



**College-wide Benefits Committee
Minutes of the Meeting
April 27, 2011**

Present

Fran Chandler, Co-Chair
Marcia Wade, Co-Chair

Anna Rojas
Dennis Frisch
Lenore Banders
Linda Sinclair
Sherri Lee-Lewis
Willis Barton

Absent

Al Vasquez

Assistants

Vanna Ratnaransy, HR Analyst-Leaves & Benefits
Laurie Heyman, HR AA-III-Confidential

The meeting was called to order at 1:36 pm.

Approval of the Minutes

Minutes for the meeting of March 22, 2011
Move to accept the minutes:

Motion made by: Dennis Frisch
Seconded by: Lenore Banders
Ayes: 7 *
Noes: 0
Abstain: 0

*Willis Barton was not present for the motion.

Discussion: Posting of Minutes on HR Website:

<http://www.smc.edu/apps/pub.asp?Q=10687&T=Benefits%20&%20Employee%20Resources&B=1>

Heading dates to be corrected on the following Minutes:

- March 03, 2010
- March 24, 2010
- May 05, 2010

- June 02, 2010
- November 10, 2010
- December 01, 2010

Discussion: LTCi Update

M. Wade reported that the Board of Trustees is not interested in long-term care insurance and that they pulled the committee's proposal from the consent agenda. She reported that all Board members asked for more information and expressed that there should be options for employees to choose from and that recommending a particular company could be construed as the District's endorsing of that company. M. Wade reported that she had planned to give the Board the information it requested but that, because of emails from the co-chair of the Benefits Committee suggesting that she had no authority to report to the Board on behalf of the committee, she has decided not to provide that information on her own. She further reported that the Board's concern over offering LTCi as a payroll deduction resulted from a comment made by a Faculty Association person at the meeting. It was emphasized that Dr. Tsang supported the committee's proposal and argued for its implementation.

F. Chandler explained that her concern over M. Wade's responding to the Board's request for more information on behalf of the committee was founded on organizational principles. Organizationally, the Collegewide Benefits Committee reports out separately to each of its three constituencies: the District via the committee's management representatives, the Faculty Association via its faculty representatives, and CSEA via its classified representatives.

Committee members expressed concern over the Board's micromanaging of its recommendation and the lack of respect they have shown the committee. Some members were in support of letting the matter drop and some wanted to ask the Board to explain their action. Ultimately, it was decided this matter should be handled by each constituency as it feels best.

Frustration was also expressed at the fact that this is the second time a recommendation of the committee has been thwarted: the first time was the recommendation that Fickewirth and Associates be hired to gather the information the committee needed to make a decision regarding the determination of whether equivalent health care coverage can be found at an equivalent cost. Some committee members were also concerned about the Board's not seeing the fit between LTCi and the skilled nursing care and home health care provisions of the larger medical benefits program. A good LTCi plan would relieve the pressure for better coverage of those areas in our major medical plans.

M. Wade expressed frustration at the committee's lack of progress in the area of health benefits and suggested that the committee needs to get to work on this matter now. Others on the committee objected to the characterization that no progress had been made and that LTCi had gotten in the way of making a decision on health care benefits. It was stated that study of the minutes of the past two years verify that progress has been steady.

Gratitude was expressed to M. Wade for proposing that the committee consider offering long-term care insurance when the committee first began its work in 2009.

The HR Department was also commended for its efforts in moving immediately to work with the TransAmerica broker to implement the LTCi proposal in Spring 2011.

Discussion: HRA Materials

- At the pleasure of the committee, I think we can move on to the review of the HRA materials.
- It is my understanding that the HRA has been offered to the CSEA but not FA.
- CSEA declined the proposal. A HRA was established by the District through savings realized by a change in health benefit plans. Part of the HRA, people who have a single plan get \$1,000 for reimbursement of out of pocket expenses; \$2,000 for 2-party and family coverage with PPO. Because people in HMO's were already saving the District, they also got \$1,000 for out of pocket expense reimbursement.
People who have PERS Care were able to continue, but a ceiling was instituted by the Board. This was effective Jan. 01, 2011, and the amount was agreed upon for 2 years because of the overall savings.
- On the website, it tells you what is covered; medical, dental, vision, deductibles, OTC drugs, premiums. There are some of the options. This is pretty much driven by the IRS. An HRA is an employer established, reimbursement plan, tax free, District account.
You must use Section 125 funds first before HRA funds. This is to offset out of pocket expenses.
The CalPERS presentation (about 1.5 years ago) showed that an average out of pocket annual expense was about \$869.
- Managers volunteered to go for the more cost effective plan; for this District to offer fully paid premiums for the employee and family, it is extremely exceptional.
- So, in terms of funding the HRA, the District will vest immediately the funds, which is quite beneficial to the employee.
- Do the reimbursement checks come only once a month?
- We need to stress in our Minutes, that this is only for 2 years.
- So this becomes a negotiable item?
- In doing the research there were other organizations where other amounts were involved; i.e., \$500. \$1,000/\$2,000 was decided by SMC. I think LACCD has \$2,500.
- LACCD has \$1,500 for 5 years.
- But they are different from us – a different set of circumstances, with an expected \$17million in savings.
- It was \$15million in savings.
- Hard for me to compare. I don't know how many employees they have.
- Over 11, 000 employees - they also have a debit card, so the reimbursement is direct.
- We pay for the families; has there been a discussion of limiting the number of dependents?
- There is the employee only, employee +1, and employee + family (3 or more). The materials distributed to this committee showed how many were in each unit: classified, administrative, faculty, PT faculty, etc. You have seen the cost to the District. The majority of faculty has the premier plan. About 50% of classified are on PPO's, the rest are on HMOs. This is a significant cost difference.

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May 24, 2011

Discussion: HRAs

- The committee can discuss HRA plan options; the committee can make recommendations. However, it is a negotiable issue.

Discussion: Scenarios

- We need to look at creating scenarios that include durable medical equipment, home health care, skilled nursing care, maternity care, knee replacements, hip replacements. If you look at the age of the faculty, it is an older group.
 - On a knee replacement, what is a reasonable charge?
 - What is the discounted charge?
 - Co-insurance?
 - Calendar year deductions?
 - Out of pocket expense?
- On page 17 & 18 of the HRA presentation on the HR website, the PowerPoint shows such a scenario.

Motion: To adjourn

Motion made by: Dennis Frisch

Seconded by: Anna Rojas/Linda Sinclair

Ayes: 8

Noes: 0

Abstain: 0

Next Meetings:

- Wednesday, May 11 1:30pm – 3:00pm Location HSS 301
- Tuesday, May 24 1:30pm – 3:00pm Location HSS 301

Meeting adjourned approximately 02:45pm.