Peralta Community College District

Health Benefits Fringe Committee

Meeting Notes

September 8, 2016 – IT Conference Room

Present:

District

Jennifer Seibert, Trudy Largent, Luther Aaberge.

Alliant

Tom Sher, Erin Thomas, Reagan Peralta

PFT

Rick Greenspan

Notes

Bob Frost

Agenda: 1. Announcements: Self Service Address Changes, Appointment of Personal Representatives, 2016 Dependent Audit. 2. Benefits Office Spending Plan. 3. State of District Finances (Luther Aaberge). 4. Census as of 7/1/2016. 5. Issues in Self-Funding. 6. Communications – Alliant. 7. 2016-17 Timeline. 8. 2017 Plan Considerations. 9. Next Meetings and Share the Information.

Jennifer: Review of agenda.

Announcements:

We will roll out self-service feature of PeopleSoft so active employees can change their own addresses. Currently this is done by paper. Starting next month we will be promoting this self-service. It's good for W2 process and email accuracy. Retirees – paper is still accepted. (Discussion of options for retirees; they will have access to this new service.) New system faster, more accurate, and increases employee engagement. How-to for this – navigation review for finding this option online. We ask you inform your constituents. Reports troubles to helpdesk@peralta.edu.

Issue of protected health information. We are now using the ***Appointment of Personal Representative*** form. Available online. Initiated by client. It's been around for a while but we'll be more consistent in its use.

The Dependent Audit 2016 is getting underway. Purpose of this audit is to confirm continued eligibility of dependents. Last one was in 2014. CoreSource is our agent.

Key dates: mailings on Sept. 9 and Sept. 16;
response deadline Oct. 14.

Questions about documentation go to CoreSource; they have a dedicated website and phone number (DependentAuditsBalt@coresource.com and 866.434.1211). Additional questions can go to Peralta Benefits staff at 510.466.7229 or 510.587.7868. Our request to you, committee members, is to communicate with your constituents that this is going on and it's an essential activity.

Benefits Office spending, fiscal 2014 through 2017. Slide 8. Review of past years; projections of future years. Bottom line: fairly flat.

Luther: Kaiser benefited the overall picture. Self-insured pieces less predictable. This may not be indicative of future years because of volatility of self-funding.

Jennifer: This report does not include run-out expenses, meaning incurred but not paid claims on the self-funded plan. That's about a million dollars. This does not include attrition.

We looked at expenses. The next thing we want to look at is revenues. This includes various receipts: stop loss, payroll deductions, etc. Slide 9. We had spike in stop loss revenue of about $1 million. Payroll deductions relatively flat. Medicare drug subsidy. Explanation of how stoploss works provided. Stop loss activity is volatile and not indicative of future.

Luther: Not a lot of changes in terms of budget assumptions; only that we've been able to get a few more pieces of information from state. Maybe a little bit of surplus available for negotiations, $750,000 or so. No enrollment increase but stability for one year; no loss in that sense.

Rick: We claimed 19,500 last year. This year down but paid for the 19.5 we got last year. Next year can we borrow from summer one year and then following year go on stability again? Can stability be gone on every two years?

Luther: VC Little probably could explain better but in general we might be able to maintain something of that sort. The goal is get enrollment up so that we can avoid borrowing.

Rick: Borrowing one year, going on stability the next year, continuing that pattern—isn't that something other colleges are doing?

Luther: Well, it's out there. It's not illegal.

Jennifer: Would that affect accreditation if we have that as a rhythm?

Luther: No. It's allowable. You get that one-year grace period. The big thing is to increase the FTEs.

Most of the new funding is going into restricted resources. There's not much increase at all in the unrestricted. The PERS and STRS increase a bit of a hit for us that we have to absorb. (Explains details of the PERS and STRS increases.)

Tom: We haven't seen the last of the PERS increases. Their investment returns are awful. Funding ratio problems.

Luther: Until interest rates go up, return on investments are not going to get any better.

OPEB – we bumped that up a quarter percent in terms of funding contribution. VC Little's calculations here resulting in safeguarding.

Utilities – slight increase.

Worker's comp – minor increase.

Overall, budget is about 95 percent complete.

Jennifer: I will turn census portion of meeting over to Alliant.

Reagan: In 2015-16 combined enrollment: 55 percent Kaiser, 45 percent CoreSource. In this slide we break down actives and retirees. 70 percent of actives Kaiser; 30 percent actives CoreSource. For retirees 38 percent Kaiser and 62 percent retirees CoreSource. Dental we've broken down by union groups. I did Delta Dental twice (on slides); I will update and send you corrected one.

