



**Insurance Committee
2001-02 Minutes**

May 23, 2002
May 16, 2002
May 9, 2002
February 27, 2002
January 23, 2002
September 26, 2001

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

Minutes

May 23, 2002

PRESENT:

Carlos Fletes, Chairman
Monica Bane
Mary Bell, consultant
Cesar Guzman (replaces Gabriel Torres as of 5/23/02)
Carol Hann
Ralph Marquez (replaces Raul Aragon as of 4/29/02)
Chris Mays, CSEA alternate
Ruth Montenegro
Gail Parish

ABSENT:

Janell Couchman
Rosie Pechtl, retiree
Jesus Valenzuela

VISITORS:

Stanley Lewis, retiree
Lorraine Mazeroll
Bertha Ortega
Barbara Stuart

Julie Revoir, Keenan
Cynthia Stribling, Keenan

Chairman, Carlos Fletes called the Insurance Committee meeting to order at 12:00 noon on Thursday, May 23, 2002 in the Transfer Center. This meeting is a continuation of two previous meetings held April 16, and May 9, 2002; there are no minutes to be approved. Chairman Fletes welcomed the Keenan & Associates representatives and thanked Keenan for providing lunch; he also acknowledged the other visitors.

The committee continued its discussion of proposed plan changes. The renewal rate will be an increase of 15.28% if no changes are made to the plan. Three options were distributed for discussion. Chairman Fletes stated that the options were put together based on past discussions. The District has been fortunate with its self-insurance program but one bad year of claims could put the plan under. The change to Blue Cross was a good one, the proposed renewal is still under what Anthem proposed in 1999.

Barbara Stuart, CTA President stated that she would like to have more time in order to get feedback from faculty. Carlos Fletes stated that a recommendation is needed from the committee at this time; the information was distributed to the committee on April 16, and this is the third meeting on the subject. Ruth Montenegro suggested that the CTA president attend the committee meetings. Barbara Stuart appointed Cesar Guzman to the committee to take the place of Gabriel Torres. Ralph Marquez is taking Raul Aragon's place. Mr. Marquez stated that he plans to be an active member of the committee.

Barbara Stuart asked about the impact of having employee's pay a portion of the insurance costs; Chairman Fletes stated that would cause an immediate impact on everyone. Cynthia Stribling stated that many districts use an employee contribution to reduce immediate funding, but often "adverse selection" results—families opt out of the plan. Also administrative cost is higher and there is increased need to communicate with employees regarding open enrollment, payroll deductions, etc.

**Imperial Valley College
Health Benefits Plan
Possible Plan Changes**

	Current Plan**	Option 1	Savings	Option 2	Savings	Option 3	Savings
Deductible	\$200/\$600	\$500/\$1500	-3.74%	\$250/\$750	-.81%	\$250/\$750	-.81%
	Applies to Non-PPO only	Applies to PPO and Non PPO		Applies to PPO and Non PPO		Applies to PPO and Non PPO	
Out of Pocket Max	\$750/\$2250	\$1000/\$3000	-1.05%	\$1500/\$4500	-2.25%	\$100/\$3000	-1.05%
Office Visit Co-pay	10%/30% co-insurance	\$15	-1.05%	\$15	-1.05%	\$15	-1.05%
Prescription Co-pay	\$4/\$6	\$10/\$15	-4.00%	\$10/\$15	-4.00%	\$10/\$15	-3.00%
Mail Order RX co-pay	\$1	\$10/\$15		\$10/\$15		\$5 mail order	
VSP deductible	\$10	\$25	-.93%	\$25	-.93%	\$25	-.93%
		Reduction	-10.77%	Reduction	-9.04%	Reduction	-6.84%
	15.28% Increase	Net Increase	4.51%	Net Increase	6.04%	Net Increase	8.44%

****Current plan will remain in effect if no benefits adjustments are approved through negotiations.**

	Option 4	Savings	Option 5*	Savings	Option 6	Savings
Deductible	No change		\$200/\$600	-.4%	No change	
			Applies to PPO and Non PPO			
Out of Pocket Max	No change		\$1000/\$3000	-1.05%	No change	
Office Visit Co-pay	\$15	-1.05%	\$15	-1.05%	No change	
Prescription Co-pay	\$10/\$15	-4.00%	\$10/\$15	-4.00%	\$10/\$15	-4.00%
Mail Order RX co-pay	\$10/\$15		\$10/\$15		\$10/\$15	
VSP deductible	\$25	-.93%	\$25	-.93%	\$25	-.93%
	Reduction	-5.98%	Reduction	-7.43%	Reduction	-4.93%
	Net Increase	9.3%	Net Increase	7.85%	Net Increase	10.35%

*Recommended by Insurance Committee 5/23/02

Ralph Marquez proposed Option #4 with changes that would have the least impact on employee's out of pocket expense. Chris Mays proposed Option #5, and Carol Hann proposed Option #6.

