



INSURANCE COMMITTEE
March 31, 2008

Members Present:

√ John Lau, VP for Business Services
√ Travis Gregory, Assoc. Dean of HR
√ Carlos Fletes, Director of Fiscal Services
√ Frances Beope, CTA Representative
_ Gloria Carmona, CTA Representative
√ Lorraine Mazeroll, CTA Representative

Recorder: Mary Carter

√ Chris Mays, CSEA Representative
√ Marilyn Boyle, CSEA Representative
√ Gail Parish, CSEA Representative
√ Zula Hartfield, CMCA Representative
_ Jim Pendley, Certificated Retiree Rep.
√ Shirley Hofer-Bell, Classified Retiree Rep

Consultants: Julie Revoir, Katie May, Stephanie Harris and Chad Hornaday, Keenan and Associates;
Mary Bell, Payroll/Benefits Coordinator

- I. Approval of Minutes: M/S/C Fletes/Boyle to approve the minutes of the March 3, 2008 meeting, as presented.
- II. Envoy/Elite Choice Presentation: Chad Hornaday, Katie May and Stephanie Harris of Keenan and Associates presented information on the Envoy third party administration plan for 403b (tax sheltered annuities) and the Elite Choice 457 retirement plan.

Envoy (403b administration): Some new IRS regulations have gone into effect or will go into effect soon that change how employers handle 403b contributions. Effective 9/25/07 all transfers from 403b accounts must be signed off by the employer. Effective 1/1/09 an information sharing agreement is required from all 403b companies, or the whole account becomes taxable for the employee. There will be some attrition of companies from the 403b market due to these changes, if that happens no more contributions can be made to an account with such a company. Employers are turning to third party administrators to handle compliance issues on 403b accounts. The College has contracted with the Keenan Envoy program for this service. Gail Parish asked how this issue pertains to the Insurance Committee. Julie Revoir stated that it was for information purposes only. Meetings will be held to inform employees of the changes.

Elite Choice (457 retirement plan):

- employer sponsored plan
- employers can contribute to both 403b and 457 plan, there are separate contribution limits of \$15,500 a year (with an additional \$5,000 per year if employee is over age 50), so an employee could contribute up to \$40,000 a year if using both plans
- employee has full access to money if he leave the district
- plan has loan privileges
- money is invested in mutual funds, which can be either self-directed or invested by a registered investment advisor
- educational workshops are required
- a retirement cash flow analysis will be provided to all employees
- plan is tax deferred
- Keenan will be holding meetings on both plans; the first one will be April 22 at 3:15 p.m. in room 2131.

III. Report by Keenan:

Marketing: Julie Revoir reported that IVC's plan has been marketed to Health Net, Blue Shield, SISC and United Health Care. Blue Shield declined to quote due to the large number of retirees. There is interest from the carriers, but timing is an issue. It would be more realistic to implement a carrier change 7/1/2009. The marketing will be used in negotiations with Blue Cross, unfortunately the loss ratios are up for February and March claims may be up also.

Annual Physical: During the renewal process, Julie Revoir discovered that Blue Cross had put an annual preventative benefit into the plan in 2004. There is a \$25 co-pay for an annual physical. This benefit does not appear in the benefit book, but has been in place since 2004.

I.V. Radiology is no longer a PPO provider as of 9/1/07: This is the only radiology provider (reading of x-rays) to both local hospitals, so quite a few employees will be affected.

Blue Cross name change: Blue Cross changed its name to Anthem Blue Cross effective April 1. New identifications cards will be issued by August 1.

Dental plan: Julie Revoir presented the revised renewal calculations. A reduction is no longer recommended due to higher claims. The renewal is now a 2.05% increase. The committee asked for information on how many individuals have reached the \$1,500 annual maximum. Julie Revoir recommended implementing the PPO dental overlay plan; there is an estimated 4% savings. Incentives such as no deductible (lifetime or annual) would be needed. The estimated annual savings is about \$14,500. Adding a dental implant benefit would result in a 3.5% increase, three cleaning for pregnant women would be no increase, orthodontia at 50% of \$1,000 maximum would be 2.28% and \$4.55% for 50% of a \$1,500 maximum.

Medicare D seminar: Julie Revoir reported that a workshop for retirees was held March 10.

Vision Plan: The plan can still take a decrease, but smaller than originally calculated.

Open Enrollment/Health Fair: Tentative date is the first week of May with representatives of the current carriers: Blue Cross, Delta Dental, VSP, Elite Choice and American Fidelity. Frances Beope stated that the 125 Plan reimbursement process is cumbersome for employees with American Fidelity.

IV. Other:

Carlos Fletes reported that the College has received requests to allow other companies to present insurance information to employees, he asked if the committee wanted to change the existing policy of only working through its Broker of Record. It was the recommendation of the committee to maintain the status quo.

Travis Gregory reported that the total compensation letters have gone out to all employees.

Meeting adjourned at 2:45 p.m.

Next meeting: April 14, 2008, 1:00 p.m. in the Transfer Center.