

**COMBINED PHONE MEETING OF THE BUSINESS AFFAIRS
AND EXECUTIVE COMMITTEES OF THE BOARD OF TRUSTEES**

**Community College of Philadelphia
Friday, August 30, 2019 – 9:30 A.M.**

Dial-In Number: 1-888-675-6779

Participant Passcode: 5410073#

Moderator: 7865650# (Community College of Philadelphia)

Present for the Business Affairs Committee: Mr. Harold Epps, Mr. Steve Herzog, Mr. Jeremiah White and Mr. Michael Soileau

Present for the Executive Committee: Mr. Jeremiah J. White (Chair); and Lydia Hernández Vélez, Esq.

College Administration: Donald Generals, Ed.D., Mr. Jacob Eapen, Mr. James P. Spiewak, and Victoria Zellers, Esq.

**MEETING MINUTES
PUBLIC SESSION**

Combined Meeting of the Business Affairs and Executive Committees of the Board of Trustees

Chair White called the Business Affairs Committee meeting to order:

(1) Stop Loss Insurance (Action Item):

Discussion: Mr. Eapen stated that the current stop loss insurance reimburses the College when healthcare claims for an employee or dependent exceed \$250,000 or when a retiree's claims exceed \$175,000. The College's current one-year insurance policy is with Unum and expires August 31, 2019. He stated that the College requested that Alliant, the College's benefits broker, solicit quotes for the stop loss insurance effective September 1, 2019. The College received three bids for this coverage.

Unum submitted a base bid that had the lowest premium but included higher limits (lasers) than the \$250,000 for three active claims. For two of the claims, the limit was raised to \$475,000 and for the third claim the limit was raised to \$565,000 which adds \$765,000 of additional cost exposure to the College. Sun Life's original proposal had a slightly higher premium than Unum, but no changes to limits (i.e. no additional exposure) for any claims. Based on a recommendation from the College's benefits broker, the College requested that the limits for retirees be raised from \$175,000 to \$250,000 to lower the overall premium. This resulted in a revised proposal of \$1,363,792 which is \$87,877 less than the expiring cost for the Unum Stop Loss Insurance. Swiss Reinsurance also submitted a competitive proposal, but it also included lasers which added \$625,000 of additional cost exposure to the College. Based upon this cost analysis, College administration found the Sun Life proposal was the best proposal (based on the lack of additional cost exposure) that fully meets the requirements of the College. Sun Life is an insurance company

with an A.M. Best rating of A (excellent financial strength). Please refer to Attachment A for background documentation including Stop Loss marketing results. Mr. Eapen stated that the staff requests that the Business Affairs and Executive Committees of the Board of Trustees accept the proposal made by Sun Life for the period September 1, 2019 to August 31, 2020 in the amount of \$1,363,792, which is \$87,877 less than what the College paid for the same period last year.

In response to Committee members' questions staff noted that carriers will only provide quotes for one year and require the most up-to-date claims information before providing a quote; this means that renewals can only occur close to the expiring date of policies. Staff noted that medical and prescription drug claims experience has been relatively stable over the past two years. The College has been self-insured since 2009 which has resulted in substantial savings for the College over premium-based coverage. Staff noted that Sun Life is also the carrier for the College's life insurance and long term disability policies.

Action: On behalf of the Business Affairs Committee, Mr. Epps moved and Mr. Herzog seconded the motion that the Business Affairs Committee recommend that the Executive Committee of the Board of Trustees accept the proposal made by Sun Life on the Stop Loss Insurance for the period September 1, 2019 to August 31, 2020 in the amount of \$1,363,792. The motion passed unanimously.

Chair White called the Executive Committee of the Board of Trustees meeting to order:

Action: On behalf of the Executive Committee, Ms. Hernández Vélez moved and Mr. White seconded the motion that the Executive Committee accept the proposal made by Sun Life on the Stop Loss Insurance for the period September 1, 2019 to August 31, 2020 in the amount of \$1,363,792, and that the Stop Loss Insurance proposal made by Sun Life in the amount of \$1,363,792 be ratified at the September 5th, Board of Trustees meeting. The motion passed unanimously.

Chair White re-opened the Business Affairs Committee Meeting of the Board of Trustees for additional information items:

(2) Amendment to the Lease for 4733 Chestnut Street - Withdrawn (Information Item):

Discussion: Mr. Eapen stated that the College leases a portion of the building on 48th and Chestnut Street for the West Regional Center. With the planned demolition of the automotive building in early part of 2020, the College was negotiating to lease about 6800 sq. ft. of building with additional parking to move the automotive program to the adjacent space that the College currently leases. However, Mr. Eapen informed the Committee that on Thursday, August 29th, Michael Axelrod and Affiliated Companies rescinded their offer and signed a lease with their current subtenant of the space.

