

Approved

Regular Meeting  
Minutes  
Health Plan/Cafeteria Plan Review Committee  
January 20, 2015 9:00 a.m.  
New City Hall 2<sup>nd</sup> Floor Conference Room

Bruce Kizarr called the meeting to order at 9:00 am.

I. Roll Call

Members Present: Bruce Kizarr, Bob Bigham, James Churchwell, Rusty Whisenhunt, John Schwenk

Members Absent: Richard Rogalski, Albert Ozuna, Justin Dipprey

Others Present: Krystal Urbanski (Accountant), Tiffani Burk (HR Generalist), Sherry Anderson (Assistant HR Director), Megan Loftis (Legal Assistant), Chris Engelman (BCBS)

II. Minutes

Motion by Whisenhunt with second by Churchwell to approve minutes of November 18, 2014.

Ayes: Churchwell, Schwenk, Whisenhunt, Bigham      Nays: None

Motion approved

III. Review Reports

Urbanski went over the financial information and included the following information for the health committee members:

**Supplemental Bank Reconciliation**

|                                |    |             |
|--------------------------------|----|-------------|
| Bank balance as of 12-31-14    | \$ | 900,064.37  |
| Transactions to date:          | \$ | 323,904.27  |
| Cleared Checks                 | \$ | 518,427.53  |
| Outstanding Claims             | \$ | 685,280.48  |
| Deposit(s) in Transit          | \$ |             |
| Adjusted Balance as of 1-16-15 | \$ | 20,260.63 * |

\*This balance does not reflect the actual amount of available funds in this account. It is only informational in nature and only for the use of the health committee. This is a compilation of all known outstanding debts and revenues for this account to date.

The Health fund had to pay \$123,795.00 to the US Government in December for the re-insurance fee because we are a self insured plan. We will also have to pay it for the next 2 years.

The 10% premium increase went into effect 9/29/14. It would have started the first pay period in October. The increase effected Health, Dental and Cobra. The retiree's premium increased in August 2014.

#### IV. Wellness Committee

##### A. Update

Sherry Anderson said we are going to separate the Wellness meetings from the Health Committee meetings, starting this month. Megan Loftis has volunteered to be on that committee. We will start sending out the notices and separating those meetings again. We are going to try to have them the same time of the month that we were having them previously, the 4<sup>th</sup> Wednesday of the month.

Rusty Whisenhunt said BCBS provided us some educational brochures that will start going out with the paystubs for the next 3 pay periods. He said we have a blood drive scheduled for May at City Hall. We have coordinated it with Oklahoma Blood Institute. Chris Engelman said we can bring some give away stuff and have flyers to give them on their way in and out. Whisenhunt said Cynthia Williams wants to be part of the wellness committee so send her an invite to the next meeting. Engelman asked if they wanted BCBS to come to that meeting. Whisenhunt said since we are just getting reestablished, he doesn't want them to come in case we don't have anyone show up for the meeting.

#### V. Old Business

##### A. Retiree 65+ supplemental plan

Kizarr stated that we were supposed to have a meeting last month to discuss this but the vendors were not going to be able to be here. So us just showing up wasn't going to do any good. They weren't going to be here to provide the information that was needed. Anderson handed out a copy of the signed document that went before council and was implemented January 1<sup>st</sup>. The first 2 sheets address the prescription portion and the rest is on the health supplement. Bob Bigham asked if all of these retirees had been contacted. Tiffani Burk explained that almost all had been contacted or they contacted us. Even if we had not actually talked to them, they were moved to the supplement plan anyway. Kizarr said our plan is July 1 to June 30. But this Plan 65 is going to be January 1 to December 31. He said Higginbotham did the shopping to get the plan going. When is the process going to start for shopping for next year, because the whole thing could change? Engelman said the only thing that could change for next year is a possible premium change. They have gone numerous years in a row without any adjustments to premiums in the past history. Even if there is a premium adjustment, they are not expecting anything alarming. They should have that information out hopefully in the beginning of the fourth quarter. That should give you plenty of time to shop or if there is no increase, then we will be ok. Whisenhunt said that the dollar amount of this plan is considerably different that what was brought to the committee from Higginbotham and BCBS back last February when we were reviewing this. It is like 35 or 40 dollars more a month for just the medical coverage. If there

