



**Insurance Committee
2002-03 Minutes**

June 30, 2003
June 23, 2003
June 16, 2003
June 2, 2003
May 21, 2003
May 19, 2003
May 15, 2003
April 1, 2003
February 26, 2003
November 20, 2002

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

**Unadopted Minutes
June 30, 2003**

Present:	Absent:	Visitors:
Carlos Fletes, Chair	Monica Bane	
Mary Bell, consultant	Ralph Marquez	
Cesar Guzman	Chris Mays	
Lorraine Mazeroll	Human Resources rep.	
Bertha Ortega (alternate)	Director of Fiscal Services	
Gail Parish		

Chairman Carlos Fletes called the special meeting of the Insurance Committee to order at 2:00 p.m. on Monday, June 30, 2003 in the Board Room.

CTA representatives, Cesar Guzman and Lorraine Mazeroll, reported that the faculty will hold a vote on the proposed change to a fully insured Blue Cross plan at its August 15, 2003 meeting.

If the change is approved by certificated staff, the plan change could be implemented effective September 1, 2003. Chairman Fletes stated that the District would have to pay for stop loss at the new rate for July and August.

The next meeting will be Thursday, August 21 at 2:30 p.m.

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

**Unadopted Minutes
June 23, 2003**

Present:	Absent:	Visitors:
Carlos Fletes, Chair Mary Bell, consultant Ceasar Guzman Chris Mays Lorraine Mazeroll Bertha Ortega (alternate) Tony Salcedo (alternate)	Monica Bane Ralph Marquez Gail Parish Human Resources rep. Director of Fiscal Services	Tony Salcedo

Chairman Carlos Fletes called the special meeting of the Insurance Committee to order at 1:30 on Monday, June 23, 2003 in the Board Room.

The committee reviewed feedback to the draft MOU's from certificated and classified staff. It was the consensus of the group that the MOU's are acceptable, but it was suggested that wording be added to indicate that the fully-insured Blue Cross plan is a non-standard plan, per option 1 of the attachment. The MOU's will be revised and e-mailed to the committee members.

The certificated representatives indicated that a vote will be needed from faculty to approve the MOU. The committee discussed holding a mail/e-mail vote in order to have results prior to the July 9 board meeting. The certificated committee members indicated that they would try to move the process along, and recommended putting approval of the MOU on the agenda for approval July 9, with the worst case scenario being having to pull it from the agenda if there is no agreement from CTA. Chairman Fletes stated that both groups have to agree, because the plan cannot be split. The goal of the committee is to optimize resources; if the fully insured plan can be implemented by August 1, the self-insured plan can be funded for one month (July) at the old rate, but it is risky to go much longer than one month without increasing funding.

The next committee meeting will be Monday, June 30, 2003.

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

**Unadopted Minutes
June 16, 2003**

Present:	Absent:	Visitors:
Carlos Fletes, Chair Monica Bane Mary Bell, consultant Ceasar Guzman Chris Mays Lorraine Mazeroll Bertha Ortega (for Gail Parish)	Ralph Marquez Gail Parish	Tony Salcedo

Chairman Fletes called the special meeting of the Insurance Committee to order at 1:30 p.m. on Monday, June 16, 2003 in the Transfer Center.

Reports from CSEA and CTA

Monica Bane reported that CSEA held a meeting and approved the fully insured matching plan, contingent upon everyone agreeing to the same plan. She reported that the fully insured plan was the only option considered.

Ceasar Guzman reported that Ralph Marquez had sent the renewal information to the CTA membership, but that any communication with faculty is difficult during the summer. Chairman Fletes stated that he will draft a Memorandum of Understanding for consideration by both bargaining units. If an agreement can be approved, it must go to the Board of Trustees at the July 9 meeting in order to make the plan change effective August 1. The switch to a fully insured plan would mainly address administrative issues; the in-patient hospice and mental health benefits are enhanced under the fully insured plan, and there is a slight reduction in the mail order RX benefit. Coverages will continue to be discussed through the negotiation process.

The committee agreed to meet Monday, June 23 to discuss feedback from the bargaining units on the draft MOU.