Page 15. Last meeting, discussion of issue: retirees and how claims are paid. At Peralta there are retirees who retired pre 6/30/2012 and are not required to enroll Medicare. Retirees post that date are required to enroll in Medicare. For 7/1/2012 and afterwards retirees, claim comes in, CoreSource waits for Medicare EOB and then process accordingly. For retirees prior to 6/30/2012, there wasn't hard and fast rule about how CoreSource processed claims. We have streamlined how CoreSource will pay claims moving forward. These retirees not required to enroll in Medicare but CoreSource will request a Medicare EOB. If Medicare EOB indicates Medicare has made a payment, Peralta will pay the claim as "secondary." If Medicare EOB says retiree is not enrolled in Medicare, that will trigger to CoreSource to process the claim with Peralta being "primary." This eliminates confusion about how to pay the claims for your retirees who retired prior to 6/30/2012.

Flexible Benefits plan. For active employees. Currently your employees who have elected FSA submit claims to Pension Dynamics (PD). PD will offer (Jan. 1) debit cards allowing patients to pay for claims using these cards. This will be an option.

Rick: You go to CVS and buy a number of items. Some of those things are hearing aid batteries, some are other things. When you get the receipt it says at bottom "FSA Eligible." Would you have to pay with two different cards?

Erin: If you want to. Typically how it's coded, you can scan the FSA card, it will deduct the FSA eligible amount. And then pay the balance with the other card or cash or whatever.

Reagan: Slide 17. Ben IQ utilization report May 1 to Sept. 2. There were 29 users total.

Jennifer: Slide 18. BenefitBridge. Explanation of it. Online web resources, explanation of. We have used BenefitBridge for several cycles; it's been part of our culture for two years. In tandem with Dependent Audit we are encouraging employees to check their life insurance.

Benefits home page. Link to Dependent Eligibility Audit information.

Rick: From there, where do you find the SPDs? The dental one is not there.

Jennifer: They're all on BenefitBridge. The goal is to get them here.

Rick: I think we're going to put them on PFT website.

Jennifer: (Additional background on the Dependent Audit; goes over FAQ sheet.)

Reviews timelines.

Tom: I spoke to David Gibson. He gave me a very evolved description from what Sally presented. Gibson said we're "in the process of building a new health plan." If that's the way Sally's proposal for cash price bidding and Medicare pricing is now structured, easier to evaluate. If they are now suggesting – they believe they want to target Kaiser's price. That allows us to apply same criteria as we would for any other health plan: stability, track record,

references, documentation and so forth. The value proposition as Gibson presented it: we will reduce cost of services, return savings to members, with better benefits. The concept is, they will put in place infrastructure whereby physicians will agree to accept less from a different fee schedule. The United Labor Health Plan (ULHP) . That fee schedule will be assertion that doctors are now getting 110 percent of what Medicare typically pays. This is their assertion. ULHP is saying we will pay 138 percent. Connected to that: mechanism for cash bidding. I said what about Sutter Health? Gibson said “We don’t expect them to cooperate.” (Elaboration.)

Jennifer: Is this a whole new network?

Tom: This is a plan not a network. If you’re Anthem you have contracts with 60 percent of doctors, 100 percent of the hospitals, almost all the labs. These guys don’t have those contracts. (Elaboration.) The incentive for patients. (Elaboration.) For me there’s a mountain to climb the mechanics of this, to be able to evaluate it so that we can say, “We as consultants say this is safe to sign up for.” Also I have a hard time imagining why your members would sign up for it.

Rick: I really appreciate the time and energy you’ve spent checking this out getting answers. I had a conversation with Sally and it’s changed 180 degrees since then. From PFT perspective, originally we got into it because Sally came to us asking for a small step. (Elaboration.) I figured we’d give them data and see what happened with Sonoma. (Elaboration.) My feeling is we can take it off the table.

Tom: We are working with CARRUM. Sits on top of existing plan. Voluntary. Negotiated prices with Stanford and Scripps. There is some opportunity there. It’s already built and is understood by the insurers.

Trudy: One thing this committee does is vet ideas that come forth and we’ve done that thoroughly with this idea.

Rick: That Stanford idea –

Tom: I think that has potential. (Elaboration on CARRUM.) This is a voluntary way to move people to a center of excellence with better pricing. CARRUM sits on top of the system and tries to make it better for high-value services. They’re making the car perform better. What we need to do, though, is make the car different. (Further discussion of CARRUM and of the future of health care.)

Jennifer: Alameda County Health Benefits Committee plan to re-convene before the end of the year.

Jennifer. Next meeting: October 13 and December 8. Please remind constituents of Dependent Audit, Medicare Open Enrollment Campaign, address changes, self-service.

-End of Meeting-