approved

Regular Meeting
Health Plan/Cafeteria Plan Review Committee
March 19, 2013, 9:00 a.m.
New City Hall Conference Room

Kizarr called the meeting to order at 9:03 am.

I. Roll Call

Members Present: Bruce Kizarr, Cindy Ehlers, Traci Hushbeck, Justin Dipprey, Doug Stamper, Alberto Talavera
Members Absent: Clay Houseman, Scott Kisner, Bob Bigham, Rusty Whisenhunt, Albert Ozuna
Others Present: Chris Engelman (BCBS), Sherry Anderson (Acting HR Director), Glynn Preast (Fiscal Tech), Tanya Riley (HR Generalist), Luann Yarberry (Higginbotham), Binni Carter (Higginbotham), Brian Sutherland (Higginbotham)

II. Minutes

Motion by Hushbeck with a second by Stamper to approve the January 15, 2013 minutes.
Ayes: all Nayes: none Motion carried.

III. Review Reports

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

Supplemental Bank Reconciliation

Bank balance at 2-28-2013	$	1,287,043.93
Transactions to date:	$	299,094.28
Cleared Checks	$	109.00
Outstanding Claims	$	840,395.80
Deposit in Transit	$	246.50
Adjusted Balance at 1/14/2013	$	745,879.91 *

*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.

IV. Old Business - none

V. New Business

A. Election of Chair and Vice Chair

Motion by Stamper with second by Talavera to nominate Bruce Kizarr to retain his position as Chairperson. Ayes: all Nayes: none Motion carried.

Motion by Stamper with second by Hushbeck to nominate Rusty Whisenhunt as Vice Chairperson. Ayes: all Nayes: none Motion carried.

B. Medical/Dependent Care (Flex 125) reimbursement complaints

Kizarr stated over the last few months he has had a lot of people call him with complaints. Some of them he has been able to answer and some of them he could not. Some of the complaints are because we were under the old system that was a little more lax than what it is now. Kizarr assured the employees that they were doing it the right way but some of the stuff they were talking about he just couldn't answer their questions. Now, if there's any money left over it still goes in the plan right? It's the plan's money. Riley stated that was correct; the money that is unclaimed is forfeited back to the city. Kizarr stated that if there is an employee who retires the first of the year that went over the amount then the plan has to pick up that money. Riley stated that is correct. He stated that he personally didn't have any trouble until yesterday. Kizarr said he sent a whole stack of receipts (over $600) but the check he got back was short by $68. He called Higginbotham and there was no explanation why. Kizarr did notice that two prescriptions receipts were duplicates but those only totaled $16. Higginbotham said they would call Kizarr back after they had a chance to go through all the receipts he had turned in. Higginbotham asked him if he got an email explaining what wasn't covered and he did not receive an email. This is another complaint Kizarr has received; employees are sending in x amount of dollars in receipts and only receiving a portion of it back and don't know why. Yarberry summed it up as complaints regarding lack of communication. Kizarr said some is communication, some is the answers employees are receiving is not making any sense.

Copays are another complaint. Higginbotham is telling employees that they can't give them the money until they get an eob from the insurance. There is no reason to delay for a copay. Yarberry said the only explanation she could possibly come up with is maybe there is some IRS rule that says they have to justify the reimbursement. Kizarr stated employees were providing a receipt for paying the copay and wouldn't that be justification enough? Yarberry said she would check on that.

Kizarr also said one person said he only goes to the doctor one time a year for a physical and doesn't file it with his insurance. His doctor doesn't take insurance. Up until this year, the employee had never had his reimbursement denied. Kizarr thought he may have to file it by law. Then the employee asked that what if his wife went and she's not on insurance; would he have to provide a BCBS eob to get reimbursed.

Kizarr said this is all some of the fear out there regarding the plan. That these are just ways to make people use the credit cards. Kizarr doesn't see his $20 copay listed anywhere on the eob. Engleman said the copayment amount should be listed on the eob.

Kizarr stated the only complaint on dental is people are unsure about what is covered.

