APPROVED

Regular Meeting Minutes
March 22, 2016 @ 9:00 am
City Hall 2nd Floor Conference Room

Rusty Whisenhunt called the meeting to order at 9:02 am.

I. Roll Call

Members Present: Rusty Whisenhunt, Bruce Kizarr, Albert Ozuna, James Churchwell, Richard Rogalski, Bob Bigham, Alex Hadley

Members Absent: John Schwenk

Others Present: Krystal Urbanski (Accountant), Tiffani Burk (HR Generalist), April Bortmess (BCBS), Chase Massie (HR Director), Kelley Harmon (NFP), Courteney Cacho (City Manager's Receptionist)

II. Minutes 2/16/16

Motion to approve minutes by Ozuna with second by Hadley Ayes: Ozuna, Kizarr, Hadley, Bigham Abstain: Churchwell, Rogalski Nays: None **Motion carried**

III. Review Reports

Krystal Urbanski went over the financial information and included the following information for the Health Committee members:

Supplemental Bank Reconciliation	
Bank balance as of 2/29/16	$119,280.70
Transactions to date	$341,711.44
Cleared Checks	$13,309.74
Outstanding Claims	$1,471,800.31
Deposit(s) in Transit	$309,388.66
Adjusted Balance as of 3/21/16	$(714,729.25)*

*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.

Whisenhunt asked if deposit in transit is last week's paycheck.

Urbanski answered yes.

Whisenhunt asked if it was with the premium increase.

Urbanski answered yes, sir.

Rogalski said he was able to call Urbanski yesterday and she was able to explain this to him because he always had a hard time rectifying the actual bank balances with this statement. What he figured out is what we carry most months. We are paying a bill that we received last month and carrying a bill forward that we received this month. Every once in a while we get a low number of claims and pay them off for that month but the next month we are carrying another bill forward. So, how much are we really negative? Sometimes the amount that we are negative goes down but the balance goes up or the negative goes up and the balance goes down. If you average this year's income per disbursements per month we are about ($83,000) eighty-three thousand dollars short every month. This ($83,000) eighty-three thousand dollars is really what reflects this negative amount. It just adds up, gets stuck in a month with an extra paycheck, and it takes it down a little bit but it keeps adding up.

Kizarr asked if it's ($83,000) eighty-three thousand dollars short every month.

Whisenhunt answered at least January (1st) first but would have to run the numbers for next month. Our expenses were running (77,000)

seventy-seven thousand over income.

Rogalski asked if it was by calendar or fiscal year.

Whisenhunt answered he used the calendar year.

Kizarr asked if it was counting the new increase.

Whisenhunt answered that's not counting the new increase, it's prior.

Rogalski said we probably need something that is twice that, around ($150,000) one hundred fifty thousand dollars per increase per month in order to get us headed in the right direction. We need to keep up with any disbursements because they keep going up every month.

Whisenhunt said the increase with the City's and employee's portion should be in the ($85,000) eighty-five thousand dollars per month increase. It's not going to reduce it very quickly but it'll stop the bleeding. It will be slower if any reduction but really depends on the claims, the changes that accrued in June, and the coverage will make some difference.

Kizarr said the changes were only going to make ($163,000) one hundred sixty-three thousand dollars a year.

Whisenhunt said that's ($10,000) ten thousand dollars.

Whisenhunt said that gives us ($20,000) twenty thousand dollars a month, which will start wildling away pretty slowly, depending on the cost increases, and how sick or well our employees are.

Massie said our dental will no longer go on the health fund.

Kizarr asked with the savings we've done and increases, is there any way we could project it forward. Basically stating this is where we think we're going to be.

Rogalski answered we could do that but this one is kind of a wild guess.

Kizarr said he understands but if we could have the catastrophic that would kind of affect all of those numbers.

Whisenhunt said what hurts us more than catastrophic is the one just under the reinsurance. If it's just under that, it's the one that hits the plan totally. If it hits the catastrophic coverage then we get some reimbursement from it.

Rogalski said we can project forward but as long as you're looking at it long term.

Kizarr said he thinks that's what we need to start doing.

> **Motion to approve financial report by Kizarr with second by Ozuna** Ayes: Ozuna, Kizarr, Hadley, Bigham, Churchwell, Rogalski Nays: None **Motion carried**

IV. Wellness Committee

Whisenhunt asked if you all have a meeting tomorrow.