M/S/C Montenegro/Parish to recommend Option #5 (Yes: Bane, Fletes, Mays, Montenegro, Parish, No: Guzman, Hann, Marquez)

Gail Parish will present the information on the various options to CSEA at a meeting on May 29. Monica Bane asked if the unions can come up with other ideas. Chairman Fletes stated that the function of the committee is informational and advisory only; changes have to be negotiated by the negotiation team. Bertha Ortega asked what happens if no changes to the plan are made—will the 15.28% increase go through? Barbara Stuart stated that the district needs to focus on having money available for salaries and benefits. Carlos Fletes stated that budget needs to be a meaningful document.

Meeting adjourned at 2:00 p.m.

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE
Minutes**

May 16, 2002

PRESENT:

Carlos Fletes, Chairman
Monica Bane
Mary Bell, consultant
Carol Hann
Ralph Marquez (replaces Raul Aragon as of 4/29/02)
Chris Mays, CSEA alternate
Ruth Montenegro
Gail Parish

ABSENT:

Janell Couchman
Rosie Pechtl, retiree

VISITORS:

Max Fields
Frances Greatheart
Bertha Ortega

Chairman, Carlos Fletes called the special meeting of the Insurance Committee to order at 4:00 p.m. on May 16, 2002 in the Transfer Center. This meeting is a continuation of the meeting held May 9; there are no minutes to be approved.

The committee continued its discussion of proposed plan changes. The committee decided against raising the co-pay to \$20 for mail order prescriptions. The higher deductible would have an adverse effect on use of the mail order service. The committee conferred with Cynthia Stribling of Keenan & Associates via conference call and clarified the impact of a \$15 co-pay on the deductible (it does not count toward the deductible).

The committee agreed to continue discussion of proposed plan changes at a meeting to be held May 23, 2002.

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

Minutes
May 9, 2002

PRESENT:

Carlos Fletes, Chairman
Carol Hann
Chris Mays, CSEA alternate
Gail Parish
Rosie Pechtl, retiree

ABSENT:

Monica Bane
Mary Bell, consultant
Janell Couchman
Ruth Montenegro

VISITORS:

Max Fields, retiree
Stanley Lewis, retiree
Bertha Ortega

Cynthia Stribling
Julie Revoir

Chairman Carlos Fletes called the meeting to order at 3:35 p.m. in the Transfer Center.

M/S/C Parish/Hann to approve the minutes of the April 16, 2002 meeting.

Keenan & Associated provided handouts with options for plan changes. Carlos Fletes refreshed the committee on what was discussed at the last meeting as to possible changes and asked for feedback from the committee. Carol Hann stated that she wanted to go to CTA for advice before giving further input and she would like more numbers from Keenan before making a recommendation. Gail Parish stated that Option #2 would not work for CSEA members, the \$500 deductible is too high, she suggested at \$250 deductible.

The committee discussed the option of a different insurance provider; Carlos Fletes stated that the College has a self-funded program and the Blue Cross renewal is still less than the Anthem proposal back in 1999.

The committee discussed a wellness program for employees; the college did offer an exercise program but there was no participation and the funds were lost.

It was the consensus of the committee to continue discussion of options at a meeting on May 16, 2002.

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

Minutes

April 16, 2002

PRESENT:

Carlos Fletes, Chairman
Monica Bane
Mary Bell, consultant
Janell Couchman
Carol Hann
Ruth Montenegro
Gail Parish
Rosie Pechtl, retiree

ABSENT:

Raul Aragon
Sue Strain, consultant
Gabriel Torres
Jesus Valenzuela

VISITORS:

Chris Mays
Bertha Ortega
Barbara Stuart
David Zielinski
Julie Revoir, Keenan
Cynthia Stribling, Keenan

Recorder: Gloria Anaya

Chairman, Carlos Fletes called the regular Insurance Committee meeting to order at 3:35 p.m. on Wednesday, April 16, 2002 in the Board Room.