Chairman Fletes reminded the committee that any and all matters relating to insurance need to be discussed by the committee before being discussed in negotiations; the committee is the recommending body for insurance matters. Discussing issues in the committee will eliminate surprises. Ceasar Guzman stated that the committee members need to be pro-active.

Approval of Minutes

M/S/C Bane/Mays to approve the minutes of the May 19, May 21 and June 2, 2003 meetings as presented.

The next meeting will be Monday, June 23 at 1:30 p.m. Monica Bane will be on vacation, and Tony Salcedo will be her alternate.

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

**Unadopted Minutes
June 2, 2003**

Present:	Absent:	Visitors:
Carlos Fletes, Chair Monica Bane Mary Bell, consultant Ceasar Guzman Ralph Marquez Chris Mays Lorraine Mazeroll Gail Parish		Tony Salcedo

Chairman Fletes called the special meeting of the Insurance Committee to order at 1:30 p.m. on Monday, June 2, 2003.

The committee reviewed updated information comparing the current IVC plan, the proposed Blue Cross fully-insured matching plan, and the fully-insured Blue Cross P6 plan. The fully-insured plan included mandated coverages that favor the employee. The fully insured matching plan provides a 30 day supply (versus 34 day on the present plan), and 60 day (versus 90 day) supply for mail order.

Chairman Fletes noted that a change to a fully-insured plan would require a 60 day notice to the stop loss carrier, so the earliest effective date would be August 1. The first task of the committee is to determine whether the plan will remain self-funded or become fully-insured. ***M/S/C Guzman/Mays (No: Mazeroll) to recommend the Blue Cross Fully Insured Matching plan.***

The unions will distribute information to their membership and confer with their executive committees as necessary. If the change is approved by the unions, the soonest it can go to the Board of Trustees is July. Chairman Fletes stated that he would brief the board ahead of time regarding the recommendations of the committee.

M/S/C Bane/Parish to recommend new enrollment forms be filled out by employees.

Chris Mays asked that the committee discuss the money remaining in the Insurance Fund.

The committee agreed not to meet on June 9. The next meeting will be June 16, 2003.

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

**Unadopted Minutes
May 21, 2003**

Present:	Absent:	Visitors:
Carlos Fletes, Chair Monica Bane Mary Bell, consultant Ceasar Guzman Ralph Marquez Chris Mays Lorraine Mazeroll Gail Parish		Tony Salcedo Julie Revoir, Keenan

Chairman Carlos Fletes called the special meeting of the Insurance Committee to order at 1:00 p.m. on Wednesday, May 21, 2003 in the board room.

The committee reviewed the answers provided by Keenan & Assaociates to questions presented after the May 19 meeting.

1. Maximum and minimum Keenan recommendation on fully-insured plan: The dental and vision plans would remain self-funded, so there is a recommended maximum and minimum for those plans.
2. Plan Changes Required to Remain Self-Funded: The committee agreed that the changes required to reduce the cost of the self-funded plan by 25% were unacceptable to the union membership (reduction of benefits, increased co-pay, deductible and out-of-pocket maximum, \$100,000 stop loss and employee contribution).
3. \$100,000 Stop Loss: If the stop-loss insurance was changed to a \$100,000 threshold, the savings would be 3%.
4. Rate for self-funded standard Blue Cross Plan: Savings estimated at 3%, based on Blue Cross's quote on our current plan of \$737.58 versus the P6 plan at \$716.51 (difference of 3%). The P6 plan would add some mandated benefits, which add 5-10% to its cost.

The committee requested clarification from Julie Revoir (who was on campus for claims resolution day) regarding whether a fully-insured matching plan would eventually become a standardized plan; she stated that annually she reviews the benefits to be sure that Blue Cross keeps the features that are unique to IVC's plan.

Gail Parish asked about the annual cost of the Classified retirees eligible for Medicare; Mary Bell estimated the cost of the Medicare supplement at \$42,000 for 16 individuals (medical coverage only).

Domestic Partners: It was determined that the coverage of domestic partners was an eligibility issue, not a benefits issue.

