

May 24, 2001 March 28, 2001 February 28, 2001 January 24, 2001 December 6, 2000 October 25, 2000 September 27, 2000 August 23, 2000 July 19, 2000

IMPERIAL VALLEY COLLEGE INSURANCE COMMITTEE 2000/01

COMPOSITION

3 members appointed by CTA: Carol Hann, Raul Aragon, Gabriel Torres

3 members appointed by CSEA: Gail Parish, Monica Bane, Jesus Valenzuela

3 members appointed by administration

Vice President for Business Services, Carlos Fletes Director of Human Resources, Ruth Montenegro Director of Fiscal Services, Janell Hodgkin

Non-Voting members:

Consultants: Mary Bell, Payroll/Benefits Coordinator, Sue Strain, Human Resources Analyst Retirees: Classified Representative, Rosie Pechtl, Certificated Representative, TBA

FUNCTION (informational and advisory only)

- disseminate information
- Imake recommendations to administration regarding insurance matters
- hear complaints/resolve problems
- Image: NO DIRECT AUTHORITY

MEETINGS

Monthly meetings, 4th Wednesday of every month, 3:30 p.m., Board Room

June 28, 2000	January 24, 2001
July 19, 2000*	February 28, 2001
August 23, 2000	March 28, 2001
September 27, 2000	April 25, 2001
October 25, 2000	May 23, 2001
November—no meeting	June 27, 2001
December 6, 2000* (due to Christmas	Julie 27, 2001
break)	

May 24, 2001

<u>PRESENT:</u> Carlos Fletes, Chairman Monica Bane Mary Bell, consultant

Mary Bell, consultant Carol Hann Gail Parish Myra Mendez (representing Ruth Montenegro) ABSENT: Raul Aragon Janell Hodgkin Ruth Montenegro Rosie Pechtl, retiree Sue Strain, consultant Gabriel Torres Jesus Valenzuela

<u>VISITORS:</u> Julie Revoir, Keenan Cynthia Stribling, Keenan

Chairman, Carlos Fletes called the monthly Insurance Committee meeting to order at 3:30 p.m. on Wednesday, May 24, 2001 in the Board Room.

Approval of Minutes

M/S/C Parish/Hann to approve the minutes of the March 28, 2001 meeting (no meeting was held in April).

Report by Keenan

Julie Revoir reported that the Delta Dental and Blue Cross benefit booklets should be available for final review in about two weeks. Cynthia Stribling stated that the booklets are in the "final draft" form, so the committee should only be looking for glaring errors--minor typos or nonmaterial errors will not be changed. In order to have the booklets available for orientation on August 17, the college needs to give the go ahead for printing by July 1. Carol Hann and Gail Parish offered to get together to review the booklets.

Medicare Information: The committee reviewed drafts of informational memos on Medicare developed by Keenan. It was agreed to send the memos to all retirees and to all benefit eligible staff age 49 and older.

Medicare Supplement for Classified

Carlos Fletes presented information on a proposed change in the Medical Supplement provider for the classified retirees. The current plan provider is no longer issuing new policies. The broker who currently handles the Medicare supplement is proposing a change to Medicare Plan F through Hartford Insurance. The benefits would be the same except for one increase in coverage; Plan F also pays Part B excess charges. The benefits of the new plan include consolidated billing, nationwide coverage, less cost to the District, and increased benefits for the retirees. The committee asked if the rate would increase next year; Carlos Fletes replied that the premium is based on the ages of the covered individuals not on experience. *M/S/C Parish/Bane to approve the new Medicare Supplement plan effective July 1, 2001.*

Meeting Schedule

The committee agreed not to meet in June, July or August. The next regular meeting will be held on September 26, 2001. If any urgent matters arise, a special meeting will be called or the committee will be polled by phone or e-mail.

Meeting adjourned at 4:35 p.m.