Approval of Minutes

M/S/C Parish/Bane to approve the corrected minutes of the February 27, 2002 meeting (2nd paragraph on Report by Keenan to end with “on all aspects of our insurance plan”).

Carlos Fletes welcomed visitors, which included members of the negotiating teams for both CTA and CSEA.

Chairman Fletes reported that the IVC Board of Trustees has approved the recommendation made by the committee and the President’s Cabinet to move the renewal date from April 1 to July 1. This action accomplishes the following:

- The renewal period will be aligned with the fiscal year (July-June).
- Changes (if any) can be implemented at the beginning of the term.
- Avoids having to make changes to the budget two-thirds into the fiscal year, which for the most part, were not planned.

Report by Keenan and Associates: Cynthia Striping and Julie Revoir.

Cynthia Stribling distributed a handout containing the proposed renewal rates for 2002-2003, effective July 1, 2002. Cynthia stated that this handout contained several plan changes that would assist the committee in making suggestions for plan changes. Chairman Fletes noted that the anticipated increase in funding level is projected at 15%, or about \$390,000; the trend in the insurance industry is about 25%.

Cynthia Stribling reported that no one single change would have any significant impact on the renewal rate. The proposed plan changes included in the handout are as follows:

1. Increase annual deductible from \$200/\$600 to \$250/\$750 on both PPO and non-PPO, approximate impact on overall funding of –0.81%.
2. Increase annual deductible from \$200/\$600 to \$500/\$1,500 on both PPO and non-PPO, approximate impact on overall funding of –3.74%.

3. Increase out-of-pocket maximum from \$750/\$2,250 to \$1,000/\$3,000, approximate impact on overall funding of -1.05%.
4. Increase out-of-pocket maximum from \$750/\$2,250 to 1,500/\$4,500, approximate impact on overall funding of -2.25%.
5. Increase out-of-pocket maximum from \$750/\$2,250 to \$2,000/\$6,000, approximate impact on overall funding of -3.14%.
6. Increase out-of-pocket maximum from \$750/\$2,250 to \$3,000/\$9,000, approximate impact on overall funding of -3.74%.
7. Change office visit co-payment from 90% to a flat \$15.00, approximate impact on overall funding of -1.05%.
8. Change prescription drug co-payment from \$4.00 (generic), \$6.00 (brand) and \$1.00 (mail) to \$5, \$10 and \$5, approximate impact on overall funding of -2.29%.
9. Change prescription drug co-payment from \$4.00 (generic), \$6.00 (brand) and \$1.00 (mail) to \$5/\$10 to both retail and mail prescription, approximate impact on overall funding of -2.48%.
10. Increase coinsurance to from 90/10 to 85/15 for all services except inpatient (90/10), approximate impact on overall funding of -0.60%.
11. Increase Vision Services Program co-pay from \$10 to \$20-\$25, approximate impact on overall funding of -1.3%

Chairman Fletes stated that a combination of options 2, 4, 7, 9 and 11 would result in a total reduction of 10.82%, leaving a 4.18% increase. Janell Couchman stated that if the maximum changes in each category were implemented, there would still be an increase of 3%.

Barbara Stuart asked if Blue Cross was our best bet, and Cynthia Stribling responded that yes, they have a very good network system, best hospital services and they have the best overall package. Carlos Fletes stated that the projected 15% increase to our funding level still puts us under what Anthem's renewal rate was back in April 2000.

David Zielinski asked how long have we been with Blue Cross and the response was that we are starting the third year.

Ruth Montenegro asked if a premium contribution from the employee would have a greater impact on the funding level rather than an increase in co-pays, and the response was yes

Janell Couchman mentioned that IVC currently pays \$6,847 per employee/family and that most other agencies only pay \$4,500.

Monica Bane asked if a \$50 annuity would be returned if employees have to pay part of the premium.

