

Minutes
Health Plan Review Committee
January 15, 2020

A Health Plan Review Committee Meeting was held on January 15, 2020 in the 3rd floor conference room, City Hall, 212 SW 9th Street, Lawton, Oklahoma at 10:00 am and was presided over by Rusty Whisenhunt, Chairman.

The agenda for the meeting was posted on the bulletin board in City Hall in compliance with the Oklahoma Open Meeting Act.

I. Roll Call

Members Present: Rusty Whisenhunt
John Schwenk
Albert Ozuna
James Churchwell
Bob Bigham
Britt Hubbard
Charlotte Brown (alternate)
Tiffani Burk (alternate)
Scott Kisner (LPD alternate)

Members Absent: Bruce Kizarr **
Richard Rogalski*
David Raynor**
* excused
** unexcused

Others Present: Dewayne Burk, HR Director
Megan Loftis, Benefits Coordinator
Kristin Huntley, Budget & Compliance Supervisor
Jody Maples, CCMH Community Outreach Coordinator
Higginbotham: Luann Yarberry, John Collins, Bryan Shine, Pam Hamlin and Evan Spring (Maggie Hadden was present via phone)

II. Finance Report

Supplemental Bank Reconciliation

Bank balance as of December 31, 2019	\$	465,271.82
Outstanding Deposits	\$	378,848.93

Cleared Checks as of 01/10/2020	\$ 794,279.99
Outstanding Claims (Self-Funded)	\$ 246,806.17
Outstanding Claims (Pass through)	\$ -
<u>Due to City of Lawton General Fund</u>	<u>\$ 1,250,000.00</u>
Deposits in Transit	\$ 168.90

Adjusted Balance as of Jan 10, 2020 \$ (1,446,796.51)*

Huntley stated deposits to the health fund from payroll deductions from July 1 to December 31, 2019 averaged \$290,666.57. The payroll deposit from January 3rd's payroll was \$311,535.36.

Huntley confirmed Liazon is paid through January and admin is paid through January; everything is up to date.

Whisenhunt mentioned the City's life insurance for employees was changed approximately 2 years ago to 1x the annual salary of each employee and asked where that was shown. Huntley stated it's on the Liazon bill and that she could break it down further for Whisenhunt. Whisenhunt stated it should not be paid out of the health fund and that's what he saw on the reports from the last meeting.

**Huntley later confirmed via email the City's portion of the life insurance on the Annual Bank reconciliation (third page of the finance report) is reflected under Receipts, City Contribution, Life (YTD total is \$896.13) and is an issue HR is addressing.

**Motion made by Ozuna to approve the Finance Report, second by Hubbard.
Ayes: All – Nays: None (T. Burk & Kisner did not vote)
Motion approved.**

III. Wellness Committee update

Brown stated she and Loftis met last week and spoke with Katie from Higginbotham on the status of the wellness committee and where the committee would like to see it go. Katie sent both Brown and Loftis some wellness information and it was decided to end this fiscal year kind of soft.

Brown gave the committee handouts that Katie provided for them to review.

Brown stated the first challenge the Wellness Committee has decided to go with is "Attitude for Gratitude". Brown stated she thought this challenge would help employees be more positive and help boost morale.

Brown shared how she and Loftis were trying to think of ideas to get more of the public utilities' employees involved. There are plans to meet with Beth, Field Utilities Admin for ideas and maybe attend some of the division's monthly safety meetings.

D. Burk suggested getting with Tiffany Vrska and putting something into the City newsletter.

Brown stated the committee was still searching for incentive ideas and she has been told that there was a wellness fund somewhere. Both the Higginbotham team and HCH team had someone looking into it. Whisenhunt feels there are funds setup through the HCH contract for incentives.

Brown stated in April the committee hopes to have a fitness challenge and then in May having a nutrition challenge.

Brown and Loftis stated the challenges will be quarterly vs. annually.

Motion made by Churchwell to support the Wellness Committee's plan for a "Attitude for Gratitude" wellness challenge, second by Ozuna.

Ayes: All – Nays: None (T. Burk & Kisner did not vote)

Motion approved.

