

FOLSOM CORDOVA UNIFIED SCHOOL DISTRICT
Employee Benefits Committee
February 29, 2012

MINUTES

Committee members present: Chiara Galloway, Jean Shumpelt, Karen Knight, Leann Dessaussois, Rhonda Crawford, Terri Ezaki, Michael Itkoff, Richard Willis, Rob Thomas, and Sandy Connelly as recorder. Absent: Ana Simental, Dan Anklam, Elena Cabrera, and Mary Ann Dellene

Vision Renewal

The committee decided to remain with Superior Vision for 2012-13. In considering Vision Service Plan's (VSP) bid, the idea was to apply the approximate \$87,000 savings to the Medical Cap, however, the savings would have only extended the cap by approximately \$5 per employee and the committee felt the savings to change to VSP was not substantial enough to cause the employees to go through the paperwork exercise. The committee appreciated VSP's efforts. EPIC will notify Superior of the decision and receiving the committee's approval will have conversation regarding community involvement. Both Superior and VSP are located locally and VSP is committed to community involvement as evidenced by local scholarships and has joined the Folsom Cordova Education Foundation as a corporate partner. In their decision making process in the future, the committee will weigh community involvement.

Medical Renewal

EPIC received the renewal proposals/increases for Health Net 7.75%, negotiated down from 12.05%, Western Health Advantage 7.82% negotiated down from 9.05%, and Kaiser 1.35% for the three status quo plans that are \$10 copay, \$20 copay, and HDHP/HSA.

Kaiser presented an alternative new plan that replaces the current high and low plans, and has a lower monthly premium that makes it more competitive to WHA's monthly premiums. With the alternative plan, it is still a \$20 copay but it changes the prescription portion as well as the emergency room copay. The new plan encourages using a mail order service for prescriptions rather than picking up. Ability to pick up is still available but at a higher cost than mail service. With this new alternative, Kaiser is investing approximately \$320,000 to consolidate plans and provide a competitive plan allowing employees to reduce monthly premium costs over what they are currently paying. Kaiser hopes to recover members that have opted for one of our less expensive plans. The committee discussed the potential ramifications in 2013-14 if Kaiser doesn't recoup its investment. EPIC speculated and later confirmed in a 3/5/12 email three items relative to the Kaiser investment: 1. The increase in 2013-14 will be subject to the Kaiser maximum increase which has not yet been established. For 2012, the maximum is 17%; 2. Based on percentage, the renewal may be a larger percent increase since the starting point will be lower because of the investment for 2012-13; and 3. The district will receive a benefit adjustment credit in 2013 if we choose to take the alternative \$20 plan being proposed. Based on the information provided by Kaiser, EPIC felt the risk to accept the "investment" would be minimal. It does mean that current Kaiser members will experience some change in benefits. The committee, after discussing with their groups, felt it could be a good option to offer their employees.

Section 125

EPIC reported that effective 1/1/13, the maximum annual amount allowed under a healthcare flexible spending account is \$2,500, which will be indexed to inflation every year beginning in 2014. Currently the district's plan year runs July 1 to June 30, (non calendar year) and the current limit is \$3,600. This change does not affect the dependent care max of \$5,000. Two options were presented. Option 1 – amend the plan to adjust the annual maximum election to \$2,500 beginning with the 2012 plan year to be sure the deductions do not exceed \$2,500 in 2013 or Option 2 – amend the plan to run a short plan year for 2012 at the current limit. The limit would change to \$2,500 for 2013. The committee chose Option 1 as recommended.

Future Meeting Dates, 3:00 PM, Education Services Center, 4th Floor, Room 401 (appointments have been sent to the committee via GroupWise.)

- Wednesday, March 14, 2012
- Monday, March 26, 2012
- Monday, April 9, 2012 (Last day of spring break – Reschedule if needed)