College Age Dependents: It was noted that the IVC plan covers college students until they turn 26, where the standard is age 23. Julie Revoir was requested to see if there was an additional cost of extending coverage to age 26.

Timeline: The lead time required for a July 1 renewal is 30 days minimum for the drug card, and 60-90 days if the College changes to the P6 plan.

It was decided that the committee would present the information received to the classified and certificated, and report back with questions and concerns. The next meeting will be June 2, 2003.

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

**Unadopted Minutes
May 19, 2003**

Present:	Absent:	Visitors:
Carlos Fletes, Chair	Monica Bane	
Mary Bell, consultant	Janell Hodgkin	
Cesar Guzman	Gail Parish	
Zula Hartfield, HR rep.		
Lorraine Mazeroll		
Ralph Marquez		
Chris Mays		

Chairman Carlos Fletes called the special meeting of the Insurance Committee to order at 1:30 p.m. on Monday, May 19, 2003 in the board room.

The purpose of the meeting is to start the discussion of the renewal options. Chairman Fletes compared the cost of keeping the self-funded plan versus the Blue Cross fully insured matching plan:

Covered	2002-03	Annual Cost	Increase
Individuals	Annual Rate		Over 02-03
375	\$7,572	\$2,839,350	
Keenan Minimum Rate			
375	\$9,445	\$3,541,838	\$702,488
Blue Cross Fully Insured Matching Plan			
375	\$8,421	\$3,157,950	\$318,600

The committee asked for clarification from Keenan and Blue Cross on the of the following items, and agreed to meet again on Wednesday, May 21:

1. Why is it that there is a maximum and a minimum recommendation on the fully insured plan?
2. What plan changes would be needed to make to remain self-funded and have an increase of no more that 5%?
3. What would be the renewal be if the stop loss was increased to \$100,000?
4. What would the rate for self-funded standard Blue Cross plan be?

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

**Unadopted Minutes
May 15, 2003**

Present:	Absent:	Visitors:
Carlos Fletes, Chair Monica Bane Mary Bell, consultant Ceasar Guzman Zula Hartfield, HR rep. Lorraine Mazeroll Ralph Marquez Chris Mays Gail Parish	Janell Hodgkin	John Abarca Nona Hughes Tony Salcedo Chuck Mune, Blue Cross Alexandra Davis, Keenan Bob Quellmalz, Keenan Julie Revoir, Keenan

Chairman Carlos Fletes called the regular meeting of the Insurance Committee to order at 12:00 noon on Thursday, May 15, 2003 in the board room. The chair welcomed the Keenan and Blue Cross representatives Julie Revoir, Bob Quellmalz, Alexandra Davis, and Chuck Mune.

Approval of Minutes

M/S/C Parish/Bane to approve the minutes of the April 1, 2003 meeting as presented.

Report by Keenan/Renewal

Julie Revoir reported that there has not been any change in the renewal figures from the information presented to the committee in April. The recommended funding level for 2003-04 is a 29.6% increase for the overall plan. The Blue Cross quote for a blended, fully insured plan (matching current benefits), is a 13.63% increase on the medical plan, and an 11.22% increase overall. The alternate plan proposed by Blue Cross, (Blue Cross P6 plan) is a 10.38% increase for medical, and 8.44% overall.

Some Carriers Declined to Quote

A quote has just been received from Pacific Care, but Blue Shield, Signa, and HealthNet all declined to quote. The Pacific Care quote offers different options with significant changes in benefits.

Why is Blue Cross Quote the Lowest

In response to questions regarding the Blue Cross quote being the lowest, Chuck Mune, from Blue Cross, stated that Blue Cross has a very large network and has the deepest provider discounts, especially in this area. Administrative costs are low due to efficiency.

Why is Self-funded Quote Higher than Fully-funded

Bob Quemallz and Chuck Mune both addressed the question of why the self-funded quote is higher than for a fully-insured plan. One big factor is stop loss; the cost has increased dramatically since 9/11, because expected losses have to be factored in. Fully insured plans are pooled for stop loss, spreading the risk out more. Market conditions have changed dramatically, and the stop loss market is very tight. A fully insured plan would be cheaper to administer because of standardized benefits. IVC's current plan has many special features. The fully insured quote does not contain any margin, while the self funded quote has a 5% margin.