IV. Wellness update report

Loftis stated the next Blood Drive is on February 7th at the Public Utilities yard. The hours will be from 12pm-4pm.

Whisenhunt asked about the physical incentive and Loftis stated she would bring those numbers to the next meeting.

V. Minutes

Brown made a change on page 5, paragraph 1 of the draft minutes. Wording was out of order and Loftis noted the change will be made and reflected on the final minutes to be posted.

Whisenhunt asked for a motion to approve the minutes from the November 20, 2019 meeting.

Motion made by Hubbard to approve the minutes with the change requested by Brown, second by Ozuna.

Ayes: Whisenhunt, Ozuna, Churchwell, Bigham, Hubbard, Brown

Nays: None - Abstain: Schwenk (T. Burk & Kisner did not vote)

Motion carried.

VI. Old Business

- a. Wellness incentive and take action if required

Whisenhunt asked Loftis to bring an update on the physical incentives for the next meeting. An update would include how many participants, days off stats, \$100 stats and have it broken down by quarter.

Whisenhunt asked the Higginbotham team to get with the HCH Care Coordinator about getting a summary of stats from those calling physicals in, of course without violating any HIPPA laws.

No Action.

VII. New Business

Due to the meeting having an exceptionally long agenda and with time pressing matters needing to be addressed at the present meeting Whisenhunt recommended tabling items B, C, D, E and striking the addendum item (aka item H).

Motion made by Brown to Table items B, C, D, E and striking the addendum item (aka item H), second by Churchwell.

Ayes: All – Nays: None (T. Burk & Kisner did not vote)

Motion approved.

- a. Meet and greet with Higginbotham – discuss expectations and plan of action

Luann Yarberry introduced her team to the committee, John Collins, Pam Hamlin and Evan Spring. Luann also introduced Bryan Shine who is the one who will be looking at the City's health fund to help figure out the deficit.

Yarberry passed around an agenda to the committee.

Yarberry stated she consolidated a lot of information that she had received going back and forth with Loftis. Yarberry stated she needed the committee's help to figure out expectations, etc.

Yarberry stated the Higginbotham team has a meeting scheduled on Tuesday (January 21st) with Healthcare Highways "HCH" and their team to go over concerns, contracts, procedures, etc.). Yarberry stated she has contacts that start with Melani all the way up to the president of HCH. A few of the concerns that Yarberry plans to go over with HCH is misinformation given out, Healthscope not being user friendly, claims denial, CCMH issues, claims getting denied when they are over \$1,000 due to subrogation.

Yarberry asked the committee for help understanding the difference between HCH, Healthscope, Companion, CerpasRx and Careways.

Whisenhunt stated that HCH is who the City has the actual agreement with and the rest fall under HCH. HCH is doing the 3rd party administrator for the medical. HCH is using CerpasRx as the 3rd party administrator for the prescription coverage. Companion is stop loss.

Collins asked if HCH has an agreement with the City and then HCH has agreements with the others including the stop loss. Whisenhunt confirmed.

Whisenhunt stated Careways helps facilitate assistance to employee. The Careways Coordinator can help an employee find a doctor within network, can help an employee find a specialist within the network and usually help find doctors with a fast turnaround time for appointments. Whisenhunt stated the Careways Coordinator has also reached out to his wife in the past about medicine that was affected by the formulary change.

Yarberry asked if an employee has an issue with their deductible, which one does that effect. Whisenhunt stated Healthscope. The Careways Coordinator does not handle billing issues.

T. Burk asked how employees know about Careways. Brown stated right after the City switched to HCH she received a phone call from Careways. Loftis stated she had no idea about Careways until the past Health/Wellness Fair in October when she was introduced to Careways Coordinator.

Whisenhunt had very high praise for the Careways Coordinator, Cathy.

Yarberry asked about Healthscope and what they do. Whisenhunt stated this is another part of HCH, but he wasn't sure on what they do. Loftis stated Healthscope sends the bills, they do the ACH deposits and the TPA admin.

Yarberry asked who Loftis' contacts were with HCH and those were confirmed as Melani and Denise.

The committee discussed issues regarding HCH and their customer service.

