Medical Benefits Committee
Minutes
Thursday, May 16, 2013
10:00 am
Room 2030

Present:

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<tr>
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<th>Dale Attias</th>
<th>Loree McCawley</th>
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<tr>
<td>X</td>
<td>Debora Bone</td>
<td>Graciano Mendoza</td>
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<td>X</td>
<td>Doug Deaver</td>
<td>Alta Northcutt</td>
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<td></td>
<td>Diane Goody</td>
<td>Sue Torres</td>
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<td></td>
<td>Jennifer Lee</td>
<td>Jim Weckler</td>
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<td>X</td>
<td>Victoria Lewis</td>
<td>Kathie Welch</td>
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<td>Anne Lucero</td>
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Alliant: Christine Kerns, Leah Ledda

Victoria opened the meeting at 10:08 am.

I. **Introductions**: The committee introduced themselves.

II. **Agenda Modifications**: None.

III. **Approval of Minutes, July 17, 2012**: The minutes were approved (Bone/Welch) with two abstentions.

IV. **Review Action Items, July 17, 2012**: Completed.

V. **Alliant Presentation**: 2013-14 Medical Benefit rates, plan options and projected benefit increases by employee group:

- **Plan offerings for 2013-14**: The increase is 6-10%.
- **SISC used $17 million of their reserves to lower the renewal rates.**
- **Although prescription drugs are going off patent, pharmacy costs continue to rise due to specialty drug costs and other factors.**
- **Blended rate increase is 7.4% annualized, $628,188**
- **Alliant reviewed the 12thly contribution analysis for each plan option. The total premium for the low HMO shows the 50-50% cost sharing of the % increase. Alliant will add a footnote to the analysis to explain the calculation. The District will develop a document to explain how the calculation applies to each plan.**
- **Alliant presented two options to the low HMO plan to offer an opportunity to have no out of pocket costs.**
The unions asked whether it is worth revisiting the high PPO plan

Alliant suggested two options

1. making a meaningful differential among the PPO plan options, such as changing the co-insurance maximums
   - high $500/$1000 co-insurance max
   - med $750/$1500 co-insurance max
   - low $2500/$5000 co-insurance max

2. consider consolidating the new high and medium plans into a new medium PPO plan option.

The committee discussed how to save on retiree benefit options through United Healthcare/AARP. PAMF is covered by United/AARP. Alliant will get more information to the District. There are no date restrictions such as open enrollment in 10/1/13.

Plan change to SISC August 1, 2013; open enrollment begins August 26, 2013 and open enrollment by September 1, 2013.

The committee agreed to:

1. Consider PPO distinctions
2. A hybrid PPO option
3. Add the third HMO option that includes PAMF

Next meeting: 5/30 at 10:30

Action Items:

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<td>1. Update the renewal information presentation and email to the District</td>
<td>Alliant</td>
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<tr>
<td>2. Develop an explanation of how the calculation applies to each plan.</td>
<td>District</td>
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The meeting was adjourned at 11:45 am.

Respectfully submitted,
Tatiana Bachuretz

http://go.cabrillo.edu/benefits