

PARAMOUNT UNIFIED SCHOOL DISTRICT

INSURANCE COMMITTEE MEETING MINUTES

September 25, 2012

Meeting called to order by Michael Conroy at 3:36.

Agenda item one: Review Norms

Norms reviewed on the reverse side of the agenda.

Agenda item two: Health Survey Results

Health and Welfare survey was conducted in early June 2012. Handouts of the survey results were distributed to the committee. Results showed District employees who have the Blue Cross PPO Plan had an overwhelming satisfaction with the current 100% PPO Blue Cross Plan (97%), a desire to keep the current 100% PPO Blue Cross plan (87%), and a willingness to pay higher employee contributions to keep 100% PPO Plan (70%).

Agenda item three: Insurance fund update

An overview of the 2011-12 Health and Welfare analysis/summary was presented. The summary showed the District contributed an additional \$388,615.05 to cover the shortfall. The reason for the District's contribution to cover the deficiency is the "projected" shortfall used to increase employee contributions is done prior to the start of the new benefit year and prior to Open Enrollment. During Open Enrollment, employees may migrate from one plan to another and change their employee status between 1pty, 2pty or 3pty. With the beginning of the school year, additional new hires are added. Changes in employee status will continue to change throughout the school year. It was asked, if the shortfall was due to additional staff added but not budgeted for, why should the employees pick up the shortfall? The District should expect a lesser shortfall, moving the open enrollment effective date to a January 1 date.

It was asked that negotiations address the year-end shortfall. At this time, since this has not been negotiated, the District has picked up the shortfalls. The District is not able to continue to pick up the shortfall and this is why Fiscal Services is asking for this to be discussed in negotiations.

Agenda item four: Rate Renewals

Rate renewals for the 2013 Benefit year were received, an overall net average of 3.5% increase for medical. They are as followed: Kaiser HMO 2.079% increase, Anthem Blue Cross PPO 5% increase, and Delta Dental PPO 6.8% increase. Because of the low rate renewals, the committee agreed that there was no need to discuss going out for bids from other insurance carriers.

Based on the September employee counts, the shortfall for each employee will be \$760.62 annually, \$76.06 tenthly. The handout indicated the new 2013 employee contribution cost, which included the added shortfall for the 2013 renewals and adding back the one-time funds for the 2011-12 benefit year. The new 2013 employee contributions are prior to any negotiation relief.

Agenda item five: CECHCR

The committee agreed to move forward with CECHCR training. LACOE and San Gabriel USD are also interested in a joint-training program with PUSD. The committee requested training in modules 1-3 to prepare for module 5, which includes an independent review of our existing plan. Michael will contact CECHCR and see when training dates are available.

Agenda item six: Continue or not continue Pilot of 2 meetings per month

It was agreed to not continue the 2 meetings per month. Since the employee survey indicates employees do not want a change in plans, there is no need to meet twice a month.

Agenda other items: Other – Open Enrollment Health Fairs

Open Enrollment/Health Fairs will be during the week of November 13th.

Follow-up for next month: October Agenda Items

It was requested to have an update on Doc in a Box.

Final agenda item: Next Insurance Committee Meeting to be held Tuesday, October 30, 2012 at 3:30 PM

Attendees: Lourdes Aguayo, Jolanda Dudgeon, Ana Martinez, Donald Lockwood, Rosemary Green, Myrna Morales, Richard Morgan, John Lussman, Nelda McCone, Nancy Randall, Leonard Rodriguez, Vivian Hansen, Michael Conroy, Ranita Browning and DeeDee McCarty.

Meeting adjourned at 4:49 PM.