Why is Renewal Rate 29.4%/34.43%

The 29.4% to 34.43% renewal for IVC is based on three major factors: 1) medical claims, 2) stop loss, and 3) prescription claims. In 2002-03 medical claims increased 30% and prescription increased 11.6%. Expenses increased 11.95% (administrative and consulting fees actually decreased, but stop loss increased by \$59,888).

Stop Loss

The committee discussed how IVC is covered for stop loss through the BeLiEF JPA, and possible other options. Bob Quemallz explained that BeLiEF is a California based JPA with 30 K-12 and community college district (consisting of over 250,000 members) which purchases stop loss for self-funded plans. Stop loss is “fire insurance”, and rates are based on claims of the group. After 9/11 there was an 80% increase from the carrier, but Keenan was able to get the rate down to a 30% increase. On its own, IVC would not be able to get a carrier to quote on stop loss, or the cost would be three times as high as for the JPA. IVC is not required to have stop loss, but it is needed because one medical claim could conceivably exceed \$1 million and drain a self-funded plan. The College could change from \$70,000 stop loss to \$80,000, \$90,000 or \$100,000. If the stop-loss was \$100,000, the cost would decrease by about 25% but there would be more risk for the plan.

Options for Obtaining a Pass in Rates

The committee discussed the options presented for obtaining a pass in rates, these included adding an employee contribution, increasing deductible, applying deductible to “first dollar”, adding a deductible for emergency room, increasing the out-of-pocket maximum, increasing the stop loss, and adding a drug formulary.

Changes Required to go Fully-Insured

The Committee discussed implications of changing to a fully-insured plan. The plan would have to comply with all legislation relating to insurance which would mostly benefit employees. Self-funded plans are not covered by the California Insurance Code, but the rule of thumb is that most legislation is enacted to protect consumers. One major change would be coverage of medical/nervous conditions under the medical plan. IVC could have a non-standard plan, however, a standard plan is cheaper to administer. Transition to a fully insured plan with Blue Cross would probably not require re-enrollment of employees, but new identification cards would be needed. Lead time of between 30 and 45 days would be needed to have cards ready.

Preferred Drug Plan

Julie Revoir presented information on the *Preferred* Drug Plan that would replace *Advance* under the fully-insured Blue Cross plan. *Preferred* is an “open” plan (i.e. does not use a formulary). Under a formulary plan, the employee is required to pay the cost difference or a higher co-pay. *Preferred* does use a list of 50 “preferred” drugs but doctors can prescribe any drug by writing DAW (dispense as written) or DNS (do not substitute). Mail order is through *Precision RX*, with a two month supply for one co-pay.

GASB

Julie Revoir distributed information on the Governmental Accounting Standards Board (GASB) requirement for a retiree liability study. Many community colleges are already complying (ahead of the due date).

VSP

Carlos Fletes reported that the information received from VSP contained an error. The co-pays for both certificated and classified are \$25; Julie Revoir will follow up VSP.

Chairman Fletes stated that the committee needs to meet next week to discuss a recommendation on renewal.

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

**Unadopted Minutes
April 1, 2003**

Present:	Absent:	Visitors:
Carlos Fletes, Chair	none	Richard Hann
Monica Bane		Tony Salcedo
Mary Bell, consultant		
Cesar Guzman		Bob Quellmalz, Keenan
Zula Hartfield, HR rep.		Julie Revoir, Keenan
Janell Hodgkin		
Ralph Marquez		
Chris Mays		
Gail Parish		
Barbara Stuart, CTA		

Chairman Carlos Fletes called the regular meeting of the Insurance Committee to order at 2:00 p.m. on Tuesday, April 1, 2003 in the board room. The chair welcomed Keenan representatives Julie Revoir, and Bob Quellmalz.

Approval of Minutes

M/S/C Parish/Bane to approve the minutes of the February 26, 2003 meeting as presented.

