



**Insurance Committee
2003-04 Minutes**

May 5, 2004
April 22, 2004
April 1, 2004
February 26, 2004
November 20, 2003
September 11, 2003
August 21, 2003

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

**Unadopted Minutes
May 5, 2004**

Present:	Absent:	Visitors:
Tom Hudson, Chair	Dr. Marion Boenheim	Barbara Stuart
Monica Bane	Ralph Marquez	Julie Revoir, Keenan
Mary Bell, consultant		
Carlos Fletes		
Cesar Guzman		
Chris Mays		
Lorraine Mazeroll		
Gail Parish		

Chairman Tom Hudson called the meeting of the Insurance Committee to order at 3:30 p.m. on Wednesday, May 5, 2004 in the Administration Conference Room.

Approval of Minutes

M/S/C Fletes/Bane to approve the minutes of the April 1, and April 22, 2004 meetings as presented.

Report by Keenan

Julie Revoir of Keenan & Associates reported on the final renewal including a pass on dental, a 37.35% increase in funding for vision, with no margin, and no plan changes. The overall increase is 5.27% for faculty and 5.28% for classified and administrators.

The renewal with the suggested plan changes would have been 2.66% for faculty and 2.65% for classified. The annual savings would have been \$71,795.72.

1. \$5 million lifetime maximum
2. \$5/\$15 prescription co-pay, 30 day supply
3. \$100 emergency room deductible

The committee reviewed the utilization reports for the year. As of January 2002, total medical and RX claims were \$2,035,593, and as of January 2003, the total was \$2,220,246. There was an increase of 13.68% in medical claims, and 1.12% in RX claims, which was very low, probably due to the plan changes. Enrollment increased 1.81%.

Medical Analysis: the total billed charges were \$4.9 million, versus paid claims of \$1.46 million, a savings of 70.25%. Ms. Revoir stated that Blue Cross has the deepest discounts in the Valley with providers, because of volume. She did note that there was more use of non-network providers in the past year, \$331,143 in 2003 versus \$138,102 in 2002.

Total medical claims claims in 2003 were \$1,464,610, with \$558,689 in doctors visits, \$437,455 in-patient, \$323,235 out-patient, and \$145,231 other.

The average cost of a prescription was \$159.55 per employee per month.

Meeting Schedule

The committee agreed that a meeting will not be needed until September. Meetings will be the second Thursdays of the month at 2:00 p.m.; therefore, the next meeting will be September 9.

New Member

Monica Bane reported that the new CSEA member will be Bertha Ortega.

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

**Unadopted Minutes
April 22, 2004**

Present:	Absent:	Visitors:
Tom Hudson, Chair	Dr. Marion Boenheim	Julie Revoir, Keenan
Monica Bane	Ralph Marquez	
Mary Bell, consultant	Lorraine Mazeroll	
Carlos Fletes		
Cesar Guzman		
Chris Mays		
Gail Parish		

Chairman Tom Hudson called the regular meeting of the Insurance Committee to order at 3:30 p.m. on Thursday, April 22, 2004 in the Board Room.

Report by Keenan

Julie Revoir of Keenan & Associates reported that dental (97%) and vision experience (126%) continues to be high.

Marketing update: Ms. Revoir reported that Blue Shield and Pacific Care declined to quote, the Health Net quote was 36% over the current rate. The self-funded quotes were both higher than the Blue Cross fully insured plan. The self-funded quotes were based on the most recent claims, Blue Cross TPA: \$839.06 and Keenan TPA \$863.09. Claims going up is not helping the renewal rate. The Blue Cross quote was less than Keenan's because of having its own stop loss. Administration fees were \$51.87 for Blue Cross and \$30.00 for Keenan, Stop Loss was \$89.91 for Keenan (\$70,000) and \$45.38 for Blue Cross. (\$80,000) It was noted that if the College went back to a self-funded plan, there would be no run out from the fully insured plan, also there is no reserve left over in the Self-Insured Fund.

Ms. Revoir stated that the Blue Cross network also offers direct contracting, which might be an option for the future.

Mr. Hudson noted that the only way to change insurance costs is to address the structure of the plan. One option would be to hire doctors to improve service and decrease costs. Julie Revoir noted that the Valley needs urgent care facilities as an alternative to the emergency room.

Preliminary Renewal: 5.36% for medical, 5.5% overall with no margin, and no plan changes.