P<u>RESENT:</u>

Carlos Fletes, Chairman Monica Bane Mary Bell, consultant Carol Hann Janell Hodgkin Ruth Montenegro Gail Parish Jesus Valenzuela

ABSENT:

Raul Aragon Rosie Pechtl, retiree Sue Strain, consultant Gabriel Torres <u>VISITORS:</u> Lisa Parenti, Keenan Julie Revoir, Keenan

Chairman, Carlos Fletes called the monthly Insurance Committee meeting to order at 3:30 p.m. on Wednesday, March 28, in the Board Room.

Approval of Minutes

M/S/C Bane/Hodgkin to approve the minutes of the February 28, 2001 meeting as presented.

Old Business

Chairman Fletes welcomed Julie Revoir and Lisa Parenti from Keenan & Associates. He reported that the Board of Trustees accepted the committee's recommendation to increase the funding for health benefits effective April 1, 2001. The information on Medicare is still being revised, and a draft should be available for review at the next meeting.

Report by Keenan

Julie Revoir and Lisa Parenti of Keenan & Associates presented information on prescription co-pay options.

	Proposed Changes	Savings	Saving per employee	Annual Savings*
1	\$5 Generic/\$10 Brand	6.75%	\$113.52	\$39.732
2	\$5 Generic/\$15 Brand/	9.8%	\$164.88	\$57,708
	50% coinsurance non-preferred brand			
3	\$5 Generic/\$10 Preferred Brand**/	7.00%	\$117.72	\$41,202
	50% coinsurance non-preferred brand			
4	\$5 Generic/\$15 Brand/	11.05%	\$185.88	\$65,058
	50% coinsurance non-preferred brand			

*Based on 350 employees and retirees

**Preferred Brand based on AdvancePCS Formulary.

Current co-pay: \$4 Generic/\$6 Brand/\$1 Mail Order

Assumptions: if a brand name prescription is dispensed, the brand copay is required even if there is no generic available, and the same copays apply to mail order.

The 5/10 copay is the most common deductible. With a 5/10 copay there is more distinction between brand and generic. With the mail order prescription, the incentive is in the 90 day supply. A change to a 5/10 copay won't change usage.

The committee was given an information sheet on coordination of benefits for employees whose spouse also has VSP. The committee recommended that the information be distributed to staff.

Delta Dental Benefits Booklet

The committee reviewed the draft dental benefits booklet. Keenan will submit changes to Delta, and a revised booklet should be ready for the next committee meeting.

Meeting adjourned at 4:55 p.m.

IMPERIAL VALLEY COLLEGE INSURANCE COMMITTEE Minutes February 28, 2001

PRESENT: Carlos Fletes, Chairman Monica Bane Mary Bell, consultant Carol Hann Gail Parish Rosie Pechtl, retiree ABSENT: Raul Aragon Janell Hodgkin Sue Strain, consultant Ruth Montenegro Gabriel Torres Jesus Valenzuela **VISITORS:**

Lisa Parenti, Keenan Julie Revoir, Keenan Cynthia Stribling, Keenan

Chairman, Carlos Fletes called the monthly Insurance Committee meeting to order at 3:30 p.m. on Wednesday, February 28, in the Board Room.

Approval of Minutes

The minutes of the January 24, 2001 meeting were approved as presented.

Report by Keenan-Renewal

Cynthia Stribling of Keenan & Associates presented Keenan's recommendation for the funding of IVC's benefits plan for 4/1/01-3/31/02.

	Current	Keenan	<u>Minimum</u>
	<u>Funding</u>	recommendation	recommendation
Medical	\$584.88	\$598.70	\$579.41
Dental	49.00	76.04	72.71
Life Insurance	6.96	2.40	2.40
Vision	18.74	20.60	19.76
Provident Life	<u>10.42</u>	10.42	<u>10.42</u>
Total	\$670.00	\$708.16	\$684.70

Ms. Stribling explained that self-funded plans budget for expected expenses, but pay the actual expenses. The Keenan recommendations are based on last year's claims data and on the expectation of continuing good claims experience. There is a higher margin of safety with the recommended level. Ms. Stribling explained that a bad claim year would affect a self-funded plan more if it has only budgeted the minimum. It is up to the College to decide on a budget amount. The Keenan recommendation provides more of a cushion against bad claim years. The College could also pick an amount between the high and low amounts. Carlos Fletes remarked that from 1993 to 1999, the College maintained the same funding level and that the bad claim years cut into the reserve.