Report by Keenan

Julie Revoir presented preliminary renewal information; the Keenan recommended funding has a 5% margin over the minimum funding.

<i>Plans</i>	<i>2002-03 IVC Budget</i>	<i>Keenan Recommended Increase</i>	<i>Increase over 2002-03 IVC Budget</i>	<i>Keenan Minimum Increase</i>	<i>Increase over 2002-03 IVC Budget</i>
Medical and RX	649.11	872.60	+34.43%	839.95	+29.4%
Dental	80.41	82.15	+2.16%	78.54	-2.33%
Vision	14.82	13.61	-8.16%	13.06	-11.87%
Provident Life	10.42	10.42	0.0%	10.42	0.0%
Life	2.40	2.52	5.0%	2.52	5.0%
TOTAL	\$757.16	\$981.30	29.6%	\$944.49	24.7%

The dental and vision plans are doing really well; however, there is a significant increase in medical, mainly because of the large volume of claims (up 24%). The committee reviewed the rolling 12-month medical experience report, and noted the increased volume of claims during months when staff was off (i.e. Spring break--April 2002: 97.44% paid/loss ratio and summer--June 02: 100.56%), and the decrease in claims after plan changes were implemented (November 2002, 70.58%, December 2002, 78.66% and January 2003, 78.75%).

There has only been one large claim that has exceeded the \$70,000 stop loss. The Keenan representatives discussed some of the reasons for the increasing cost of health care: medical inflation (or trend), is 15-20%, mandated retrofit of hospitals, nursing shortages, increased cost of malpractice insurance, technology improvements, and increased drug costs.

Julie Revoir reported that Keenan has sent out RFP's for both a fully insured plan and ASO (administrative services only) plan; Keenan has just received a fully-insured bid from Blue Cross, Signa has declined to bid because they do not have a strong provider network in the Imperial Valley and other

reasons, and there is no response yet from Blue Shield. The committee was interested in finding out why the Blue Cross quote for a fully insured plan was less than for administrative services only. Julie Revoir noted that Blue Cross does not currently handle the College's drug plan, and may be underestimating its cost. Another factor in the savings may be the big pool that Blue Cross has for stop loss. Some committee members expressed concern about making a change to a fully-insured plan, and then facing a large increase the following year. It was the consensus of the committee that it would be beneficial to have a Blue Cross representative, and hopefully, a Blue Shield representative (if they decide to bid) meet with the committee.

BLENDDED FULLY INSURED RATE THROUGH BLUE CROSS					
MATCH CURRENT MEDICAL PLAN, REPLACE ADVANCE PCS W/RX4					
	IVC Budget 2002-03	Blue Cross & K&A Recommended on Ancillary Plans 03-04	Increase Over 02- 03 budget	Blue Cross & K&A Minimum On Ancillary Plans 03-04	Increase Over 02-03 budget
Medical/Rx	649.11	737.58	13.63%	737.58	13.63%
Dental	80.41	82.15	2.16%	78.54	-2.33%
Life Insurance	2.40	2.52	5.00%	2.52	5.00%
Vision	14.82	13.61	-8.16%	13.06	-11.87%
Provident Life*	10.42	10.42	0.00%	10.42	0.00%
TOTAL	757.16	846.28	11.77%	842.12	11.22%

BLENDDED FULLY INSURED RATE THROUGH BLUE CROSS					
MEDICAL PLAN P6, REPLACE ADVANCE PCS W/RX4					
	IVC Budget 2002-03	Blue Cross & K&A Recommended on Ancillary Plans 03-04	Increase Over 02- 03 budget	Blue Cross & K&A Minimum On Ancillary Plans 03-04	Increase Over 02-03 budget
Medical/Rx	649.11	716.51	10.38%	716.51	10.38%
Dental	80.41	82.15	2.16%	78.54	-2.33%
Life Insurance	2.40	2.52	5.00%	2.52	5.00%
Vision	14.82	13.61	-8.16%	13.06	-11.87%
Provident Life*	10.42	10.42	0.00%	10.42	0.00%
TOTAL	757.16	825.21	8.99%	821.05	8.44%

The committee asked what the impact of a 29.4% increase in the medical plan would be on the IVC insurance plan; it was estimated that the increase would cost approximately \$800,000. The fully-insured Blue Cross plan would cost approximately \$200,000 more than the present plan.

