



College-Wide Benefits Committee

Minutes of the Meeting
September 08, 2023

I. Call to Order/Introductions

The meeting was called to order at 09:02 a.m. via Zoom.

Committee Members

Table with 3 columns: CSEA, Faculty Association, Administration. Rows list members: Barton, Willis; Green, Kennisha; Ordaz, Cindy; Martinez, Mario, Co-Chair; McBride, Kymberlyn; Morse, Peter; Bonvenuto, Chris; Hall-Baker, Tre'Shawn; Lee-Lewis, Sherri, Co-Chair.

Resource Staff: Rogers, Lugina – HR Analyst-Leaves & Benefits; Pennington, Diana – Administrative Assistant III-Confidential

Guest: Kim Hauk & Karen Perry

Absent: Mario Martinez

II. New Business

- 1. Welcome to 2023-2024
2. Adjunct Faculty Kaiser Renewal – Kim Hauk
i. Non-Pers Kaiser Care – Please see attachment
1. 2024 Renewal Results
a. Kaiser renewal came in at 22.39% - high renewal (higher than CA average)
i. Cost of COVID is affecting care and adding costs
ii. 60% drop in annual preventative visits
iii. Expected inflation increase to 7.1% in health care over the next 5 years (expected economic growth 4.7%)
iv. Expected shortages in the next 3 years
1. 200,000+ registered nurses
2. 50,000+ physicians
v. Increase costs in pharmacy and high-cost claims
1. Rises – 15% in past year and 45% over the past 4 years
b. Kaiser reported a \$4.47B net loss in 2022
i. Causing increases in capping floor
c. SMC Plan
i. Cost for employees is not increasing much
ii. Renewal rates are increasing

d. SMC Design Options

i. CalPERS Lookalike

1. Co-Pay has changed from \$10 to \$15
2. Tier 2 Pharmacy Most Brand: has changed from \$10 to \$20
3. Tier 4 Pharmacy Most Specialty: has changed from \$10 to 20% for a 30-day supply
4. Annual Dollar Change: 17.6%

ii. HMO High Option 2

1. Co-Pay has changed from \$10 to \$20
2. Tier 2 Pharmacy Most Brand: has changed from \$10 to \$30
3. Tier 4 Pharmacy Most Specialty: has changed from \$10 to 20% for a 30-day supply
4. Annual Dollar Change: 16.4%

iii. HMO High Option 3

1. Co-Pay has changed from \$10 to \$30
2. Tier 2 Pharmacy Most Brand: has changed from \$10 to \$35
3. Tier 4 Pharmacy Most Specialty: has changed from \$10 to 30% for a 30-day supply
4. Annual Dollar Change: 14.2%

iv. HMO High Option 4

1. Co-Pay has changed from \$10 to \$35
2. Tier 2 Pharmacy Most Brand: has changed from \$10 to \$40
3. Tier 4 Pharmacy Most Specialty: has changed from \$10 to 20% for a 30-day supply
4. Annual Dollar Change: 7.0%

e. Senior Advantage has no change

2. Approval to keep current plan

Motion to Approve: Peter Morse

Second to Approve: Cindy Ordaz

Vote: Aye: 8

No: 0

Abstain: 0

3. Long-Term Care Proposal – Karen Perry

i. Can be needed at any age

1. 42% of claims are for people under 65 and 58% for people over 65
2. Long-Term Care is needed when you can no longer perform 2 of these activities: eating, bathing, dressing, toileting, continence, and transferring; or due to cognitive impairment
3. Services Provided
 - a. In-Home care for families, adult day care, home agencies, bed, and board homes, assisted living, residential care, and traditional nursing homes
4. Impact on families
 - a. Disputes within family members who are caregivers due to inequalities of duties

- b. Cash flow is not enough
 - c. Retirement plan assets decrease
- 5. Cost of Long-Term Care
 - a. Assisted Living
 - i. Annual: \$66,837
 - 1. 25 years: \$139,941
 - ii. 3-year: \$189,000
 - 1. 25 years: \$419,823
 - b. Home Care
 - i. Annual: \$77,675
 - 1. 25 years: \$162,634
 - ii. 3-year: \$233,025
 - 1. 25 years: \$487,902
- 6. Paying for Long Term Illness
 - a. Medicare
 - b. Medicaid
 - c. Self-funding
 - d. Long-Term Care Insurance
- 7. Self-Funding
 - a. Choose a safe investment
 - b. Make an adequate lump sum investment
 - i. Lump sum needed now: \$178,500
 - c. Promise not to touch it
- 8. Long-Term Care Insurance Plan Benefits
 - a. Preserves the family lifestyle inherent in your retirement/savings plan
 - b. It protects family assets
 - c. Immediately effective
 - d. No waiting period
 - e. Contract is individually owned
 - f. Spouse/partner can apply
 - g. Premiums are level
 - h. Design your own plan
 - i. No cost to the District
- 9. Policies
 - a. Traditional
 - i. Fully portable, spouse/partners can participate, issued ages 18-70, direct billed to employee, no payroll deduction, gender-neutral discounted pricing, full health underwriting
 - b. Hybrid
 - i. Guaranteed issues health underwriting options, spouse/partners can participate in plan, employees over the age of 64 will be subject to underwriting and product may vary, fully portable, gender-neutral discounting pricing, direct billed to employee, no payroll deduction
- 10. California Task Force – is working on implementing long-term care insurance, but legislature has not made a decision about a public

program, no payroll tax is being implemented, and there is no opt-out date at this time

- ii. Approval to offer Long-Term Care Insurance
Motion to Approve: Cindy Ordaz
Second to Approve: Chris Bonvenuto
Vote: Aye: 8
 No: 0
 Abstain: 0

III. Review and Approval of Minutes from prior meeting

Minutes of March 14, 2023

- Motion to Approve: Willis Barton
- Second to Approve: Kymberlyn McBride
- Vote: Aye: 7
 No: 0
 Abstain: 1

IV. Old Business

V. Topics for Next Meeting

- 1. Review the Kaiser Plan Options

VI. Dates of Next Meeting

- 1. October 2023

VII. Adjournment

- Motion to Approve: Kennisha Green
- Second to Approve: Peter Morse
- Vote: Aye: 8
 No: 0
 Abstain: 0

Meeting was adjourned at 10:18 a.m.