Ms. Stribling explained that the College also has the option of a fully insured plan. The College would pay Blue Cross the premium and there would be no risk, but also no refunds. A fully insured plan is more expensive because it includes profit for the carrier. It also does not pay for claims incurred before the fully insured plan becomes effective. Keenan estimates that there would be about a two-month backlog of claims amounting to

between \$130,000 and \$150,000. The State mandates fully insured plans to provide certain benefits (i.e. severe mental illness treated the same as medical), and those costs are built into the plan. Because the medical plan is doing very well, Keenan recommends the College stay self-funded. Keenan will get another fully insured quote from Blue Cross next year at renewal time.

Dental: The dental coverage has been under-budgeted at \$49, it should be funded in the \$72-\$76 range.

Life Insurance: The life insurance rates are not going to change, the rate is guaranteed for another year. Ms. Stribling suggested looking at improving the coverage next year. The two plans in place (\$10,000 and decreasing term) are not a very rich benefit. Keenan can provide alternative plans and pricing for future discussion.

Vision: There is a slight increase in the vision premium.

Prescription: The prescription coverage is combined with the medical and is the biggest cause of the medical plan increase. The \$4 generic, \$6 name brand and \$1.00 mail order co-pays are very low. The co-pay should provide a bigger incentive to use generic drugs. Keenan will explore different co-pay options for the committee and report back.

It was the consensus of the committee to increase the funding level of the plan to the minimum recommended by Keenan and for Carlos Fletes to present the information to the Board of Trustees.

Nurse/Patient Advocate Program

Cynthia Stribling presented information on a new program being offered by Keenan. Keenan would have registered nurses on staff who would be available to members to assist them with healthcare issues. The cost would be \$25.00 per family per year

Medicare Enrollment Information

Cynthia Stribling presented a *Medicare Enrollment Information* handout for the committee to review. It was suggested that cover memos be sent out with the information; one for Classified and one for Certificated to provide information on what IVC pays for retiree benefits. It was agreed to discuss this item further at the next meeting.

Question Days

Julie Revoir reported that the Question Days have been very well received by the staff. The committee asked her to continue holding the Question Days every month until demand slows down. It was noted that the maintenance night crew could meet with Julie if she was here on a Friday, perhaps after a monthly Maintenance Department meeting. The next Question Day was tentatively scheduled for March 16 from 2:00-5:00 p.m.

Changed Meeting Dates

The committee discussed changing the March meeting date because Cynthia Stribling will be unavailable. It was agreed to hold the meeting as scheduled on March 21 with Julie Revoir and Lisa Parenti representing Keenan.

Carlos Fletes will not be available on May 23. The committee agreed to hold the May meeting on Thursday, May 24, 2001.

Dental Booklet

Carol Hann provided copies of changes/corrections she had noted in the draft Dental Benefits booklet. Keenan and the committee will review the changes and discuss at the next meeting.

Meeting adjourned at 5:05 p.m.

January 24, 2001

PRESENT:

Carlos Fletes, Chairman Monica Bane Mary Bell, consultant Carol Hann Janell Hodgkin Ruth Montenegro Gail Parish Rosie Pechtl, retiree Gabriel Torres

ABSENT:

Raul Aragon Sue Strain, consultant Jesus Valenzuela

VISITORS:

Richard Hann Julie Revoir, Keenan Cynthia Stribling, Keenan

Chairman, Carlos Fletes called the monthly Insurance Committee meeting to order at 3:30 p.m. on Wednesday, January 24, 2001 in the Board Room.