was not an increase then who messed that number up? Engelman stated that he vaguely remembers, there was a difference but he said he doesn't know the particulars on that. Whisenhunt said he went back through our information. Bigham asked what was the difference on the pharmaceutical side. Whisenhunt said it was a completely different plan. It was around \$101 or \$102 but it didn't cover what the plan that we implemented did. This is a tailored plan. But the medical side was something that was surprising. Engelman said let him go back and get the history when they initiated the process and when different rates were presented. Bigham asked how many people do we have enrolled. Burk said there are 77 retirees/spouses on this plan. Kizarr asked about the cost for the medical. Engelman said the final premium for the medical is \$159.20 and the Rx is \$176.82. Whisenhunt said we knew that the RX was going to be different because we tailored it. But the Medical (plan F) is the one that he questions. Kizarr asked isn't there a third plan that you have to buy. Engelman said that is the Part B and it is like \$105 and it is through the Federal Medicare program. That has nothing to do with this plan. That is what you have to buy anyway in order to get on our plan. Looking on the plan document, Bigham asked about the gap coverage. Whisenhunt said we were also told there was no gap. Engelman said there is no gap. Bigham asked if there was no coverage between \$2960 and \$4700. What chart are we looking at? Engelman said he is reading that it is the same co-pay all the way through. But he asked to let him find out for sure. Whisenhunt said his understanding is that it would mirror the existing coverage under the city's health care on prescriptions. Engelman said right. Kizarr said his understanding on this plan is that these retirees only would have to pay for their premiums and the co pays on prescriptions. Everything else would be paid for. Engelman said that is correct. Kizarr said the document reads like there is a gap and there is not supposed to be. Engelman said there is not supposed to be and he is going to make sure. Whisenhunt said the premium price went up substantially to take care of that issue. Engelman is wondering if this is the right document. But he will check on it. Kizarr said leave Plan 65 on the agenda as old business for next month. Bigham asked if we are going to get information out to these retirees to let them know what their benefits are. He said the only thing that he has received is a card and he said he kind of knows what is going on because of these meetings. Anderson asked since it is a fully funded plan, is BCBS sending information about the benefits to these retirees. Engelman asked if they got a welcome kit. Bigham said he didn't get anything except cards. Burk said she hadn't heard anyone say that they got anything else except cards. Engelman said there was supposed to be a welcome letter. Bigham said he didn't receive anything. He asked if we are now going to provide benefit information to these retirees. Engelman said he will find out why that did not get sent out.

## VI. New Business

### A. Elect Chairman and Vice Chairman –Moved out of order-discussed as last new business item

Kizarr asked Whisenhunt if he wanted to be Chairman. Whisenhunt said he doesn't know anyone who wants to be Chairman but if Kizarr wants a break then he would do it.

Motion by Bigham with second by Churchwell to elect Rusty Whisenhunt as Chairman and Bruce Kizarr as Vice Chairman.

