



**College-wide Benefits Committee
Minutes of the Meeting
January 20, 2010**

Present

Fran Chandler, Co-Chair
Marcy Wade, Co-chair
Lenore Banders
Willis Barton
Dennis Frisch
Sherri Lee-Lewis
Anna Rojas
Linda Sinclair
Al Vasquez

Guest

Vanna Ratnaransy, HR Analyst-Leaves & Benefits

Assistants

Laurie Heyman, Recording Assistant

The meeting was called to order at 1:35 p.m.

Approval of Minutes –

Minutes for meeting of December 07, 2009

Moved in favor: Sherri Lee-Lewis

Seconded: Al Vasquez

Vote: Unanimous

Reports and Discussion

Karen Perry of the Marblestone Group made a presentation on Long Term Care Insurance. www.marblestonegroup.com /

email: kperry@marblestonegroup.com

Ms. Perry's experience is in geriatric care & in the non-profit world. About 5 years ago she made the transition to insurance, specializing in Long Term Care insurance (LTCi). She has worked with community college districts across the State of California.

Presentation

Long Term Care, what is it? LTC is care that is needed for someone with a prolonged illness, disability or cognitive impairment. "Long term" is typically defined as 90 days or more in duration, and is someone who needs help with at least 2 of the following daily living activities:

- Toileting activities
- Bathing activities
- Dressing
- Eating
- Transferring
- Continence

Care given for the above activities is considered custodial care, as opposed to skilled nursing care.

Paying for LTC-

Options include the following:

- Medicare-
 - Pays Health insurance when in an approved facility
 - Home Care- must be skilled or rehab services
 - Adult Day Care- does not pay
 - Assisted Care- does not pay
 - Skilled Nursing Home – yes, but only for 100 days and only if skilled or rehab services are provided
 - Custodial Care- no coverage
- Medi-Cal - This is a welfare option if you qualify will provide
 - Skilled or rehab services in an approved facility
 - Home Care: yes for skilled or rehab services only
 - Adult Day Care – yes, for approved facilities
 - Assisted Care – almost nothing
 - Skilled Nursing Home- yes, for approved facilities
- Self funding – to cover for 3 years of benefits:
 - \$150/day of benefits 20 years from 2010, must put \$248,000 into a stable, interest bearing account
 - \$200/day of benefits 20 years from 2010, must put \$332,000 into a stable, interest bearing account
- Long Term Care Insurance

Definitions of Employer Plans:

- True Group
 - Employer paid, carrier driven solicitation & enrollment
 - No health screening
 - Basic policy
- Multi Life
 - Individuals receive policies
 - Discounted rates
 - Voluntary
 - Employee paid
 - No cost to district
 - Agent/broker oversight
 - Protects retirement income
 - LTCi can be offered to employees and family members
 - Core Buy up Plans available- if District wanted to pay \$___/day, employee pays balance
 - Executive Carve Out Plans- identified individuals have different plans

Who are the players?

- o CalPERS LTC Program
- o John Hancock Corporate Solutions
- o MetLife VIP2
- o Prudential

Regarding CalPERS, in recent years there have been rate Increases due to increased payoffs:

2003 – 17%

2007 – 30-43%

2010 – 15-22% projected

What to look for in a LTCi policy?

- o Benefit cost of \$200/day average (\$50-300) Average benefit paid out for 2 years, 7 months
- o Elimination Period 0-730 days
- o Inflation Protection – 5% simple compounded
- o Comprehensive Coverage – payout same no matter where you receive care
- o Simplified Underwriting – limited health questions

Premiums- affected by Age and Health

Sample:

- o Age at 55 years old
- o Benefit Amt: \$150/day
- o 3 year benefit plant
- o 90 day elimination
- o Standard rating
- o No inflation

Premium cost:

John Hancock: \$63/mo

MetLife: \$77/mo

Prudential: \$95.47/mo

With inflation protection, for example, the John Hancock premium would go from \$63/mo to \$140/mo.

How to Choose?

Financial Strength

Durability

Track Record in Management and paying out of claims

Reasonable underwriting

Ms. Perry suggests John Hancock is the better company at this time.

John Hancock has:

- o Corporate Solutions
- o Preferred Industry Discount

- o Rate Stability
- o Eligible employees offered simplified underwriting

Implementation – at least 90 days:

- o Final decision
- o Census completed (salary, DOB, 30+ hours per week employed)
- o Communication & Education of employees – 30 days
 - o Series of education seminars
- o Enrollment Period – 60 days
 - o Offered with individualized consultation

650-224-9204

Questions

Part time Faculty (work less than 30 hours/week) – Sponsored Group Program – Full underwriting with modified health questions, phone interview, may or may not want to look at health records

LTCi is portable- employee is able to take it to new employer
Payroll deduction available
No increase of premium due to aging

End of Presentation and Questions

Discussion

MW: Not a District expense

KP: No minimum requirement; a group of 10 people would work

FC: perhaps we should offer information on 2 companies; one on John Hancock, one on CalPERS.

MW: CalPERS does offer LTCi

FC: Does CalPERS come out to speak?

MW: it is a service offered; we could ask for more information

WB: What if we bring in MetLife or Prudential for a presentation?

FC: We should get the perspective of another company.

DF: We have employees who have CalPERS, and we should think about bringing in someone to talk from CalPERS.

FC: Sherri, can you talk to CalPERS? I want to make sure we are not shutting out the competition.

MW: We will put through the request.

Next Meeting

Either of two dates:

1st choice: March 03, 2010 – Wednesday, 1:30pm-2:45pm; Location: HR Staff Lounge, 2714 Pico Blvd., 2nd floor,

OR

2nd choice: February 24, 2010 – Wednesday, 1:30pm-2:45pm

Adjournment: 3:05p.m.