<u>Approval of Minutes</u> *M/S/C Bane/Torres to approve the minutes of the December 6, 2000 meeting.*

Presentation on Self-Insurance

Cynthia Stribling of Keenan & Associates made a presentation to the committee on selfinsurance, stop loss and the components of the upcoming renewal. A self-insured plan must budget for expected claims, hire an administrator to pay claims and buy stop loss insurance in case losses are higher than expected. One advantage of a self-insured plan is that it does not have to pay the state premium tax on each claim.

A self-insured plan must have reserves to pay "IBNR" (incurred but not reported claims), to allow for the fluctuating level of claims, for catastrophic claims, and for rate stabilization.

Stop Loss insurance is purchased to protect against individual claims wiping out the reserve fund. Aggregate stop loss protects against all claims exceeding expected losses, it is usually set at 120-125% of expected claims. The college has aggregate stop loss in the amount of 125% of expected claims. This coverage is cheap because the aggregate is usually not exceeded.

Specific stop loss protects against catastrophic individual claims. The coverage is more expensive because of the risk. The College's specific stop loss is \$70,000. Cynthia Stribling stated that there is no reason to change at this point, there have only been a few claims to exceed \$70,000 over the past seven years.

The College purchases its stop loss through the BeLiEF (Benefits Liability Excess Fund) JPA. This pool of school districts, community colleges and JPAs is marketed by Keenan to stop loss carriers in order to obtain the best price.

Information on the renewal will be presented to the committee next month. Renewal includes the expected claims for the future, benefit changes, network fees, trend (which is currently running at 12-14%), and expenses.

Richard Hann asked how to determine if self-insurance is cheaper than a fully insured plan. Cynthia Stribling stated that it pays to be fully insured if the insurance market is competitive, but in a "hard" market it is better to be self-funded. Also, bigger plans are safer to self-insure. Another consideration is the price of stop loss. Cynthia Stribling stated that Keenan has asked Blue Cross for rates for the College as an insured plan. The cost is usually higher because of profit to the carrier, but the advantage is that there is no risk for the insured.

Review of Dental Booklet

The committee questioned whether x-rays should be paid twice a year with no age limitation. Julie Revoir stated that the standard is to only pay for bite wing x-rays once a year after age 18. Julie Revoir reported that the AH&L book stated that white composite fillings were covered anywhere in the mouth, but an employee had reported that white fillings had been paid for in the front only. The standard is to pay for white fillings in the front only. She asked for direction from the committee on this benefit. Carlos Fletes stated that he preferred to standardize benefits rather than rely on past practice. In the past some things were paid to the benefit of the employee and some were not. The plan needs to protect the employee, yet be cost effective. Richard Hann stated that everyone wants no out-of-pocket expense, but it is important to consider the overall effect on the plan. Carol Hann stated that employees should be informed of any changes, and that benefit changes are negotiable items. Employees would probably accept the industry standard, but it needs to be agreed to at the negotiation table. The committee recommended not printing the dental booklet until these benefit changes can be addressed through negotiations.

Affidavit of Dependent Child Status

A draft of an affidavit to certify the status of dependent children was distributed to the committee for discussion. Cynthia Stribling stated that other institutions do not have the liberal eligibility provisions of the College's plan. Carlos Fletes explained that the affidavit would protect the employee and the plan in the absence of a court decree. Richard Hann stated that he supports the concept. Ruth Montenegro stated that the Human Resources department has a copy of UCSD's policy regarding proof of dependent status that she will provide to the committee. The committee agreed to consider the matter further at its next meeting.

Meeting adjourned at 5:05 p.m.