C. Flu Vaccines

Kizarr said when the state decided to stop getting city employees the flu shots for free, not it's not as convenient for employees. Kizarr said he talked to the Fire Chief and Bryan Long about it that maybe it would be more beneficial to the plan to hire somebody

to come in and give employees the shot and make it so that they can get it on the job; have the plan pay for it. Now, after this flu epidemic Kizarr's chief and Bryan Long are leaning more towards doing something like that. Kizarr would like to look at seeing if this can be done (fire chief said flu shot places could be held and fire stations); assuming it would be cheaper buying vaccine in bulk; not opposed to having employee pay for shot on the spot. Engleman said BCBS is currently working on getting a network set up for the flu shot, pneumonia and shingles shot for free to employees insured by BCBS. Pharmacies are being contracted with right now and should be up and running possibly by the first of April. This topic will be discussed at the meeting in May.

D. Insurance RFP bids

Carter handed out the market analysis that Higginbotham did regarding the health/dental/life proposals. The first sheet shows the carriers that they reached out to. The strongest players that are out there are recommended by Higginbotham on the next page. The plan is slightly under the expected amount of claims which is good. The recommendation is to go with the BCBS renewal with $185,000 stop loss amount. For the last year, there were no claims that totaled up to $185,000. Yarberry summed it up by saying that right now the City has $175,000 in individual stop loss. Higginbotham is recommending that the city increase it to $185,000 because the amount of premium savings justifies doing that based on prior claims experience. You haven't met the $175,000 so by moving that up it will save on premiums. Carter said the other responses from Aetna, OML/TML (Oklahoma and Texas Municipal League), United Healthcare, and AIG were not competitive.

Kizarr noted that the admin fees are cheaper for health with other carriers but network savings with BCBS outweigh those slightly lower admin fees. Sutherland said that OML/TML are a startup company and they went out to re-insurers for quotes. This could lead to finger-pointing between the two groups that could delay claims and the resolving of claims/problems. BCBS is the administrator and insurance company all wrapped in one. They came in with a great bid response. Kizarr asked about the health care reform; he stated that wouldn't most insurance plans be the same. Carter said there will be different plans and price levels but most of the benefits will be similar. Sutherland said it will be very important to look at changing plans and deductibles in the very near future. The local average for an individual deductible is $2000 and the city's is currently at $500.

For dental, Carter said that Higginbotham recommends going with BCBS. Assurant responded with a bid and does have some good costs as well as United Healthcare dental but with disruption to the network and the claims discounts this wouldn't be ideal. Kizarr said the only problem with BCBS and dental is there is hardly any dentists around here that are in the network. Around here a new dentist will take the BCBS clients but then drop the BCBS. Sutherland said that is happening everywhere and with all dentists; not just Lawton. Carter said we are currently under a MAC plan (maximum allowable charge) vs a balanced bill plan. A MAC plan is best for the employees.

For basic life, Carter said our current carrier Lincoln went up quite a bit on the basic life rate. The strongest carriers that responded are Mutual of Omaha, Prudential and Assurant. They are all about the same on the premium; Mutual will carry children up to age 25 regardless of student status. All are giving a 5 year rate guarantee. The same carriers responded for voluntary life. Mutual changed the maximum benefit levels to 7 times the salary. When the carriers propose to match the age bands, it makes things a lot easier from an administrative standpoint. One thing Mutual is offering is an annual bump up of coverage of $40,000 for anyone that is a late entrant (no medical questionnaire); currently it is only $20,000. None of the carriers agreed to a true open enrollment.

For std/ltd, Mutual is lower than our current; Assurant has age bands and only one option.

Motion by Talavera with second by Hushbeck to recommend BlueCross BlueShield for medical insurance with $185,000 individual stop loss.
Ayes: all Nays: none Motion approved

Motion by Stamper with a second by Hushbeck to recommend BlueCross BlueShield for dental insurance
Ayes: all Nays: none Abstain: Talavera Motion approved

Motion by Hushbeck with a second by Stamper to recommend Mutual of Omaha for basic life insurance
Ayes: all Nays: none Motion approved

VI. Comments/Communication

A. Next regularly scheduled meeting will be held May 21, 2013

B. Kizarr mentioned that the new workers compensation bill is not going to be stopped up at the capital. Kizarr wonders what impact will this have on the health plan if the employer doesn't cover the injuries. Will premiums need to be raised because of this? If someone gets hurt on the job and say it's not workers comp they can then turn around and file it on their private insurance. Sutherland said more than likely the health plan would pick up the claims if something is determined to not be work related.

C. Wellness committee update: getting ready to prepare for challenges that will be upcoming.

VI. Adjournment

Motion by Hushbeck with second by Stamper to adjourn at 10:45 am.
Ayes: all Nayes: none Motion approved.