Medical Benefits Subcommittee
Minutes
Thursday, August 19, 2010
1 pm
Room 804A

Present: Debora Bone, Leah Hlavaty, Victoria Lewis, Loree McCawley, Graciano Mendoza, Sue Torres, Kathie Welch

Guests: Pency Lee and Leah Ledda (Alliant Insurance Services), Cliff Nichols and Cathleen Reno (Benefits Committee Members)

Absent: Stephanie Stainback

I. Call to Order
   Victoria opened the meeting at 1 pm.

II. Minutes
   The subcommittee approved the minutes of August 11, 2010.

III. Cost sharing Discussion
   The subcommittee reviewed the benefits cost sharing models which were provided to the committee by the Graciano Mendoza. Both models are based on the 2010/11 fiscal year stipend. The first model is an even distribution of cost approach and the second is based on benefit coverage tiers. The subcommittee found the exercise beneficial but was concerned that there are too many numbers for a broader audience to understand. The subcommittee agreed that all communication regarding cost sharing models should be as clear and concise as possible. The subcommittee asked Graciano to refine and simplify the presentation of the two models in advance of the next subcommittee meeting. Sue T and Leah agreed to help Graciano refine the models.

IV. Review of Draft Report
   The subcommittee asked that the following information be included in the draft report:
   • Current life insurance thresholds and an estimate for a $25k plan (Sue T)
   • CAPERS and STRS life insurance summaries (Sue T)
   • SISC life insurance summary (Pency)

   The committee agreed that once the updated information is added to the draft report the report will be ready to distribute to the larger benefits committee.
V. **Survey Development Discussion**

The subcommittee concurred that the survey needs to be phrased in such a way that the expectation is that something is going to change. The subcommittee then developed the following survey.

**Framing Statement:**
The college is facing annual increases to the cost of benefits that range from 10 to 20 percent per year, given the state budget this is no longer sustainable therefore the district needs to develop a strategy for cost containment. Options include:

1. Changing the plan design for the lowest cost HMO (increase of office co-pay, co-insurance).
2. Developing a system whereby employees share the cost of the annual increases.
3. A combination of the above.

**Survey Questions:**

1. Which health plan are you currently on?
   a. PPO High
   b. PPO Medium
   c. PPO Low
   d. HMO High
   e. HMO Low
   f. None of the above

2. Which employee group do you belong to?
   a. Admin/managers
   b. Confidential
   c. Classified
   d. Faculty

3. What benefit coverage tier do you currently have:
   a. Employee only
   b. Employee +1
   c. Family

4. Would you prefer (prioritize the following):
   a. Contain the cost by modifying the existing low HMO plan design (which would result in an increase in office co-pay and co-insurance) and have a lesser employee monthly contribution.
   b. Keep the existing low HMO plan and add a higher monthly paycheck contribution to cover the cost of the increase.

5. If the design of the low HMO plan changes should we also change the design of the high HMO plan?
6. Currently the district pays the cost of employee only, employee +1, and family coverage for the lowest cost HMO. Should the cost increases be distributed differently for employee +1 and family coverage (given these are the most expensive benefit packages)?
   a. yes
   b. no

7. If yes, what would your preference be:
   a. The cost of the benefits package for the employee only would be fully paid by the district, but there would be a higher share of cost for dependent coverage.
   b. Distribute the increase equally among all three benefit coverage tiers.
   c. Distribute the increase by percentage for each benefit coverage tier (i.e. 10 percent, 20 percent, 30 percent).

VI. Timeline
- Week of August 23 a subset of the subcommittee will meet with Craig Hayward to go over the survey.
- The next subcommittee meeting is tentatively set for Sept. 9 from 3 – 4 p.m.
  - Agenda items: review the cost sharing models, review the draft survey and discuss the forum presentation.
- Schedule forum for either Wednesday, September 15, from 3 – 4 p.m. or Thursday, September 23, from 3 – 4 p.m.
- Distribute the survey immediately after the forum
- Start negotiations in late October

Next steps:
1. Victoria will schedule a meeting (week of August 23) with Craig Hayward and a subset of the subcommittee to go over the survey. The subcommittee will include Leah, Deborah, and Cathleen. Deborah is best available Monday, Tuesday or Wednesday after 4:30 p.m.
2. Prior to meeting with Craig Leah will discuss question #5 for Craig’s input on how the question should be worded.
3. Pency will work on developing a communication plan.
4. Graciano, Sue T and Leah will work on refining the cost sharing models

Action items for follow-up:
1. Sue will ask Pency Lee when employee workshops could be held on personal benefits use and website navigation.
2. Sue will review Hartford, CalPERS and STRS life insurance info; bring info to next meeting.
3. Invite Craig/Judy from PRO to a meeting to develop survey questions.
4. Leah and Sue will distribute previous survey questions and subcommittee members will bring questions to next meeting.
5. Ask committee to read minutes and handouts beforehand.