IMPERIAL VALLEY COLLEGE INSURANCE COMMITTEE Minutes December 6, 2000

PRESENT:

Carlos Fletes, Chairman Raul Aragon Mary Bell, consultant Carol Hann Gail Parish Rosie Pechtl, retiree Gabriel Torres Jesus Valenzuela <u>ABSENT:</u>

VISITORS:

Monica BaneCyJanell HodgkinLiRuth MontenegroJuSue Strain, consultant

Cynthia Stribling, Keenan Lisa Parenti, Keenan Julie Revoir, Keenan

The Insurance Committee meeting was called to order by Chairman, Carlos Fletes at 3:30 p.m. on Wednesday, December 6, 2000 in the Board Room.

<u>Approval of Minutes</u> *M/S/C Parish/Aragon to approve the minutes of the October 25, 2000 meeting.*

Report By Keenan

Julie Revoir reported on the "claim day" held November 30. She noted that a couple of employees had routine physical exams and thought the charges would be covered. Under the College's plan, routine physicals and any resulting lab and x-ray are not covered. New employees, especially those coming from HMO plans, may not be aware of this. Julie suggested setting aside an hour at the next "claims day" to meet with new hires as a group to explain benefits.

Carlos Fletes advised the committee that Keenan has prepared a new "cheat sheet" that lists the routine physical exclusion. It was the consensus of the committee to send out the new information via e-mail and hard copy to all employees and retirees.

Julie Revoir reported that the medical booklets are not ready yet because of the deductible change which affects the whole book. The Delta Dental book is almost done, and she will provide copies to the committee members in advance of the next Insurance Committee meeting.

Cynthia Stribling reported that AH&L should be finished paying the back log of claims. Gail Parish suggested that a notice be sent to employees asking about any remaining problems with AH&L claims.

Dependent Coverage

Carlos Fletes informed the committee that a question has arisen about the definition of a dependent child. The committee determined that the existing plan allowed for "other children dependent on employee for entire support," and "other children in a parent/child relationship" in addition to natural, adopted, and foster children under legal guardianship. Adoptions in progress are covered per federal law. The committee agreed that a child that can be claimed as an IRS dependent would qualify for coverage. There would be a problem in determining when a child would become eligible, as income tax returns would show dependent status for the previous year but would not prove dependent status on a child that has just come into the employee's home. Cynthia Stribling stated that in the absence of a legal document, there needs to be an approved form. Cynthia will consult Blue Cross to see if they have a form or can help develop a form, and also to find out how the more liberal definition of dependents will affect pricing.

The committee discussed requiring proof for dependent spouses. The College currently accepts enrollment forms on the honor system. The enrollment form has a statement regarding fraud and perjury. Cynthia Stribling informed the committee that the insurance company only investigates suspicious incidents after the fact (in the case of a big claim or a red flag such as a different name for a spouse). Dependent status is not checked on a routine basis. She warned that any new procedure would have to be applied consistently, and if it is instituted for new hires, they would need to be informed in advance (i.e., as part of the job offer package). It was agreed that Ruth Montenegro, Director of Human Resources should be consulted.

Presentation on Dental Program

Cynthia Stribling presented information on the dental program.

Meeting adjourned at 5:10 p.m.

The next meeting is scheduled for January 24, 2001.

IMPERIAL VALLEY COLLEGE INSURANCE COMMITTEE Minutes October 25, 2000

PRESENT:

Carlos Fletes, Chairman Raul Aragon Mary Bell, consultant Carol Hann Monica Bane Janell Hodgkin Gail Parish Gabriel Torres

<u>ABSENT:</u>

Ruth Montenegro Rosie Pechtl, retiree Sue Strain, consultant Jesus Valenzuela

VISITORS:

Cynthia Stribling, Keenan Julie Revoir, Keenan Emily Schreck, retiree

The Insurance Committee meeting was called to order by Chairman, Carlos Fletes at 3:30 p.m. on Wednesday, October 25, 2000 in the Board Room.

Approval of Minutes

M/S/C Parish/Bane to approve the minutes of the September 27, 2000 meeting.