Plan Change Alternatives: All standard Blue Cross changes would be a 2.43% decrease, most savings would be generated by changing the prescription plan. The recommended increase to \$5 million lifetime maximum would cost a little (.0035 increase). Chris Mays stated that the \$100 emergency room deductible was a good idea (.0135 decrease). Cesar Guzman stated that options 1,2 and 17 were okay. The committee expressed some concern about moving to a 60 day mail order plan. ***M/S/C Parish/Bane to recommend options 1) increase lifetime maximum to \$5 million, 2) increase emergency room deductible to \$100 and revised 15) \$5 generic/\$15 brand copay with 30 day supply limit, 90 day mail order for one copay.*** Julie Revoir will get the cost of \$15 from Blue Cross.

Dental and Vision: The committee discussed the high claims for dental and vision; it was the consensus of the committee to not make any changes to the dental plan for at least one year. ***M/S/C Mays/Fletes to increase the vision funding by 37.35% (the recommended increase with no margin).***

Benefit Choices

The committee reviewed the memos that will be sent to staff regarding the upcoming re-enrollment and Benefit Choices. The committee agreed that Domestic Partners was included under *eligible dependents*, and did not need to be noted separately. The committee recommended that proof of dependent eligibility would be required in the form of birth certificates, marriage licenses, or tax returns.

Next Meeting

The next meeting will be May 5 (3:30 p.m. in the Board Room). Keenan will e-mail the committee the actual rates from Blue Cross for the recommended changes.

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

Unadopted Minutes

April 1, 2004

Present:	Absent:	Visitors:
Tom Hudson, Chair	Dr. Marion Boenheim	Bob Quemaltz, Keenan
Monica Bane	Ralph Marquez	Julie Revoir, Keenan
Mary Bell, consultant		Josh Spitz, Keenan
Carlos Fletes		
Cesar Guzman		
Chris Mays		
Lorraine Mazeroll		
Gail Parish		

Chairman Tom Hudson called the regular meeting of the Insurance Committee to order at 3:30 p.m. on Thursday, April 1, 2004 in the Transfer Center.

M/S/C Parish/Bane to approve the minutes of the February 26, 2004 meeting, as presented.

Report by Keenan

Julie Revoir of Keenan & Associates reported on the March 23, 2004 Claims Resolution Day; she stated that most of the appointments were for new hires. The next claims resolution day will be May 12.

Dental Loss Ratio: Dental experience is 96% overall for February 2003 – January 2004.

Vision: The Vision loss ratio is 120% overall, with 140% in January 2004. She will have the account audited to verify that claims are being paid correctly; however, the minimal level of funding may be catching up with the plan.

Revised Renewal: Ms. Revoir reported that Blue Cross had mistakenly included the 16 classified retirees over age 65 in the renewal calculations; the revised renewal takes out those retirees on a Medicare supplement and includes claims through December 2003. The revised renewal is 5.36%, dental is 2.44% (with no margin), and vision is 37.35%.

Renewal rates with all the standard Blue Cross company changes included would be 2.93%, or 2.58% if the lifetime maximum is not increased to \$5 million. Chris Mays stated that the \$5 million maximum makes sense, with the increased cost of medical care it is easy to reach the \$2 million maximum. He expressed concern about the \$2,000 durable equipment maximum per year. Ms. Revoir stated that the IVC plan is very usual in its non-standard benefits. The big savings for the plan would be increasing the ER deductible to \$100.

Prescription: The committee discussed possible savings if individual were charged two co-pays for a 90 day mail order supply; Ms. Revoir stated that there is not much savings in the mail order plan. There is more savings by driving utilization toward generic, although many drugs do not have a generic equivalent.

The committee discussed the need to give direction to the negotiation committees before summer. Keenan will work on options that would reduce the renewal to 0%, and the information will be e-mailed to the committee. Bob Quemaltz stated that Keenan will be looking at what other insurance carriers can offer. Carlos Fletes reminded the committee that the committee needs to know of any any insurance items being negotiated that would affect the benefit plan. Cesar Guzman stated that elimination of lifetime benefits and employee-only coverage for new hires is being discussed.