Yarberry moved onto BCBS – Medicare/PDP. Yarberry stated she has been in contact with Chris Engelman from BCBS and he'll remain her contact as he was 3 years ago when the City was with Higginbotham.

Whisenhunt stated the only complaints he's heard about BCBS is the price but he knew that, that plan was designed to be a rich plan. Yarberry stated she designed the plan to be a Plan F and a global plan. The PDP plan is rich because it does have GAP coverage.

Yarberry brought up Medicare questions that will be discussed at the next meeting. Yarberry stated she verified through HCH that anyone who turns 65 can join the BCBS plan.

Yarberry moved onto Delta Dental. D. Burk stated we are good with Delta Dental.

Yarberry moved onto Vision with MetLife. D. Burk stated the Vision, Accident, Critical Insurance, Hospital Indemnity, STD and LTD – those items must go out to bid. Collins asked when the terms start, and Whisenhunt stated July 1.

D. Burk stated his goal is to have contracts done so he can take them to council by the 1st of May or even better in April.

Yarberry stated the City has a lot of carriers and a lot of plans. Her goal is not only to consolidate carriers but plans as well by seeing how many employees are enrolled in each plan.

Yarberry next brought up HAS/FSA/Dependent care. This is an option offered by Higginbotham and she stated Hamlin was present to answer any questions the committee had.

Whisenhunt stated Discovery Benefits is under Liazon the committee needs to consider switching to Higginbotham. The committee discussed dissatisfaction with Discovery Benefits' customer service – no contact person and emails sometimes take weeks to receive a response.

Hamlin stated with Higginbotham a call/email back is guaranteed within 24 hours. HR can have an admin portal and then every employee will have their own login to the portal. The portal allows an employee to connect to the medical plan which allows easy access to EOB's that would be needed for substantiation.

Hamlin stated there are 2 methods of payment for the City – the City can also set guidelines for substantiation requirements. Employees are automatically given a card. There are 5 ways an employee can submit claims.

Collins stated the City's past issue with Higginbotham is everything had to be substantiated and now there are choices.

T. Burk stated she felt the issues last time were because employees weren't used to having to substantiate their flex purchases and now that we've been with companies like American Fidelity and Discovery Benefits, employees are more used to it now.

D. Burk stated that HR has already confirmed that there would be a cost savings by switching to Higginbotham. D. Burk stated the committee needs to consider the 1095's. D. Burk stated he would like to get as much as he could switched to Higginbotham so services could be a "one stop shop". D. Burk stated he was concerned by those bills which are paid by Liazon, how those would be handed if the switch was made to Higginbotham.

Whisenhunt stated it's very hard to track Liazon billing. Loftis stated the Liazon bill is paid out of 3 accounts: payroll, flex fund and health fund.

Whisenhunt stated action needs to be taken on the flex fund because the City's legal team recommends giving Discovery Benefits notice of cancellation ASAP.

Motion made by Schwenk to move to Higginbotham for Section 125 Administration (HSA/Flex) and to file the City's 1095's, with a second by Ozuna.

Ayes: All – Nays: None (T. Burk and Kisner did not vote)

Motion approved.

Yarberry moved down her list to Liazon.

Loftis stated she had already been talking to Hadden with Higginbotham about what Higginbotham can do vs. Liazon. Hadden told Loftis that she couldn't connect with GEMS for an automatic feed, but she could create a report that Brittany Sawyer (COL – IT) could upload and to update GEMS.

D. Burk mentioned the City is going to Tyler Technologies so the enrollment portal may be a 1-year agreement.

Collins stated, if the City keeps the portal up to date, then the enrollment portal, (Benefits in Hand "BIH"), can integrate to the City's payroll system through an upload. Collins stated if the City will keep the portal updated, then Higginbotham staff will upload all information and changes to the various vendors. Collins stated it's not automatic, but from the City's POV it would be automatic.

Collins asked how Liazon was paid, if it's one large bill or if the City pays each carrier. It was confirmed by Loftis that it's one bill paid, less anything from HCH. Collins stated would be a big difference as Higginbotham doesn't have consolidated billing. The City would have to reconcile the bills and pay those. Yarberry stated there is a report in the enrollment portal that can be ran to help reconcile those bills.

