Medical Benefits Committee
Minutes
Friday, July 31, 2009
3:00 pm
Room 804A

Present: Pegi Ard, Debora Bone, Olivia Hand, Leah Hlavaty, Cliff Nichols, Cathleen Reno, Topsy Smalley, Sue Torres,

Guests: Pency Lee, Alliant, Victoria Lewis

Absent: Katie Dowling, Sue Holt, Stephanie Stainback, Kathie Welch

I. Call to Order
Pegi opened the meeting at 10:05 am.

II. Minutes
The committee approved the minutes of 5/14/09 (Torres/Smalley).

III. Pency Lee, Alliant
Pency reviewed detailed renewal options.

HealthNet adjusted their increase to 16.5% (2% less) to come closer to the Blue Shield option. Santa Cruz City Schools is no longer with HealthNet. HealthNet is merging with United Healthcare. There is always some disruption with mergers. Cabrillo is the only group remaining with HealthNet in Santa Cruz County.

A Mental Health parity will go into effect 10/03/09. Mental Health issues will be treated as any other medical condition.

Pency reviewed a packet of material she distributed at the meeting.
Exhibit A: highlighted areas are the differences between the plans.
Exhibit B: The current Health Net low option plan can be replaced by four different Blue Shield HMO plans. Pency reviewed the differences.

Deb asked if the dollar amount of copayments is captured in the out of pocket maximum. Pency will research this and get back to us. Durable Medical Equipment (DME) does not apply to out of pocket maximums.

Pency reviewed Page 7: SISC Blue Shield PPO plan changes:
- Routine preventative care and Well Baby/Child preventative is covered at 100%
- Hospice is now unlimited
- Hearing aid $1,000 every 36 months; now $700 every 24 months
- Physical Therapy, Occupational Therapy and Chiropractic are being combined into Physical medicine and subject to coinsurance.
- Rx: Claritin and Zyrtec are OTC under brand copay.

Dental for active employees:
- Alameda County Schools Insurance Group (ACSIG) Dental Plan has a 6% increase. SISC programs are comparable or a richer option has a 9.8% increase.
- Dental Dental PPO plan coverage for out of network dentists is less than for in network.

Dental for retirees: SISC rates retirees higher than actives. There is an option to reduce the increase, but need to change to the out of network calendar year maximum.

Part of the difficulty is that there are a limited number of plans that we can offer and must be negotiated. Pegi reviewed the financial impact of the total increase of benefits in the base budget and for the total college budget. $800,000 savings is approximately 2% of salary.

Leah suggested that the District’s ability to promote wellness is important. The services requiring higher copays are emergency services. Deb noted that the shift is also in how the cost of prescriptions is handled. Topsy noted that this is a teachable moment.

It was agreed to defer the discussion on dental plan changes and to focus on the teachable moment, the big ticket issues.

Annual open enrollments offer the opportunity to add dependents or to change from one medical plan to another medical plan. A special open enrollment is needed to change to the new medical plan or to the existing PPO plans, or to go from a PPO plan into the new HMO plans. During special enrollments, employees cannot add dependents, cannot change from one PPO to another PPO plan.

Timing was discussed. It was agreed that the unions will meet with their constituents and the District to make a decision as soon as possible. The idea of using the flex week slot Breakfast with Brian to discuss medical plan change options was discussed. Deb offered a potential date to negotiate on Friday, 8/28 in the afternoon.

The committee requested a revised Powerpoint presentation comparing the low option and low option 2 (currently low option 3). A second slide was requested to compare HMO/PPO costs with District stipends. Quantifying the savings in terms of jobs and classes may help people understand the impact of the savings.

Open enrollment could be held the first week in September. SISC requires 45 days for notification of plan changes.

The meeting was adjourned at 4:12 pm.