

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO
BOARD OF DIRECTORS SPECIAL MEETING MINUTES

Wednesday, October 26, 2016

2:30 p.m.

BMU 205

Members Present: Michael Pratt, Vu Nguyen, Teddy Delorenzo, Andrew Roberts, Bro Dumas, Brett Rahtz, Tammi Fleet

Members Absent: Jim Hyatt and Drew Calandrella

Others Present: David Buckley, Karen Bang (recording), Susan Jennings, Leah Railey, Jamie Clyde, Thang Ho, Shar Krater, Nan Timmons, Katrina Robertson, Daniel Human

- I. **CALL TO ORDER** – The meeting was called to order at 2:30 p.m. by the Chair, Pratt.
- II. **AGENDA** – **Motion to approve the 10/26/16 agenda (Nguyen/Roberts) 7/0/0 MSC.**
- III. **ANNOUNCEMENTS** – Nguyen said Safety in a Slice has been moved to UHUB and we're partnering with Housing.
- IV. **BUSINESS**
 - A. **Action Item: Approval of 2017 Health Premiums** – Buckley said he sent the Board an email a couple of days ago regarding the Blue Cross and Blue Shield proposals. After discussion with staff directors and some staff, Buckley said they're recommending going with Blue Shield at a split of 85% (AS pays 85% of premium) and 15% (staff pays 15% of premium). The Board was presented with information regarding an 85/15 split as well as an 80/20 split. Jennings reviewed the premium differences between Blue Cross and Blue Shield. She said for the Blue Cross plans the split was previously 80/20. She said they looked and talked at length about trying to get to a flat contribution rate whereby the AS would fund x number of dollars, but with this model and these numbers it's impossible without significantly impacting one of the plans. Jennings reviewed the three Blue Shield Plans, noting the Blue Shield HMO is comparable to the Blue Cross HMO, the Blue Shield PPO is comparable to the Blue Cross PPO. She said they do not have a comparable Blue Shield plan for the Blue Cross PPO High plan. Premium comparisons were reviewed. Jennings explained the Blue Cross PPO plan was the one that we were supplementing. Now the Blue Shield PPO High Deductible plan would be the one that would be supplemented. Buckley said approximately \$274,000 would be saved by going with Blue Shield. Buckley pointed out that they've discussed the past couple of years, for those employees only making \$13 to \$14/hour, how expensive medical premiums are for them. He noted the Blue Shield High Deductible Plan means employees would have to spend \$2,600 out of pocket first (the family deductible is \$5,200); however, younger employees that don't go to the doctor a lot may decide on this plan. Jennings said they're suggesting the split on the High Deductible Plan be 95/5 because of higher deductibles. Delorenzo asked if this drop in rates will be a one-time cost with Blue Shield and Railey explained the broker said realistically the rates will inch up. Buckley said by the time they have to give us the rates next year, they probably won't go up much for 2018 because they won't have enough experience ratings at that time. He said it's possible after that, that rates will go up when the experience ratings come in. Buckley said they may need to look at premiums each year and suggested that perhaps next year we could bundle together with Research Foundation as between RF and the AS, we were 31% of the total BUG group we were in. Jennings noted by going with Blue Shield, this gives employees the ability to move from plan to plan yearly, including moving to the HMO. Jennings next reviewed the 80/20 split. Railey reviewed the plan benefits, explaining in-network and out of network rates. Discussion was held. Delorenzo asked if coverages are similar, and Railey said they are. She also noted that under the Affordable Care Act, employees can't be denied coverage for pre-existing conditions. **Motion to adopt the Blue Shield medical plan, AS 85% and employee 15% for the 2017 coverage year (Delorenzo/Roberts).** Delorenzo said we may never be able to capture these savings again and it's fiscally responsible. Buckley explained that if the motion is approved they then have to decide between the Wells Fargo broker, LBL broker or a local broker. **7/0/0 MSC.**
- V. **ANNOUNCEMENTS** – None
- VI. **PUBLIC OPINION** – Limited to three minutes per speaker, five minutes for entire topic – None
- VII. **ADJOURNMENT** – The meeting was adjourned at 3 p.m. by the Chair, Pratt.