Loftis stated she recently learned that Liazon is not paying provider bills. Liazon is paying providers based on enrollees on the enrollment portal, so there is no reconciling or double checking.

Collins stated BIH is a service provided to the City at no cost. Collins stated there are components that have a cost – the Flex card has a fee; the ACA reporting has a fee.

Yarberry wanted to get Hadden on the phone to get a better idea on a timeline.

T. Burk stated the City no longer logs ACA information in the payroll system.

Loftis stated Liazon does charge the City \$5.82 PEPM (Per Employee Per Month) no matter what. It is \$5.85 PEPM if Liazon must upload to carriers, it's that price if Liazon doesn't do anything. That amount is also being paid out of the health fund.

Yarberry stated if an employee has a change in BIH the Wichita Falls office gets a wall notification and they will upload that change and notify the provider.

Spring put Hadden on speakerphone – Collins asked Hadden for a timeline. Hadden stated typical implantation takes about 30 days from the date Higginbotham received the City's census.

Hadden stated if the City went with Higginbotham for the ACA then that would be priority since it's on a much tighter deadline.

Hadden feels a good census report could be provided by from Liazon and from IT.

D. Burk asked if there was a separate agreement for ACA and Hadden confirmed no.

Collins asked Hadden on costs of BIH. Hadden stated there are costs for carrier feeds and the cost is \$250 per carrier.

Yarberry stated employees must re-enroll every year but the employee's previous elections will be preloaded for the employee to reconfirm.

D. Burk asked if there was an issue with the City running on fiscal year vs calendar year. Hamlin stated with her and the flex, the City will just have to decide who will handle the run out. Hamlin stated it would probably be easier with Discovery, but they'll probably charge. Hamlin stated her team could do it at no charge, but they would need a report from Discovery.

Whisenhunt and D. Burk stated Tim Wilson from Legal stated that Discovery's contract used to be with Liazon, but Discovery is trying to pull away from Liazon. Whisenhunt stated per Wilson, we would need to give Discovery 60 days' notice to cancel.

Loftis stated another thing Liazon does, is COBRA. Collins asked Loftis the cost of COBRA and Loftis confirmed it's \$1.00 per eligible employee. Loftis stated the City currently pays for \$700+. Spring stated Higginbotham is \$0.65 per eligible employee.

The Committee discussed the switches and how it effects the plan year. D. Burk stated this is the reason he wanted RFP's back early so it could go to council, get approved and the portals could be built without having open enrollment with no tied down vendors.

Collins stated one reason he's leery for going out to bid for new carriers is because he wants Higginbotham to have a chance to dig in and see what went wrong. D. Burk agreed. Collins stated between listening to Huntley and reviewing reports while they were in the car driving up to the meeting, he realized there was a million dollars in stop loss claims.

Collins stated Higginbotham just got the data the day before and that's why Higginbotham brought Shine to the meeting today.

D. Burk stated there is a lot of pressure from employees to go out for something new on the medical side. D. Burk feels Higginbotham hasn't had a chance to review our reports, but the City is on a tight schedule.

Whisenhunt stated what he's seeing is the prescription side is what's higher this year. Whisenhunt stated the City gets a bill from CerpaxRx, but the City doesn't see what was reimbursed to the pharmacists. Collins stated what he's hearing is that the problem may be with the Rx contract.

Whisenhunt stated the plan document with HCH is the exact same as it was with BCBS. Whisenhunt stated the biggest problem with HCH is customer service and the deductibles with Tier 1 and Tier 2. Whisenhunt stated 90% of the comments he hears is that employees would rather pay more money to go back to BCBS.

D. Burk stated the biggest HCH issues are customer services and timeliness issues. D. Burk stated we need to look at cost savings measures.

The committee discussed the deductible issues and how they haven't really been reviewed since the City had Higginbotham previously.

Whisenhunt stated the admin for medical came in cheaper with BCBS, but the stop loss is where the big difference was, almost 2 million. Shine stated that he felt HCH underbid that and then claims came in much higher than expected. Whisenhunt stated the City went from a surplus to a deficient in a 6-8-month period.