Benefit Change

Carlos Fletes reported that AH&L had been applying the deductible inconsistently on lab and x-ray charges, and that the committee had recommended that the plan be changed so that the deductible would not apply to PPO lab and x-ray. As this is a benefit change, it takes time for Blue Cross to implement the change in its system. It is not feasible for Blue Cross to apply this change retroactively. Therefore, the decision was made that the effective date of the benefit change would be November 1, 2000. Julie Revoir clarified that the deducible would apply to in-patient hospital, non-PPO and mental health care.

Report by Keenan & Associates-Vision Plan

Cynthia Stibling made a presentation to the committee on "Understanding Vision Plans." The College's current plan is a 12/12/24 (exam every year, lenses every year, and frames every two years) with a \$10 co-pay. The College's provider is VSP, which is an optometrist based network. The rate is currently \$18.50 per employee.

The pricing of services is affected by the frequency of services, the co-pay, and the plan enhancements. Some plans are now offering laser surgery. There are also nontraditional plans such as an eye-wear only plan (exam not covered), and Cafeteria plans (flexible spending accounts).

The committee inquired about tinted lenses, and a second pair of lenses (sunglasses). The College's basis plan does not cover tints and coatings. To provide a second pair of glasses would result in a 45% increase in the premium (\$10 co-pay). The hardware is the most expensive part of the plan. A \$20 co-pay would result in a net 26% increase

(23.50 premium). To provide frames every year (12/12/12 plan) would result in a 14% increase over a 12/12/24 plan.

At the next meeting, Keenan will make a presentation on dental plans.

Experience

Kennan & Associates reported on the College's dental and vision claim experience to date. The target loss ration is 85%. There are three factors involved in renewal: actual experience, trends in similar plan, and national trends. Medical inflation is currently about 14%, dental is 8% and vision is 3-6%. In November, Keenan will have rough projections for the April 1 renewal. They will make a rough forecast based 30% on experience and 70% based on trend.

The renewal should be finalized 60 days prior to April 1. At the January committee meeting, rough numbers will be presented and the committee can look at possible plan changes. February 1, 2001 will be the target date to nail down plan changes.

Medical experience: Blue Cross does not generate reports until there is six months of experience, so information will not be available until November.

Next year's renewal will be easier because there will be one and a half years of experience to base it on.

AH&L Claims Backlog

Cynthia Stribling reported that she contacted AH&L and learned that their computer system failed in late April, and they anticipate being able to catch up on the claims backlog by mid November. AH&L had to hire 14 new examiners to deal with claims. Carlos Fletes reported that the College recently paid a \$50,000 claims bill which shows that AH&L is paying claims.

Claims Days

It was agreed that Keenan & Associates will begin monthly "Claims Days" in January, to coincide with the monthly insurance meetings.

Next Meeting

The committee agreed to skip the meeting scheduled for November 22 because it is the day before Thanksgiving, and to hold the next meeting on December 6, 2000 at 3:30 p.m.

Meeting adjourned at 4:40 p.m.

September 27, 2000

PRESENT: Carlos Fletes, Chair ABSENT: Sue Strain (consultant) Gabriel Torres Raul Aragon Monica Bane Mary Bell (consultant) VISITORS: Julie Revoir, Keenan Cynthia Stribling, Keenan Carol Hann Janell Hodgkin Ruth Montenegro Gail Parish Rosie Pechtl (retiree) Jesus Valenzuela

The Insurance Committee meeting was called to order by Carlos Fletes at 3:30 p.m. on Wednesday, September 27, 2000 in the Board Room.

<u>Approval of Minutes</u> *M/S/C Parish/Hodgkin to approve the minutes of the August 23, 2000 meeting.*

Meeting Schedule

The committee reviewed the meeting schedule for 2000/01, and decided to skip the December meeting because of Christmas break.