Gail Parish asked if there has been any consideration of offering a Medicare supplement to certificated retirees and she wanted to know if there are any certificated employees that were not covered by Medicare. Cynthia Stribling responded that if there were, STRS has

now a program that pays for Medicare Part A. Carlos Fletes stated that this item is being discussed at negotiations; under this proposal, retirees and dependents would be covered under the Blue Cross Plan until they become Medicare eligible, at that time an individual Medicare supplement policy would be purchased by the District, which basically covers everything that Medicare does not cover. If the retiree has any dependents that are under 65, they would continue to be covered under the Blue Cross plan; all family members continue under the prescription, dental and vision plans.

Carlos Fletes mentioned that the funding level has to be increased on a regular basis. During the Anthem years, there was not a single increase until it caught up with us during the last year and then the insurance reserve was reduced dramatically.

Several other cost containment alternatives were mentioned:

- Employee paid premium only.
- Employees co-pay of 10% and dependents co-pay of 25%.
- Out of pocket maximums according to salary level.

All of these would be hard to administer.

David Zielinski asked if the increase is going to fall only on employees or if there is District funds available. Funds are available; the question is where do we allocate them? If we make a recommendation to fund the 15% increase, then there will be 15% (approximately \$300,000) less available for anything else.

The 15% projected increase in funding level amounts to about \$390,000, of which some will be paid by categorically funded positions. How many categorically funded positions are there? This information will be provided at the next meeting.

Rosie Pechtl mentioned that we should watch the program carefully so that employees are not impacted so hard all at once.

There will be a special meeting on Thursday May 9, 2002 at 3:30 p.m. in the Transfer Center to continue discussing the program alternatives mentioned today. Keenan and Associates will not be present.

There will be another meeting on Thursday May 23, 2002 at 12:00 noon in the Transfer Center. Keenan and Associates will be present at this meeting. There will be no meeting on Wednesday May 22, 2002.

Meeting adjourned at 5:20 p.m.

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

Minutes

February 27, 2002

PRESENT:

Carlos Fletes, Chairman
Janell Couchman
Carol Hann
Marie Hisel (representing CSEA)
Ruth Montenegro
Gail Parish

ABSENT:

Raul Aragon
Monica Bane
Mary Bell, consultant
Rosie Pechtl, retiree
Sue Strain, consultant
Gabriel Torres
Jesus Valenzuela

VISITORS:

Julie Revoir, Keenan
Cynthia Stribling, Keenan

Recorder: Gloria Anaya

Chairman, Carlos Fletes called the regular Insurance Committee meeting to order at 3:00 p.m. on Wednesday, February 27, 2002 in the Board Room.

Approval of Minutes

M/S/C Parish/Couchman to approve the minutes of the January 23, 2002 meeting.

Report by Keenan

Cynthia Stribling distributed a report on claims activity and options for renewal. Medical/prescription claims have increased 10.9% and dental is up 10%. Keenan recommended that the College remain self-funded for medical.

Chairman Fletes asked how the College could maintain the same funding level. Keenan suggested changing the prescription co-pay to \$5/\$5/\$10 which would reduce the renewal by about 5%. Keenan will provide more information on premium options at the next meeting.

Chairman Fletes asked about maintaining the same funding through the end of the fiscal year, making the renewal date July 1. The problem with maintaining the same funding level for 15 months would be the later the change is made the bigger the funding deficit. Cynthia Stribling suggested that the College maintain its current funding and plan on using its reserve. The reserve is currently \$800,000 and the College needs a minimum of \$500,000.

Carlos Fletes recommended a July 1 renewal date to coincide with the fiscal year. Keenan will have new rates available in one. The College has approximately 380 employees including retirees. Cynthia Stribling suggested an employee contribution. The committee discussed what is more important: maintaining benefits or containing premiums. Ruth Montenegro stated that an employee contribution of \$10.00 per month would help. ***M/S/C Couchman/Parish to change the renewal date to July 1 and to maintain the current funding through June 30, 2002.***

Meeting adjourned at 4:00 p.m.

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

Minutes

January 23, 2002

PRESENT:

Carlos Fletes, Chairman
Monica Bane
Mary Bell, consultant
Carol Hann
Myra Mendez (representing HR)
Gail Parish

ABSENT:

Raul Aragon
Janelle Hodgkin
Ruth Montenegro
Rosie Pechtl, retiree
Sue Strain, consultant
Gabriel Torres
Jesus Valenzuela

VISITORS:

Julie Revoir, Keenan
Cynthia Stribling, Keenan
Gloria Anaya

Chairman, Carlos Fletes called the regular Insurance Committee meeting to order at 3:30 p.m. on Wednesday, January 23, 2002 in the Board Room.