Benefit Choices/Re-enrollment

Julie Revoir stated that the re-enrollment is scheduled for mid-May. She asked the committee for direction on what to require for dependent verification. ***M/S/C Guzman/Bane to recommend that employees be required to provide verification of eligibility of spouses and dependents (i.e. tax returns, birth certificates, marriage licenses, and court orders).***

Early Retirement Incentive Plan

Cesar Guzman asked for an update on the possibility of an early retirement incentive being offered to faculty. Josh Spitz of Keenan stated that he had made a presentation to the IVC administration regarding a SERP; but the numbers are not pencilling out as well as last year. Retirement incentives usually work best if offered between three and five years apart; also, there is less savings if employees are being replaced. Mr. Spitz reported that he also presented information on APPLE, a social security alternative for part-time employees. The District could possibly attract more employees by offering the alternative to Social Security,

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

**Unadopted Minutes
February 26, 2004**

Present:	Absent:	Visitors:
Tom Hudson, Chair	Ralph Marquez	Julie Revoir, Keenan
Monica Bane		
Mary Bell, consultant		
Dr. Marion Boenheim		
Carlos Fletes		
Cesar Guzman		
Chris Mays		
Lorraine Mazeroll		
Gail Parish		

Chairman Tom Hudson called the regular meeting of the Insurance Committee to order at 3:30 p.m. on Thursday, February 26, 2004 in the Transfer Center.

Report by Keenan

Dental and Vision Loss Ratio Reports : Julie Revoir, from Keenan & Associates presented dental and vision loss ratio reports for calendar year 2003, the medical report was not available yet. The vision loss ratio is high at 117%, and will be reflected in the preliminary renewal. Last year's reduction in funding may be showing up also. VSP's administrative fee is 13% of claims. The dental loss ratio is 99%. The Delta Dental administration charge is 6.39% of claims. IVC is a small group to be self funded, and that may account for the spikes in usage. Loss ratios in the 85-90% range would be better.

Insurance Trend Report: Ms. Revoir stated that "trend" is made up of things that can't be controlled, i.e. new technology, increased costs, inflation. The self insured medical trend is 10-15%, prescription is 16%, dental 4-5 1/2 % and vision about 3.5%.

Review of Funding, Past 4 Years: Ms. Revoir reviewed the funding for IVC's plan April 1, 2000 to June 30, 2004. Chris Mays commented that costs have increased 40% over the past four years.

Self-funded run out: Gail Parish asked about the run out of claims on the self-funded plan; Ms. Revoir stated that most Blue Cross claims should have been paid already, Medicare claims can come in at any time. Prescription claims have a 3 month run off only, and medical claims have a one year run off. It would be a good idea to remind employees to make sure their claims are submitted as soon as possible.

Preliminary Renewal: Ms. Revoir presented a preliminary July 1, 2004 renewal with a 9.52% overall increase, Certificated plan: \$854.28 to \$935.58 and Classified/Administrators/Board: \$869.82 to \$952.50. The committee asked why the classified increase was higher; Ms. Revoir responded that Blue Cross doesn't think that the Classified plan will save as much as Certificated \$15 co-pay. The cost of the increase would be approximately \$241,310 overall.

Carlos Fletes asked what the college can do to have a 0% renewal. Ms. Revoir presented four changes that would save 2.4%:

1. Increase lifetime maximum to \$5 million (now \$2 million), 1% saving
2. Increase emergency room deductible to \$100 (now 0), 1% saving
3. Reduce non-participating ambulatory surgical center to a flat \$350 per day. With implementation of this maximum, the deductible applicable to non-participating ambulatory surgical centers will be removed (this would steer people away from emergency room, however there is a lack of urgent care facilities in Imperial County).
4. All plans with out-of-pocket maximums less than \$2,000 participating/\$6,000 non-participating will be increased to that amount (currently \$1,000 and \$3,000).

Other

Enrollment: The enrollment period is July 1 for the new 125 Plan. Keenan is proposing to do the 125 enrollment in conjunction with the electronic reenrollment for medical plan. The college needs to decide if it will be requiring re-enrollment with proof of marriage, etc. as previously discussed. The annual open enrollment period is now the only time to add dependents who were not enrolled on time, or to make enrollment choices (i.e. opt in or out of coverage).

Ms. Revoir was asked about coverage of domestic partners; she stated that they are not recognized as spouses by insurance carriers.

Mr. Hudson asked Ms. Revoir how Keenan negotiates the renewal. He noted that the College has a potential \$4.5 million in business (including voluntary products that will be available through Benefit Choices). Ms. Revoir stated that the renewal is negotiated with the carrier, and reviewed by Keenan's underwriting department, which found the renewal to be reasonable.

The committee asked Keenan to report back on dental and vision options and pricing, as well as ideas for reducing the cost of the renewal.

Meeting adjourned at 5:10 p.m.