AH&L Claims Run Out

Chairman Fletes reported that last month AH&L paid \$24,000 in claims, and that some employees still have claims pending. Cynthia Stribling suggested that the first step is to try to determine the scope of the problem; she volunteered to contact AH&L to find out how many claims remain to be processed, and when AH&L estimates they will finish paying the remaining claims. She recommended contacting Blue Cross for pricing if there is a large number of claims that won't be cleared up soon; however, if the number of remaining claims is small (i.e., less than 20), then AH&L should be allowed to finish. Gail Parish stated that there are people with claims that are over a year old. Rosie Pechtl suggested that a survey be done to find out how many people have unpaid claims.

M/S/C Montenegro/Bane to recommend that each group survey its members regarding the number of pending AH&L claims.

Report by Keenan & Associates

Cynthia Stribling reported that Blue Cross should have a draft of the benefits booklet ready by early November.

X-ray/lab issue: Cynthia Stribling reported that lab and x-ray claims have been paid inconsistently in the past by AH&L because some PPO doctors have their own lab. If the

College wants the deductible to be waived for PPO lab and x-ray, Blue Cross will have to figure out a way to administer the claims because there will be a lot of confusion.

Cynthia Stribling reported that she should have renewal rates in January, but there will be preliminary numbers available in November based on six months claims.

The committee asked for pricing on providing eye glass frames every year, providing two pairs of glasses (one with tinted lenses), changing the vision co-pay, and also changing from a 10% medical co-pay to a flat \$5.00 co-pay.

The committee asked about workshops for staff during Flex week on insurance matters. Keenan suggested having a quarterly "claim day" also.

The next meeting will be held Wednesday, October 25, 2000 at 3:30 p.m. in the Board Room

Meeting adjourned at 4:30 p.m.

August 23, 2000

PRESENT:	Carlos Fletes, Chair	ABSENT:	Raul Aragon
	Monica Bane		Janell Hodgkin
	Mary Bell (consultant)		Rosie Pechtl (retiree)
	Carol Hann		Sue Strain (consultant)
	Ruth Montenegro		
	Gail Parish	VISITORS:	Cynthia Stribling, Keenan
	Gabriel Torres		Shirley Hofer-Bell
	Jesus Valenzuela		

The Insurance Committee meeting was called to order by Carlos Fletes at 3:30 p.m. on Wednesday, August 23, 2000 in the Board Room.

Approval of Minutes

M/S/C Parish/Bane to approve the minutes of the July 19, 2000 meeting.

New Member

Chairman Fletes welcomed Jesus Valenzuela, the new classified committee member (replacing Tom Lopez).

Benefits Booklet

The committee discussed issues that need clarification or correction in the benefits booklet.

- Page 15: Contains a typo–will be corrected.
- Page 21: Question regarding why smoking is not covered under substance abuse treatment-- it does not meet the legal definition of a banned substance.
- Page 21: (Anthem booklet, page 21) Question regarding number of outpatient visits –Cynthia Stribling will follow up.
- Page 22: (Anthem booklet, page 41) No age limits listed by Blue Cross--Cynthia will research the Blue Cross schedule.
- Page 22: Question regarding Hepatitis B shots before age seven. Cynthia Stribling will follow up, the shots may be covered as standard childhood immunizations.
- Page 26: Question regarding the exclusion of non-medical testing for Mental Health treatment. In the past, Anthem paid for psychiatric testing for ADD. Cynthia Stribling stated that this exclusions applies to <u>non-medical</u> testing.
- Page 29: Question about Lasik eye surgery--it is not currently covered because it is considered a cosmetic treatment. According to Cynthia Stribling, it could be added to the benefit package for an additional cost, or it could be added to the VSP plan for a price.

Cynthia Stribling stated that "final" draft of the booklet should be available for review at the next committee meeting. Once finalized, the booklet will not be revised until there are substantive changes resulting from benefit changes or new legislation. The booklet will be a half-page size.