Julie Revoir informed the committee that the College's self-insured plan is currently exempt from state mandated changes; however, under a fully-insured plan, mandated changes would have to be included, and there would be less control over the plan design as time goes on as the insurance carrier standardizes benefits. One example of a state mandate is the requirement for certain mental health conditions to be treated under the medical plan.

The committee discussed possible cost savings recommendation for the self-funded plan: standardize benefits, increase mail order co-pay. Julie Revoir stated that IVC employees pay 6.7% of the cost of a prescription versus the 15.7% average for education. The committee also noted that during the three months after the plan changes were implemented in 2002, claim costs were down, indicating that the changes were working.

Carlos Fletes stated that an \$800,000 increase constitutes a crisis; the self-funded plan has had a very good 10-year run, but now the committee needs to look at all options for weathering the storm.

Other

- Julie Revoir will get information on GASB regulation requiring employers to figure the cost of the liability for retiree benefits.
- Gail Parish asked about the possibility of putting classified retirees over age 65 into the pool. Julie Revoir indicated that she would need a census and would need to look at their experience.
- Chris Mays stated that some claims are still being paid at 10%; Julie Revoir will follow-up with Blue Cross.
- Barbara Stuart asked about the possibility of exempting current certificated retirees from plan changes.
- Janell Hodgkin asked about options for getting the self-funded plan costs down by 25%.

Next Meeting: The committee agreed to meet again on Tuesday, April 29, 2003 at 2:00 p.m.

Meeting adjourned at 4:00 p.m.

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

**Unadopted Minutes
February 26, 2003**

Present:	Absent:	Visitors:
Carlos Fletes, Chair	Janell Couchman	Cynthia Stribling, Keenan
Monica Bane	Ralph Marquez	Julie Revoir, Keenan
Mary Bell, consultant		Josh Spitz, Keenan
Cesar Guzman		
Chris Mays		
Gail Parish		
Barbara Stuart		

Chairman Carlos Fletes called the regular meeting of the Insurance Committee to order at 4:20 p.m. on Wednesday, February 26, 2003 in the Transfer Center. Chairman Fletes apologized for the late start of the meeting due to another meeting running late. The chair welcomed the Keenan representatives.

Approval of Minutes

M/S/C Parish/Bane to approve the minutes of the November 20, 2002 and September 18, 2002 meeting as presented.

Report by Keenan

Cynthia Stribling reported that the rolling 12-month claim information was not available, but she will have it for next time. Julie Revoir reported that adding annual frames to the vision plan is a high ticket item that would increase premiums by 20-25%. Information on the time limits for submitting claims was distributed to the committee and various briefings on current insurance issues, pending legislation, etc. Most of the pending legislation would not apply to self-funded plans.

Renewal: More information will be available at the next meeting, but industry trend for PPO plans is 20-25% due to the increased cost of providing care, new technology and more services being offered. Medicare is paying less to providers, so providers are charging more to other patients or dropping Medicare patients.

Drug Plan: Information on IVC's utilization of the drug plan was distributed to the committee. Keenan recommended changing to a standard 30 day retail supply instead of a 34 day retail supply OR 100 units, whichever is greater. Providing 100 units is significantly more expensive than a 30 day supply, and it takes away the incentive of using the mail order prescription service (estimated savings of \$9,200/year). Keenan recommended raising the mail order co-pay to (\$10/\$20) and limiting quantities on certain medications. Currently there are no quantity limits on the IVC plan, and many have recommended maximum dosages that are being exceeded. Other recommendations are to change the age limit on acne drugs (age 20 is standard), exclude cosmetic drugs, and exclude or set a lifetime maximum on fertility drugs.

Next Meeting: The committee agreed to meet again on Tuesday, April 1, 2003 at 2:00 p.m., due to the upcoming renewal and pending negotiations with staff.