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

**Unadopted Minutes
November 20, 2003**

Present:	Absent:	Visitors:
Carlos Fletes	Ralph Marquez	Tony Salcedo
Monica Bane	Jesse C. Salas, Jr.	Bob Quemaltz, Keenan
Mary Bell, consultant		Julie Revoir, Keenan
Dr. Marion Boenheim		
Cesar Guzman		
Chris Mays		
Lorraine Mazeroll		
Gail Parish		

Carlos Fletes called the regular meeting of the Insurance Committee to order at 3:30 p.m. on Thursday, November 20, 2003 in the Transfer Center.

M/S/C Parish/Bane to approve the minutes of the September 11, 2003 meeting as presented.

Report by Keenan

Carlos Fletes welcomed Julie Revoir and Bob Quemaltz from Keenan. The committee discussed the transition to the fully insured plan, as of October 1, and noted most of the complaints related to prescription coverage, the need for prior authorization for some drugs, and the problems caused by the grocery strike which affected the pharmacies at Von's and Albertson's. Mr. Quemaltz noted that although there were a few bumps involved in the change over, the preliminary billing for the fully insured versus the self-funded plan, at the increased rate, shows a minimum savings of \$344,000.

Julie Revoir stated that a notice should be sent to employees to alert them to submit medical and prescription claims as soon as possible; medical claims are usually only paid within one year of the date of service, and AdvanceRX will have a three month cut off. Julie reported that Keenan was able to negotiate with Blue Cross a run-out based on percent of claims, which is a good deal for the College.

Loss Ratio Reports: Information on claims through September 30 was presented, with a 112.38% rate over the past 12 months. Trend has been worse than expected. Chris Mays asked why the administrative cost seemed so high; Mr. Quemaltz stated that most of the cost is due to stop loss insurance. Part of the savings with the fully-insured Blue Cross plan is due stop loss being about half as much because Blue Cross does its own internal stop loss. Stop loss for the self-insured plan was pooled, and the cost had increased over 50% during the last few years.

The dental loss ratio was 98%, good for a self-funded plan. The vision plan was 109%, which is showing an increase. The committee agreed to look at other providers to try to get a better deal than VSP.

Benefits Choice

Julie Revoir and Bob Quemaltz reported on the Benefits Choice program, which includes a communication program, one-on-one electronic enrollment, cafeteria plan, and benefit counselors. Julie Revoir will report back to the committee regarding some questions the committee had regarding eligibility for Universal Care coverage.

Health Care Program for Part Time Employees

Julie Revoir presented information on a plan Keenan has developed for part time employees. The premium is reasonable and it provides limited benefits. It is not meant to take the place of a catastrophic policy. Premiums are about \$57.84 per month, and the program requires a minimum of 10 participants. The policy is underwritten by CNA.

Employee Assistance Program

Information was distributed regarding a possible Employee Assistance Program; this type of program is usually offered to medically eligible employees and includes "life management services" that provide help with work and life issues. It can be more accessible than the mental health benefit of the medical plan, there is no co-pay, so individuals are more likely to get help. Family members are also covered. Another option would be to carve out mental health coverage from the medical plan.

Meeting Schedule

Julie Revoir distributed a list of suggested meeting dates for the committee based on a July 1 renewal date. The committee agreed to meet again on January 14, at 3:30 p.m.

Meeting adjourned at 5:00 p.m.

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

**Unadopted Minutes
September 11, 2003**

Present:	Absent:	Visitors:
Carlos Fletes, Chair	None	Tony Salcedo
Monica Bane		Bob Quemaltz, Keenan
Mary Bell, consultant		Julie Revoir, Keenan
Dr. Marion Boenheim		
Cesar Guzman		
Ralph Marquez		
Chris Mays		
Lorraine Mazeroll		
Gail Parish		

Chairman Carlos Fletes called the regular meeting of the Insurance Committee to order at 3:30 p.m. on Thursday, September 11, 2003 in the Board Room.

M/S/C Bane/Parish to approve the minutes of the August 21, 2003 meeting as presented.

Report by Keenan

Julie Revoir presented loss ratio reports for 12 months of experience, through July 2003. July medical was 128.7% of claims and expenses over the funding rate. On the prescription plan for classified retirees only, experience was 107.92% overall. The dental plan continues on target at 97% for 12 months, and the vision plan is at 101%, with claims up over the last few months.

The committee discussed why medical claims are up; Ms. Revoir suggested she report back to the committee on utilization of medical services at the next meeting. An analysis would be a good start for discussion of cost containment.