Feedback

The committee discussed the problem of the deductible being applied to PPO doctors' charges. As the problem is showing up on an inconsistent basis, it could be that some doctor's do not have the updated information. Carlos Fletes stated that Blue Cross should resolve this problem with its claims processors if incorrect information is still being given.

The issue of whether lab and x-ray charges at PPO facilities should be applied to the deductible was discussed. Anthem handled it both ways in the past. It was the consensus of the committee that the deductible should not be applied to PPO lab and x-ray charges.

The committee reviewed the list of e-mail comments received by Chairman Fletes in response to his request for feedback on the insurance transition.

- I. An employee was concerned about "disallowed" charges. Cynthia Stribling explained that PPO doctors are paid in accordance with their contract with Blue Cross, and the "disallowed" charge is the amount in excess of the contracted amount. The employee is not liable for the amount disallowed, and the doctor should not try to collect it from the patient.
- II. Hepatitis A shots are not routinely covered by any plan.
- III. Procedure denied as "investigational": An employee has had a procedure denied because Blue Cross considers it investigational. The employee expressed concern that Blue Cross is not taking a more progressive approach. Some insurance companies such as Blue Shield and the Veteran Administration have paid for the procedure. There is a national movement to get insurance companies to cover this procedure, which is a non-surgical alternative to major surgery. The employee has gone through the Blue Cross appeals process and the next step is binding arbitration.
- IV. Request for up-to-date PPO listing: Cynthia Stribling stated that the most up-to-date information is on the Blue Cross web site.

Next meeting will be held Wednesday, September 27, 2000 at 3:30 p.m. in the Board Room

Meeting adjourned at 5:00 p.m.

PRESENT: Carlos Fletes, Chair ABSENT: Raul Aragon Monica Bane Mary Bell (consultant) Carol Hann Tom Lopez Janell Hodgkin Sue Strain (consultant) Ruth Montenegro Gail Parish Cynthia Stribling, Keenan VISITORS: Julie Revoir, Keenan Rosie Pechtl (retiree) **Gabriel Torres**

The Insurance Committee meeting was called to order by Carlos Fletes at 3:30 p.m. on Wednesday, July 19, 2000 in the Board Room.

Approval of Minutes

M/S/C Hodgkin/Parish to approve the corrected minutes of the June 28, 2000 meeting.

New Member

Chairman Fletes welcomed Ruth Montenegro, Interim Director of Human Resources.

Medical Plan Contract

The committee continued its discussion of the issues that the AH&L contract is silent on, beginning with item #8, *Services outside the United States*. Carol Hann noted that services in Mexico are covered. The committee discussed the possibility of faculty being out of the country in excess of 60 days. Cynthia Stribling recommended the College set a policy if there are frequent occurrences, otherwise, she recommended purchasing a special medical policy for individuals (such as teachers on sabbatical).

It was the recommendation of the committee that #8 be revised to indicate that services in Mexico *are covered*, and to abide by the Blue Cross standard for absences in excess of 60 days outside the U.S. and Mexico.

#10 Open Enrollment: The committee agreed to maintain the status quo (i.e., no open enrollment period). Part time employees who wish to enroll after opting not to have coverage must wait 90 days.

#11 Pre-existing limitation for pregnancy: The committee agreed to apply the Blue Cross standard (Pregnancy not considered a pre-existing condition).

#12 Binding Arbitration: Cynthia Stribling recommended binding arbitration to prevent lawsuits against Blue Cross and the College. It is an important protection for a selffunded plan, it protects the College in situations when claims are denied and damages might be awarded at a jury trial. Binding arbitration is an industry standard. The issue of malpractice was raised, and Cynthia Stribling pointed out that malpractice is a different issue from claims. The committee recommended accepting Blue Cross' recommendation of binding arbitration.

Benefit Booklet Corrections

Julie Revoir asked that corrections to the benefit booklet be submitted to her before the next meeting so the booklet can be finalized.

Meeting adjourned at 5:00 p.m.