

April 22, 2009

INSURANCE TASK FORCE COMMITTEE MEETING

Members Present

Dr. Greg Adkins
Shandra Backens
Leo Burt
Mark Castellano
Karen Cooley
Ami Desamours
Marcia Fain
Ron Frazer
Jamie Michael
Donna Mutzenard
Tommy O'Connell
Bob Rushlow
Susan Strong

Members Absent

Steve Bowman
Marty Mesch
Suzan Rudd

Others

Bob Chilmonik, Liaison
Board Member
Joe Pescatrice, Retiree Liaison
Debbie Durieux
Jeff Reagan
Debbie Strong
Karen Toro
Glen Volk

The meeting was called to order at 2:16 PM.

Approve Minutes of 3/12/09 – Regular Meeting

Ms. Susan Strong asked if there were any additions, deletions, or corrections to the Minutes of the March 12, 2009, meeting. There being no changes, Mr. Tommy O'Connell made a motion to approve the Minutes; Dr. Greg Adkins seconded the motion; and the motion passed unanimously.

Approve Minutes of 3/12/09 – Interest-Based Meeting

Ms. Susan Strong asked if there were any additions, deletions, or corrections to the Minutes of the March 12, 2009, Interest-Based meeting. There being no changes, Mr. Tommy O'Connell made a motion to approve the Minutes; Ms. Donna Mutzenard seconded the motion; and the motion passed unanimously.

Approve Minutes of 4/9/09 – Interest-Based Meeting

Ms. Susan Strong asked if there were any additions, deletions, or corrections to the Minutes of the April 9, 2009, Interest-Based ITF meeting. There being no changes, Mr. Tommy O'Connell made a motion to approve the Minutes; Mr. Mark Castellano seconded the motion; and the motion passed unanimously.

Benefit/Service Renewal Matrix

Mr. Jeff Reagan reviewed the 2009 Insurance Benefit and Services Renewal Grid, which included the following:

- Cancer Insurance

- Benefit Consulting Services
- Dental Insurance
- Disability Insurance
- Employee Assistance Program
- Flex Plan Administration
- Life Insurance
- Medical Insurance
- TSA Administrative Services
- Vision Insurance

Mr. Regan then discussed AM Best Ratings and how Delta Dental's rating had been downgraded from A- to a B++. Mr. Reagan pointed out that Delta Dental was one of the largest dental insurance providers and continues to have high market penetration and high retention of existing clients. He felt the B++ rating still reflected that they remain a solid, stable company. He did not feel any real concern regarding Delta Dental's financial integrity.

Ms. Strong pointed out that Delta Dental had issued a statement wherein they indicated their rating change was attributable to a decline in capital caused by the following two factors:

- A significant one-time charge due to new pension rules
- Investment losses from the market downturn.

Delta Dental has made, and continues to makes, a gain from operations each year.

Ms. Strong told the committee, that while this would normally be the time for the ITF to decide if an RFP needed to be released for any of the benefits/services, she asked everyone to take into account that Navigator was scheduled to go live for benefits and payroll on July 1, 2009. For the next several months, she and her staff would be accumulating requested data, training, testing, etc. in order to meet the July 1, 2009, go-live deadline. In addition to the Navigator project, her staff was also compiling documents and data for the FY10 property/casualty insurance renewal. Ms. Strong is also representing the District in contract negotiations with both bargaining teams. With so many top priority projects, she is concerned neither she nor her staff would have enough time to devote to an RFP.

Dr. Adkins asked Ms. Strong if releasing an RFP could jeopardize the July 1, 2009, go-live date for Navigator. Ms. Strong indicated that she feared it might. Dr. Adkins indicated that, at this point, he felt the District should not do anything that would jeopardize the July, 2009, go-live date for Navigator.

Ms. Ami Desamour felt that since no RFP had been released for either dental or disability insurance since 1997, the District should release an RFP for each this summer. Ms. Desamour made a motion to release RFP's for dental and disability insurance; Ms. Shandra Backens seconded the motion; the motion failed with 3 voting in favor; and majority voting against.

Mr. Bob Rushlow made a motion to release an RFP for dental insurance; Ms. Shandra Backens seconded the motion; motion failed with 2 voting in favor, majority voting against.

Good of the Order

Ms. Marcia Fain said she had been approached by a fellow employee who asked her about high-cost medical claims; in particular, chiropractic claims. He was concerned that a certain chiropractor was performing high-cost procedures that were not necessary and that these were contributing to the increase in insurance premiums. Ms. Strong indicated that this was a concern identified in a Blue Cross claim analysis and that BCBS was currently looking into the provider's practice patterns.

The meeting was adjourned at 3:08 PM