Approval of Minutes

There were no minutes from previous meeting. Minutes will be available at the next meeting. There was no quorum.

Report by Keenan

Claims Day today, and Julie Revoir reported that only two people were present, so everything must be going well.

Cynthia Stribling reported that doctors in general are not happy with reimbursement contracts; therefore, they are in the process of renegotiating their contract. They get a flat monthly rate, no matter how many patients they see, and specialists claim it is costing them too much money, so they would rather be paid for services rendered.

Carol Hann reported that her doctor processed a claim and that it only took two days to get paid, yet on the other hand she wanted to have some dental work over the holidays, and she did not receive authorization until just recently. Julie Revoir reported that it was very unusual that Delta Dental would take so long to give an authorization.

Preliminary Renewal for April 1, 2002

Cynthia Stribling (Keenan & Associates) reported that this renewal looks very good, in spite of the recent events that have impacted the Insurance industry so greatly.

The preliminary numbers shown by Keenan & Associates present a minimum of 9% increase to a maximum of 13% increase. The committee will receive the final numbers at its meeting in February, 2002.

Note, that there are two types of Insurance:

1. Self Funded
2. Fully Insured

A self funded program is where we maintain the risk and we fund the claims. A fully insured program is where the risk is transferred to an Insurance company, therefore, higher premiums are paid. In spite of this, Cynthia Stribling mentioned that Blue Cross has submitted a very attractive quote this year for a fully insured program, and suggested that we look into it. She also suggested that our self-insured plan has worked very well for a group our size. According to insurance standards, we are considered a small group to have a self-insured plan.

Imperial Valley College has gone with the minimum premium increase for the past two years and in spite of that we have been able to bring the insurance reserves back to a comfortable level.

Our Dental Plan is the only one that is currently under funded. Gail Parish suggested that we fully fund the Dental Plan. The committee will make a recommendation during the February, 2002 meeting.

Next Meeting Schedule:

It was agreed that the next meeting be held on Wednesday, February 27, 2002, in the Board Room.

Meeting adjourned at 4:35 p.m.

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

Minutes

September 26, 2001

PRESENT:

Carlos Fletes, Chairman
Raul Aragon
Monica Bane
Mary Bell, consultant
Myra Mendez (representing HR)
Gail Parish
Rosie Pechtl, retiree
Gabriel Torres

ABSENT:

Carol Hann
Janell Hodgkin
Ruth Montenegro
Sue Strain, consultant
Jesus Valenzuela

VISITORS:

Julie Revoir, Keenan
Cynthia Stribling, Keenan

Chairman, Carlos Fletes called the regular Insurance Committee meeting to order at 3:30 p.m. on Wednesday, September 26, 2001 in the Board Room.

Approval of Minutes

M/S/C Parish/Bane to approve the minutes of the May 24, 2001 meeting.

Report by Keenan

Cynthia Stribling presented information on the dental and vision experience; both are running above the target rate of 85-90%, and both had a spike in claims in June.

Chairman Fletes reported that the benefit booklets have all been distributed. Gail Parish and Carol Hann were commended for their work in reviewing the benefit booklets. The committee was encouraged to look over the booklet and report any questions/problems that they find.

Impact of Terrorist Attack on Insurance Industry

Carlos Fletes and Cynthia Stribling briefed the committee on the potential impact of the terrorist attack on the insurance industry. All of the insurance market is interconnected so there may be some tightening up on underwriting. The economic effect may cause a "hard market" with higher rates, more aversion to risk and less capacity.

There was some disruption of mail service but it did not seem to have much effect on the delivery of mail order prescription. An emergency plan was put into effect through 9/30/01 to authorize prescriptions if people do not get their mail order drugs on time.

Meeting Schedule

The committee agreed to meet the 4th Wednesday in September, November, January, February and May. More meetings are needed during the spring due to the April 1 renewal. Claims Resolution Days will be held the 4th Wednesday in October and March. More dates can be added if necessary.

Other

Dental work done in Mexico: Dental work done in Mexico has to be checked by a Delta dentist. Work of \$300 or more should always have a predetermination done first. Keenan will communicate information regarding a Delta Dental approved group in Mexicali to the committee.

Meeting adjourned at 4:10 p.m.