoir stated that the College had a good year for claims, last year the preliminary renewal amount was a 25% increase, although it ended up at 12.14%. The College's medical claims decreased 8.6%, but the RX costs increased 6.5%.

Items for Discussion at Upcoming Meetings

- Ambulance benefit
- Wellness programs
- Mail order co-pay
- Dual tier benefits for smokers
- Medicare Part D subsidy option
- Average cost of Medicare supplement
- Health fair
- Preventative Care
- ER deductible

Next meeting: April 27, 2:00 p.m.

**IMPERIAL VALLEY COLLEGE  
INSURANCE COMMITTEE  
November 15, 2005  
Unadopted Minutes**

Present:	Absent:	Visitors:
Dr. Joe Vogel, chair	Dr. Marion Boenheim	Julie Revoir, Keenan
Mary Bell, consultant	Chris Mays	
Carlos Fletes	Rosie Pechtl, CSEA Retiree	
Carol Hann		
Zula Hartfield		
Lorraine Mazeroll		
Gail Parish		
Bertha Ortega		
Jim Pendley, Certificated Retiree		
Mariaelena Thibodeaux		
Mary Carter, Recorder		

The regular meeting of the Insurance Committee was called to order at 2:00 p.m., on Tuesday, November 15, 2005 in the Student Life Conference Room by Dr. Joe Vogel, chair.

Approval of Minutes: *M/S/C Parish/Fletes to approve the corrected minutes of the October 11, 2005 meeting (correction: Gail Parish, absent).*

Introduction of New Member

Mariaelena Thibodeaux was introduced as a new committee member, representing CTA (replacing Cecilia Barba).

Report by Keenan

Medicare Part D: IVC has elected to not make any changes regarding Medicare Part D. Medicare D elections begin today, November 15, however, this will not apply to IVC retirees who have “credible” coverage with the College’s plan (coverage as good as or better than Medicare). Notices of Credible coverage have been sent to all employees via e-mail, and posted to the IVC website. Notices have been mailed to all IVC retirees. Julie Revoir suggested that the college look at the employer options further, with a possibility of electing to apply for a waiver or subsidy in the future.

Loss Ratio Reports: Vision and dental are self funded; therefore, Keenan provides loss information at every meeting to be sure that the plans are not going into the red. Dental experience was 95% for September 2004 through August 2005 (total costs divided by premium). Funding was increased in July 2005. Delta Dental had a computer system problem in January 2005 that took several months to clear up. Vision loss ratio was also 95% for the same time period.

The medical loss ratio is 75%. There are no expenses shown because the medical plan is fully insured. Although the plan is running better than last year, a 15 – 20% renewal is still possible.

Cost Saving Ideas/Brainstorming session:

- House savings accounts
- Preventative Care
- E-Fit Program (web-based wellness program)
- Wellness Programs
- Standardize Plan
- Prescription co-pays: increase difference between brand and generic co-pay (i.e. \$5/\$20); make mail order less rich (i.e. 2 co-pays for 90 day supply)
- Access Baja
- Market plan

It was the consensus of the committee that information is needed as early as possible for negotiations. It was agreed that comparing the IVC plan to a Blue Cross standard plan would be helpful to the committee; the IVC plan is richer in some areas and less rich in others, such as mental health. It was suggested that instead of exploring charging for dependent coverage, it would be better to look at offering a standard plan with the option of buying up to a richer plan.

Julie Revoir stated that she will have renewal information from Blue Cross in late January, and suggested holding a meeting in early February. It was agreed to meet February 15, at 2:00 p.m., and to keep the February 21 meeting in abeyance.

Meeting adjourned at 3:15 P.M.

**IMPERIAL VALLEY COLLEGE  
INSURANCE COMMITTEE  
October 11, 2005  
Unadopted Minutes**

Present:	Absent:	Visitors:
Dr. Joe Vogel, chair	Cecilia Barba	Laura Gudino
Dr. Marion Boenheim	Zula Hartfield	
Carlos Fletes	Chris Mays	<u>Retirees</u>
Carol Hann	Lorraine Mazeroll	Bill Buck
Rosie Pechtl, CSEA Retiree	Bertha Ortega	Karen Buck
Jim Pendley, Certificated Retiree	Gail Parish	Joann Ellis
Mary Bell, consultant		Richard Hann
		Nona Hughes
<u>Keenan Representatives</u>		Mike Jerge
Mike Davis		Dolores Sigmon
Julie Revoir		Sandra Standiford
Bob Quellmalz		Shelbie Townsend
		Dr. Barbara Macci-Trethewey
Mary Carter, Recorder		Bob Trethewey
		Mary Washam
		Harry Weissman

The first meeting of the 2005-06 school year was called to order by Dr. Joe Vogel, Interim Dean of Business Services. Dr. Vogel, introduced himself to the committee and to the visitors.

Informational Meeting for Retirees on Medicare Part D

It was agreed to alter the agenda, to discuss this item first. Julie Revoir stated that Keenan is planning on holding an informational meeting on Medicare Part D for retirees. Suggested meeting dates of October 25, 26 and 27 were discussed, with October 25 at 2:00 p.m. being selected. Retirees will be notified by mail and via e-mail.

Approval of Minutes

***M/S/C Fletes/Pendley to approve the minutes of the May 5, 2005 meeting as presented.***

Report by Keenan

Julie Revoir introduced Bob Quellmalz, Senior Vice President and Mike Davis, Underwriter. Mr. Davis presented information on the annual utilization report showing how the plan is doing, and where claim money is going. Data is based on calendar year 2004 claims.

- Network utilization (PPO providers) increased to 87%; however, other groups with Keenan average 91.6% network usage.
- Billed charges (number of claims submitted) increased by 37.31%.
- Between 2003 and 2004, enrollment declined by 2%. This data does not reflect new faculty because they were hired in 2005.
- Network savings was 51% of billed charges. For a \$1.00 claim, this would translate to:
  - network savings: 51.18 cents
  - ineligible charges: 3.5 cents
  - secondary savings (i.e. coordination of benefits): 18 cents

- deductible/co-pays/co-insurance, etc.: 2.5 cents
  - paid claim amount: 24.83 cents
- The last three years of paid claims, show a 32.87% increase
  - \$1,286,579 in 2002
  - \$1,461,116 in 2003
  - \$1,941,429 in 2004
- There were five claims in excess of \$50,000
- The number of claims paid per-member-per month were up 37%
  - \$25.94 in 2002
  - \$36.37 in 2003
  - \$50.08 in 2004
- Average claim per in-patient day increased from \$1,049 in 2003 to \$1,763 in 2004
- The most used hospitals were Sharps, ECRMC, Scripps, PMH, Scripps Mercy, Grossmont, Children's Hospital and Aurora San Diego.
- Hospital with most bed days were ECRMC, Scripps, PMH, Grossmont, Sharps; in terms of cost per bed day, ECRMC, Scripps and PMH are middle of the road, Sharps is the most expensive.
- Outpatient paid claims per-member-per-month are up slightly from \$30.34 in 2003 to \$48.42 in 2004.
- Prescription drug utilization shows a 16.09% increase, and is 3-4% above the Keenan group average for 2004.
- Generic utilization increased from 37.8% to 40.23%; however, the Keenan group average is 45%
- Utilization of drug benefit is up substantially; it was 2.25 RX's per employee per month in 2003 and increased to 2.6675 in 2004. The Keenan group average is 2.05.

#### Meeting Schedule

Dates for meetings and claims resolution days for 2005-06: November 15, February 28, March 28, April 25 and May 23.

Meeting adjourned at 3:35 p.m.