Present: Debora Bone, Doug Deaver, Diane Goody, Jennifer Lee, Victoria Lewis, Ann Lucero, Loree McCawley, Graciano Mendoza, Cathleen Reno, Stephanie Stainback, Sue Torres, Kathie Welch

Absent: Leah Hlavaty

Alliant: Christine Kerns, Gary Hysell, Leah Ledda

Victoria opened the meeting at 9:05 am. The committee introduced themselves.

I. Agenda modifications: None.

II. Approval of Minutes, October 7, 2010: The minutes were approved unanimously. (Bone/Welch)

III. Overview Fall 2010 Activities:
• The committee reviewed plan designs.
• The committee prepared a Benefits Overview document posted online.
• Two Benefit Forums were held in September to educate the college community about health care and how to best utilize benefits.
• Several cost sharing models were developed and presented at the forums.
• When the plans were evaluated for 2010-11, there were concerns that each year the plans were being degraded due to escalating costs. A goal was to define a baseline plan that could be maintained over time with discussion of a possible employee contribution to maintain that stability. Budget discussions took precedence later in the fall.
• The unions wanted more involvement and discussion with their constituent groups on plan design options. It is not clear if that occurred. The unions wanted to have more discussion within their own groups of what it would mean to change the plan design.
• The rates that will be released in May, 2011 are for the plan year beginning in October, 2011.
IV. **Alliant Presentation:**

Alliant staff introduced themselves and how they work as a team for Cabrillo. Their clients include cities, counties, and community colleges all of which are facing the same tough choices as Cabrillo. SISC is the largest Joint Powers Authority (JPA) in the country, is financially stable and a viable option for schools in California to purchase health insurance. Alliant has been the exclusive SISC representative for the last 8 years. Alliant can help Cabrillo look at other alternatives in the marketplace, but their experience shows that the first year carriers buy new business is good, and then increases can be as high as 25-30%.

Chris reviewed Cabrillo’s renewal history in the PowerPoint presentation.

**Medical Plan Renewal Overview (pg. 3):**

**2009:**
- All plans consolidated through SISC
- Cabrillo conformed to Health Care Reform Mental Health Parity

**2010:**
- Comprehensive review of seven HMO and six PPO plans;
- Reviewed employer-employee contribution structure: currently Cabrillo pays 100% of low cost HMO
  - Option 1: flat % of premium
  - Option 2: core/buy up
- Conformed to Health Care Reform legislation and retained grandfathered status
- Last year it was agreed that the plans and contribution structure would remain the same for the plan year that began October 2010.

**HMO alternatives 2010 (pg. 5):** 7 HMO alternatives were reviewed with corresponding cost changes. Each piece in red can be changed to alter cost. The numbers are aggregate.

**Blue Shield HMO alternatives for 2010-11 (pg. 9):** Cabrillo pays for Access HMO (right column). The committee noted two points of interest: what does the low cost plan look like and what is the District able to contribute. The concern is what options staff may buy into in relation to what the District can contribute.

Alliant staff will create a spreadsheet with different scenarios relating plan options to their increments/decrements, out of pocket and the premium costs. It was requested to show 10, 11 and 12 month variables. It was suggested to make everything an annual number; while there will be variances in paychecks the annual cost/amount is the same. People will be able to determine “how many times do I have to go to the doctor to pay for that higher cost?”
What are other alternatives besides linking the employer contribution to the least cost HMO? The goal is to maintain the highest quality plan and balance the costs. Quality means something different to everyone.

Should the employer contribution be a dollar amount or the low cost HMO?

PPO alternatives for 2010 (pg. 6): Alliant staff discussed the alternatives (office and Rx copays) and the cost differences. The far right column showing a $200 brand generic deductible is not common.

Dental plan overview (pg. 7): Cabrillo’s dental JPA, ACSIG, offers the lowest administrative fees to schools and the increases have been less than trend for the last three years. There was discussion of whether a dentist can charge more than the dental reimbursement rates. Dentists who participate in Delta Dental are not allowed to balance bill the consumer. If one has done preventative care for four years in a row there should be no out of pocket costs.

Section 2: Current Rates and Benefits
Pg. 8 summarizes the number of employees per plan and the 2010-11 cost increase.

Pgs. 9-10: Alliant staff will create a big spreadsheet demonstrating costs to employees for the variables in the plans for the May 25th meeting.

Pg. 14: Dental rates will be available the first week of June; medical rates will be released mid-late May, 2011.

Pg. 15 shows 2011 National and SISC trends.

The committee would like to see plans, rates and employee out of pocket costs, like the modeling done in the fall at the forums. If the committee would like other information, let Alliant staff know by May 1, 2011.

Other:

- Alliant staff asked how do employees feel about the plans? The negative feedback is not so much about the plans but about Blue Shield quality of coverage and service. Stephanie Stainback indicated that given major surgery last year, billing on the HMO plan was horrific. It was noted by Chris Kerns that there is a lack of competition in Santa Cruz County, much as with Monterey. Leah will have some feedback from the employees she spoke with.
- Health care reform will cost employers more until 2014 when everyone is insured. SISC has over 80,000 insured in their programs with the lowest administrative costs Blue Shield offers in marketplace. They also have a large purchasing power.
• *What is the status of SISC reserves now?* Alliant will get an update on the state of SISC reserves. SISC used a portion of their reserves to level out rates in past years.

• Wellness programs have taken on a new meaning now and the programs that work are sponsored by employer. *What is SISC doing to promote wellness programs?* Monetary incentives to do health screenings, encouraging participants to utilize the online health assessment, digital health coaching and to review their plan usage. The monetary incentive from SISC really helps.

• *Is SISC large enough to influence cost containment?* Yes that’s why they partner with Blue Cross and Blue Shield. They look at that as role of Blue Cross and Shield. Yes, one of the best carriers to leverage. The Santa Cruz/Monterey County corridor is hardest because there is no competition. Is Blue Shield doing the best job they can? It would be better in an urban market where there is competition. This area is not big enough for a Kaiser plan option.

• It is not possible to negotiate a two year rate structure at this time.

• When all plans options are under one insurance carrier, there are no adverse selection issues.

• Utilization is up.

The unions will talk to their constituents to see what questions bubble up. If there is other info desired, let Alliant know by May 1st in order for SISC to include it in the renewal package. Dental rates won’t be firm but we will have an idea; fairly low compared to medical.

**Action Items:**

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<tbody>
<tr>
<td>1. Create a spreadsheet for out of pocket costs for employees comparing variables in plan designs</td>
<td>Alliant staff</td>
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<tr>
<td>2. Send cost sharing models to Chris at Alliant and post online</td>
<td>Graciano/Tatiana</td>
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<tr>
<td>3. Add “benefits” to Cabrillo site index</td>
<td>Tatiana</td>
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The committee will meet on Wednesday, May 25, 2011 from 9:00-11:00 am in 804A.

The meeting was adjourned at 10:30 am.

Respectfully submitted,
Tatiana Bachuretz

[http://go.cabrillo.edu/benefits](http://go.cabrillo.edu/benefits)