Ayes: Churchwell, Schwenk, Whisenhunt, Bigham, Kizarr    Nays: None

Motion approved

B. Review Fund balance

Kizarr asked if the Manager's office is aware that the balance is only \$20,000.00. Anderson said she hasn't talked to Jim Russell about it but she is sure he knows. Kizarr said we have already raised the premiums. Whisenhunt said our plan has taken a pretty good hit because of the Reinsurance and PCORI fees because we are self insured. Kizarr asked what happens if the balance goes below zero. Anderson said the City would have to put some money in the fund. Schwenk said this report is obviously missing the deposits in transit. Kizarr said he can't see a difference when the 10% increase started. He would like to see proof that the 10% increase is going into the fund. Engelman asked if Finance could break it down by pay period. Kizarr said he is sure they could. He said with the balance at \$20,000 we sure need to make sure that the 10% is going into the fund. Engelman said what we need to do is find out what happened in 2014. Next month we will provide a report of claim data for 2014. The claims are going up and the balance is going down so we need to find out what benefit area is causing that. Kizarr said it is negotiation time with Police and Fire. This is the time if the City wants to make changes to the plan, then they need to negotiate it now. They are supposed to be done by July. Engelman said if there is going to be benefit changes then BCBS will need to know by June 1<sup>st</sup>. That will give BCBS 30 days to make changes by 7/1, which is the renewal period. Kizarr said he doesn't think his guys are going to want to give away any benefits. This committee needs to know what needs to be changed. Engelman said he will get with April Bortmess and tell her that we need to provide some reporting that breaks out where the cost increases are coming from. He said he will also find out what charges went into effect 7/1/14 and what changes will go into effect 7/1/15 due to HealthCare Reform and what those projected increases might be. Kizarr said he doesn't like that the General Employees and Police and Fire have different co pays and out of pockets. He said that is something the City should be negotiating to change. Whisenhunt asked Engelman if he could get those reports by February because he doesn't think we need to wait until March to have the next meeting. We need to know this information as soon as possible. Engelman said so you want to have a February meeting. They agreed. Burk said she is concerned because we have to pay the Plan 65 premiums at the beginning of the month and we have not received the premiums from the Pension systems yet. We don't receive them until the end of the month therefore the fund balance is going to be low again next month. Anderson asked Engelman if we have to pay in advance. Engelman said the medical side will be billed the same as you have always been billed but the RX side which is about \$13,000 per month will be billed at the first of the month. But you do have a 30 grace period. Engelman said he will find out about the billing on that because we are dealing with Medicare. Burk asked if we should require a 30 day notice to cancel from the retiree because we are paying the premium ahead of time instead of in arrears

like we have been. So if someone comes in February 15<sup>th</sup> to cancel, we still go ahead and collect his premium out of his February retirement check and then cancel effective March 1<sup>st</sup>. If they cancel any time after we have paid BCBS the premium then it will become effective the following month.

#### C. Colonoscopy claims

Whisenhunt stated that we provide one colonoscopy per year after the age of 50. The only reason that you have one every year is if the doctor feels that it is needed and needs to be monitored. We need to change the wording to 1 per year no matter what the reason is. Engelman said he believes currently you have that limitation but on 7/1/15 the age requirement has to go away and the limit per year has to go away due to HealthCare Reform. But it still falls back to routine or medical.

#### D. Executive Session-Employee Appeal

Motion by Bigham with second by Whisenhunt to go into executive session.

Ayes: All Nays: None Motion approved

Motion by Whisenhunt with second by Bigham to come out of executive session.

Ayes: All Nays: None Motion approved

Motion by Schwenk with second by Bigham to pay this employee's colonoscopy claims by exception.

Ayes: Churchwell, Schwenk, Whisenhunt, Bigham Nays: None Motion approved

Engelman said he will get some updates what the benefits are now and if there were changes that became effective 7/1/14 or will they start 7/1/15. He will also have a report run of all colonoscopy claims that were done for 2014 with the breakdown of the costs. Whisenhunt said he is concerned with removing the age limitation and frequency, will people be able to go every month. Engelman said it still will have to be medically necessary. They discussed different circumstances regarding colonoscopy claims. The committee will consider making changes to this benefit after getting the reports from BCBS. Whisenhunt asked for Colonoscopy claims to be put on the agenda for next month.

#### VII. Comments/Communication

A. James Churchwell and John Schwenk cannot attend the meeting in March.

B. Whisenhunt said last year we addressed the cafeteria plan around this time. He understands that there are some changes, some increases. We need to get the information from Higginbotham. The changes don't automatically occur without the

committee voting on them and making a recommendation to the Manager. He said we also need to discuss the administrative renewal. They discussed complaints that they have heard about the debit cards. Whisenhunt asked that the Cafeteria plan be put on the agenda for next month. He also wants an update from Higginbotham referencing changes. Bigham asked if Retirees can be eligible for the cafeteria plan. Anderson said she will ask.

C. Next regularly scheduled meeting will be held February 17, 2015 at 9:00 am.

#### VIII. Adjournment

Motion by Churchwell with second by Schwenk to adjourn at 10:45 am.

Ayes: All                      Nays: None                      Motion approved.