Shine asked about and requested equivalent rates and Whisenhunt stated the City had a million-dollar reserve. Whisenhunt stated something isn't looking right with total claims and it should not have tanked like it did. Shine questioned the laser and Whisenhunt stated HCH paid for the laser, the \$300,000.

Whisenhunt stated his concern with sending out RFP's for the 3 components (medical, stop loss, Rx) so that it needs to happen quickly.

Yarberry moved on down her list. D. Burk stated not to worry about the EAP. Regarding Pet Insurance, it will not be renewed and brought back.

Yarberry asked about Zurich and the AD&D, Loftis stated that contract is up, no renewals available. T. Burk stated the City has used Zurich forever and Yarberry confirmed most municipalities use Zurich.

Yarberry asked about Mutual of Omaha; Whisenhunt thought there used to be issues when the City changed the employee life insurance, but D. Burk felt that was cleared up.

Yarberry quickly went through the rest of her list. Whisenhunt stated if the City is going to offer a high deductible medical plan, then we need to keep offering an HSA.

Yarberry stated the City will have benefit booklets for open enrollment.

Schwenk stated he feels employees need to see something big to believe in HCH again. The complaints he receives are mainly denied claims and customer service.

Whisenhunt stated problems we are having have been repeated over 18 months. The problems are not getting better.

Schwenk stated the big selling point from HCH was discounts and savings.

Yarberry asked what our limit was on stop loss. Whisenhunt confirmed it was \$185,000.

Shine stated right now the City is over their max aggregate. Shine stated right now the City is looking at a 23% increase from HCH. Shine stated the City had 5 people hit stop loss. Shine and Whisenhunt discussed previous years with claims and funding. Whisenhunt explained to Shine how the health fund works and claims are paid.

Motion by Hubbard to go out to bid for 3rd party medical/ stop loss/ Rx and all services under MetLife and the City's AD&D insurance, which is currently held through Zurich, second by Churchwell.

Ayes: All – Nays: None (T. Burk and Kisner did not vote)

Motion approved.

Motion by Schwenk to give cancellation notice to Liazon and switch to Higginbotham for the enrollment portal and for COBRA admin services for the upcoming fiscal year, second by Brown.

Ayes: All – Nays: None (T. Burk and Kisner did not vote)

Motion approved.

- b. Discuss dependents of active employees who are eligible for Medicare

Tabled until next meeting.

- c. Discuss retirees who are eligible for Medicare

Tabled until next meeting.

- d. Discuss retirees who drop City insurance and have spouses that still want to be insured

Tabled until next meeting.

- e. Discuss City's Summary Plan Document relating to Life Events on adding a child(ren) when the employee already has a family plan

Tabled until next meeting

- f. Discuss all benefit provider contracts and determine if any will be renewed or go out for RFP's

This was discussed under (a) with Higginbotham's meet and greet – expectations and plan of action.

- g. Review 2020 Formulary changes and the effects on employee

Whisenhunt stated the committee approved the formulary in July 2019 but did not approve the change January 2019. Whisenhunt stated the formulary change presented is discount driven and the City isn't receiving those discounts.

Schwenk thought the committee was to be presented with the changes before they happened. Whisenhunt stated that is what is supposed to happen.

Whisenhunt stated it's the Proair, Lo Loestrin and Freestyle meters/sensors on the formulary and that it would affect approximately 40 employees. Whisenhunt stated the issue with Proair is it's added on the list and then taken off and then added back on.

Schwenk stated CerpaxRx had employees move drugs and then have them move again because of the back and forth of being added and taken off the formulary list.

The committee spoke about specific issues with formularies changes that affected them personally.

Motion made by Brown to reject the January 2020 Formulary changes, second by Ozuna.

Ayes: All – Nays: None (T. Burk & Kisner did not vote)

Motion approved.

h. Review changes to Delta Dental plan document regarding subscriber eligibility

Stricken from the agenda.

VIII. Comments/Communication

There is no meeting in February.

The next meeting will be on March 11th at 9am instead of March 18th due to the 18th being the week of Spring Break and several members being out of town. The meeting also was changed from beginning at 10am to 9am since the agenda will have a lot to cover.

IX. Adjournment

Whisenhunt announced adjournment at 12:22pm.