Committee members and staff discussed options related to another property near the West Regional Center that could be utilized for the parking required by City code related to the construction of the Career and Advanced Technology Center.

(3) Bid Results for Furniture for the Library and Learning Commons Project (Information Item):

Discussion: Mr. Eapen stated that the furniture requirements for the 3 phases of the Library and Learning Commons were compiled into a line-item bidding template to maximize competition and receive optimal pricing. The bid was posted to PennBid on August 5, 2019 with proposals on August 28th at 1:00 pm.

The College received six responses to the Furniture RFP. A seventh response was received but after the due date so it was returned unopened to the vendor. As staff reviewed the responses, it became apparent that additional time is needed to fully evaluate the responses. The College's bid specifications utilized a manufacturer's brand name and/or model to indicate the minimum standard desired by the College (the "basis of design"). The RFP stated the College will consider substitutions of equal or greater quality and that the College reserves the right to determine equivalency. Vendors submitted substitute products for many of the items and staff are now in the process of reviewing descriptive literature, catalog tear sheets, drawings, materials and other detailed specifications.

Staff will present a recommendation for the furniture items and installation at the September 18, 2019 Business Affairs Committee meeting.

Chair White closed the meeting of the Business Affairs Committee.

ATTACHMENT A

STOP LOSS INSURANCE

Community College of Philadelphia Marketing Analysis

	CURRENT		RENEWAL		Proposals	
	UNUM	UNUM	UNUM	Sun Life	Sun Life	Swiss Re
Plan Benefits: Medical & Rx						
Stop Loss Contract Claims Basis	12/15 Unlimited Unlimited	12/15 Unlimited Unlimited	12/15 Unlimited Unlimited	12/15 Unlimited Unlimited	12/15 Unlimited Unlimited	12/15 Unlimited Unlimited
Annual Max	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Lifetime Max						
Specific Individual Deductible (Active & Retiree under 65)	Enrollment	Rate	Monthly Premium	Rate	Monthly Premium	Rate
	466	\$39.45	\$18,384	\$35.94	\$16,748	\$40.21
Single		\$133.88	\$77,517	\$121.87	\$70,563	\$119.19
Family	579	\$4.49	\$4,692	\$4.25	\$4,441	\$4.19
Aggregate Premium	1,045					\$4.379
Specific Individual Deductible (Retiree Over 65)	Enrollment	Rate	Monthly Premium	Rate	Monthly Premium	Rate
			\$175,000		\$175,000	
						\$200,000
Aggregate Premium	514	\$36.54	\$18,782	\$30.91	\$15,888	\$40.21
	514	\$3.11	\$1,599	\$3.75	\$1,928	\$4.19
Aggregate Premium						\$2,154
Aggregating Specific Deductible (All Active & Retiree)**						
Total Monthly Fixed Costs			\$120,972		\$113,649	\$114,949
Total Annual Fixed Costs			\$1,451,668		\$1,363,792	\$1,379,388
% Change on Fixed Costs Only			-8.43%		-3.22%	-4.98%
\$ Amount Change on Fixed Costs Only			(\$136,861)		(\$87,877)	(\$7,280)
Additional Exposure (Lasers)						
		Laser 1:	\$475,000	No Lasers	No Lasers	Laser 1:
		Laser 2:	\$475,000			\$675,000
		Laser 3:*	\$565,000			
		* Conditional laser in the event of a liver transplant				
		Additional Exposure of \$765,000		No Additional Exposure	No Additional Exposure	Additional Exposure of \$625,000
						** Aggregating specific adds an additional \$200,000 of stop loss coverage over individual specific

This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claim costs, managed care savings, etc. There are many variables that can affect future health care costs including patterns, catastrophic claims, changes in plan design, healthcare trend increase, etc. This analysis does not amend, extend or alter the coverage provided by the actual insurance policies and contracts. Please consult your policy or contract.



Community College of Philadelphia

Stop Loss Marketing Results

Carriers		Carrier Rating
Incumbent:	Unum	A
Proposed:	Responses:	
Amalgamated	DTQ	A
Anthem	DTQ	A
Berkley	DTQ	A+
Highmark	Q	A
HIIG	DTQ	A
Ironshore	DTQ	A
Liberty Mutual	DTQ	A
Sun Life	Q	A
Swiss Re	Q	A+
Symetra	DTQ	A+

- Q Quoted and included in this analysis
- NC Quoted but not financially competitive and not included in this analysis
- NM Quoted but could not match current plan designs, not included in this analysis
- DTQ Declined to quote
- Pending Quote not completed at time of presentation