Meeting adjourned at 5:20 p.m.

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

Minutes

November 20, 2002

PRESENT:

Carlos Fletes, Chairman
Monica Bane
Mary Bell, consultant
Chris Mays
John Mustafa, Interim Director of HR
Rosie Pechtl, retiree
Bertha Ortega (for Gail Parish)

ABSENT:

Cesar Guzman
Janell Couchman
Carol Hann
Ralph Marquez
Gail Parish

VISITORS:

none

Keenan and Associates:
Julie Revoir
Cynthia Stribling

Chairman Carlos Fletes called the regular meeting of the Insurance Committee to order at 3:30 p.m. on November 20, 2002 in the Board Room. The chair welcomed Rosie Pechtl, classified retiree and Julie Revoir and Cynthia Stribling from Keenan and Associates.

There was no quorum and no approval of minutes.

Report by Keenan

Cynthia Stribling reported that she will have rolling 12 month claim information for the next meeting.

Julie Revoir distributed a handout on how long providers have to file claims. PPO providers have 12 months, hospitals under contract to Blue Cross have 120 days from date of service. Claims that are not filed on time must be written off by the provider, not billed to the individual. Non-contract facilities have 12 months to file claims. Providers are not required to bill secondary insurance. Keenan will report back on the time limit for secondary claims to be filed. It was the consensus of the committee that the information be distributed.

Hearing Aids

The committee discussed a request to add hearing aids to the medical plan; Cynthia Stribling stated that hearing aids are not normally covered. Hearing aids cost about \$2,000 per ear and typically are replaced every two years or so. She estimated the first year cost of adding the coverage at \$12,950, \$35 per employee (\$35 x 370). Hearing tests are covered but tests required for fitting hearing aids are not currently covered. Chairman Fletes thanked Keenan for the information.

Changes to Plan due to Negotiations

Chairman Fletes stated the previous discussion on the possibility of adding hearing aid coverage offered a good transition into the next topic: role of committee and changes to health and welfare plan through negotiations. He asked the members to discuss what their understanding of the role of the committee is.

Rosie Pechtl stated that past practice was that only items concerning insurance that had been discussed and a recommendation made by the insurance committee could be taken to the negotiating table. Insurance items could not get to the table "through the back door". Chris Mays agreed with Mrs. Pechtl, and stated that the College had recently been blindsided by the issue of domestic partner coverage. The issue was never "aired" or discussed through the insurance committee. It was noted that domestic partner coverage was part of CTA negotiation proposal.

Bertha Ortega stated that the College now has two different insurance plans (Certificated and Classified). Carlos Fletes stated that the only way to keep a uniform plan if for all parties to adhere to the recommendations of the committee. He noted that the committee worked hard last year on coming up with a recommendation to cut premium costs but the two bargaining units did not adhere to it. It will be an administrative nightmare if the plans deviate more.

John Mustafa, Interim Director of HR stated that there is no requirement to adhere to the recommendations of the committee. Carlos Fletes stated that there is no policy established regarding recommendations of the committee; the bargaining units have the power to negotiate changes to the plan. Chris Mays stated that items should be discussed by the committee when the union proposals are sunshined.

\$15 Co-pay for Certificated Retirees with Medicare

Julie Revoir confirmed that the \$15 co-pay applies to certificated retirees with Medicare coverage. The co-pay does not coordinate for those retirees (or employees) whose spouses are also covered by the IVC plan. A co-pay is not the same as co-insurance; a co-pay is a guaranteed out-of-pocket cost. However, retirees with Medicare may end up owing less than \$15 after both Medicare and Blue Cross have paid for services.

Other

Carlos Fletes, thanked the committee members for taking time to participate because of the important items that the committee discusses.

Next Meeting: February 26, 2002

Claim Day: The next claim day will be December 10, 2002. Julie Revoir was asked how the claims days have been working out and she reported that they have been very successful.

Chris May stated that the CSEA negotiation team will be asking for eyeglass frames to be an annual benefit. Keenan will provide a cost estimate at the next meeting.

Meeting adjourned at 4:30 p.m.