Chairman Fletes reported that the Board of Trustees approved the renewal of the health benefits plan, effective October 1, with a 14.33% overall increase. The estimated reserve of the Insurance Fund as of July 31, 2003 is \$178,698, which should be sufficient to pay IBNP claims (incurred but not paid). Mr. Fletes reported that no contributions are made to the Insurance fund in June and July (contributions are tenthly), the College had to make the August and September contributions early because of the large volume of claims. The College should be getting a credit for one claim that exceeded the \$70,000 stop loss.

Ms. Revoir informed the committee that the move to the fully insured medical plan means that stop loss coverage ends September 30, 2003, coverage ends on that date regardless of when the claim was incurred. The worst case scenario would be a claim over \$70,000 that is not processed on time, and would not be covered by stop loss.

The committee discussed communicating the change to employees. Employees will need new cards for the RX plan, and new prescriptions will be needed for those using the mail order pharmacy. Cards will be mailed to the individuals at their home addresses, classified retirees will have to enroll in Blue Cross.

Julie Revoir stated that with a fully insured plan, an annual open enrollment period is required by Blue Cross. Some committee members stated that there should be a re-enrollment of all covered individuals to tighten up eligibility. Mr. Quemaltz stated that Blue Cross can do electronic enrollment, using third party counselors on-site. The enrollment process is a burden that should not fall on in-house staff. It takes at least 60 days in order to do the enrollment in the right way.

Benefit Choices

Ms. Revoir presented information on programs offered by Keenan to help employees manage their benefit choices through a full-service 125 plan, with electronic enrollment, at no cost to the District or the employees. The 125 Plan is administered by FlexAmerica, which is web based, and offers debit card service which can be used at doctors' offices, pharmacies, etc. Ms. Revoir suggested that the 125 plan year coincide with the fiscal year, and that the college end its contract with its current provider as of June 30. The electronic enrollment for the 125 plan could be combined with enrollment for the medical plan.

Next Meeting

Julie Revoir will report back on medical utilization and information on Blue Cross programs that encourage wellness. Mr. Fletes asked for information on medical coverage for part time faculty. The next meeting will be November 20, 2003 at 3:30 p.m.

**IMPERIAL VALLEY COLLEGE
INSURANCE COMMITTEE**

**Unadopted Minutes
August 21, 2003**

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

Chairman Carlos Fletes called the regular meeting of the Insurance Committee to order at 3:30 p.m. on Thursday, August 21, 2003 in the Board Room.

M/S/C Parish/Guzman to approve the minutes of the May 15, May 19, May 21, June 2, June 23 and June 30, 2003 meetings.

Chairman Fletes welcomed Dr. Marion Boenheim, Director of Human Resources.

Financial Report

Chairman Fletes reported on the status of the Insurance Fund, the fund balance at June 30, 2003 was \$397,502.13. The fund balance will form the reserve for 2003-04. The ending balance is down from last year. Deposits to the Insurance Fund are still based on the old rate (as no change has been agreed to yet), and are made tenthly (i.e. no deposits in June or July). Claims for June were higher than expected, and there is cause for concern because the cash balance of the fund decreasing. The Business Office will continue to monitor the Insurance Fund, and may have to make the transfer for September ahead of schedule.

The Chair reported that CTA has still not agreed to the change to the fully-insured plan. The committee expressed concern that the delay has been costly. Cesar Guzman stated that the biggest concern of the CTA membership is the change in the mail RX benefit. Julie Revoir was asked to research how much it would cost to match the current mail RX benefit.

Report by Keenan

Julie Revoir informed the committee that the October 1 is the soonest a change in plans could occur. The rates for the fully insured plan have increased every month the change is deferred:

<u>Defer to:</u>	<u>Overall Increase</u>
July 1	11.22%
August 1	11.91%
September 1	12.41%
October 1	13.86%

The fully insured rate is going up because it is based on trend (claims paid). The loss-ratio for June 2003 was 118% for medical, there is one claim approaching the \$70,000 stop loss, but the majority

of the activity is a large number of claims. Dental claims are right on target at 96%, although May (123%) and June (104%) were higher than expected. Vision claims are at 97%, but also show increased activity in April (145%), May (129%) and June (105%).

Ms. Revoir will provide a rate for a fully-insured plan that matches the current mail RX benefit by tomorrow.

Meeting Dates/Claims Days

The meetings dates for 2003-04 were scheduled for:

September 11, 2003.

November 20, 2003

February 19, 2004

April 22, 2004

May 20, 2004

Claims Resolutions Days will be held in October, December, March and May. Julie Revoir will inform the Business Office of the dates.

Meeting adjourned at 5:00 p.m.