Massie answered we do. We've got a lot going on the Wellness side. He's not sure if everyone at the Committee was able to meet the registered dietician that the City had here last Friday but if you didn't you missed out. It was one of our better Wellness Seminars we've done since he's been here. We had Ashley Lazzerini, a registered dietician with the Health Department, come in with food demos and healthy eating tips. One of the cool things she did was time herself making breakfast wraps, omelets, and allowed everyone to sample them. She really focused on food prep and how quickly you can do it ahead of time so that the morning-of it was ready to go. Her omelets she had them already made in a mason jar and was literally poured in a skillet; (3) three minutes it was cooked and she was out the door. She talked about fruit induced water. Some of the tips that he took away was when we make our list and go to the grocery store. We buy our fruits and vegetables, try to be healthy. Then we get home and are exhausted from grocery shopping so we are rushing to just put it in the frig. She said to make that a family thing where you prep, cut, clean and put it in baggies right then because (2) two or (3) three hours

later when you do want a snack, you won't feel like cutting and cleaning anything, so instead you'll reach for a bag of chips. She also talked about trying to stay on the outside aisles. If you think about it, what's on the outside aisles are vegetables, fruit, dairy and it's more of your healthy options. She said not to go down every aisle because there's no reason to go down the candy and/or snack food aisle. The Dietician talked about buying local honey to help with allergies; just little things that some have heard of and some who haven't. The City is going to have her back in May; we don't have a date yet but she is going to demo lunch. She'll be talking about quicker and healthier ways to prepare lunch. The City may have her back in September sometime to prepare dinner. The City had about (35) thirty-five attend and we are hoping to build on that number.

Number of things coming up, we did announce via email that we are also doing a Healthy Options Cookbook. Right now we will be collecting, for the next (3) three weeks, recipes that are healthy option or are a healthy recipe. We'll use some of the Wellness money we have left for this fiscal year to print them up and sell them over the next fiscal year. Then use that Wellness money to post other events or buy prizes.

On April (1st) first, we've got BlueCross BlueShield discussing pharmacy benefits, Pharmacy 101, questions to ask your pharmacist, trends in the pharmacy market, and a little bit of everything. We expect it to be about an hour with a session in the morning and afternoon.

On April (8th) eighth, we'll have Arvest Bank here doing Financial Wellness on how to build a personal budget, how to stay under that budget and how to maintain your credit.

On May (20th) twentieth, we'll be doing Diabetes Awareness. We'll again have BlueCross BlueShield out. We looked at the Catapult Screenings from when we did the Biometric Screenings and (2) two of the big liners for us were high blood pressure and diabetes. This all comes back to our health plan and the more we can make our employees more aware of this stuff and show them an active healthy lifestyle the more it will help us and them.

On June (10th) tenth, we'll do Tobacco Awareness. We'll talk about some Tobacco Cessation and that will be a reoccurring thing that we don't want to let go of.

On July (8th) eighth, we'll do BAM Awareness which we'll basically go over BlueCross BlueShield's system showing our employees the benefits of the Wellness system and how to navigate it. Somewhere in there we'll put in a seminar for High Blood Pressure Awareness.

We have a blood drive coming up in May but don't have the exact date on it right now.

Kizarr asked if there was a way to video tape those Wellness Seminars and then put them on a webpage for those who aren't able to make the seminars.

Massie answered he is all for videos but he tends to keep running into some road blocks with I.T. as far as what they'll allow him to do. He thinks it's a valid thing and will see what he'll be able to get done. He knows that I.T. is working on a new website so that could something we could go hand and hand with. He agrees because the more of this we could get out there the better.

Rogalski said we could put stuff on the 'P' Drive.

Kizarr said he was looking at it from a Fire Department side, if they're not on duty then they're not going to attend but there might be some guys who would watch the video.

Massie said absolutely, we'll look into it. One other thing, while he has fire and police here. Massie asked Kizarr and Churchwell do they do their own blood drive.

Churchwell answered yes.

Kizarr answered they use to but it was when they got off then they would go and give blood. We can't donate blood while on duty.

Massie said we did one here and met our goal, barely, it was a struggle.

V. Old Business

A) Review Cost Saving Measures (Premium Increase) & Make Recommendation

Whisenhunt said this addresses the final item we are looking at for plan changes this July (1st) first. We already addressed the (10%) ten

percent and we need to start looking at the yearly long term increases. Whisenhunt asked about dental and if Massie received the RFPs.

Massie answered they went out this week.

Whisenhunt asked when Massie was expecting those back.

Massie answered in (2) two or (3) three weeks.

Whisenhunt asked if Massie looked at a fully insured, a managed plan, or both.

Massie answered we are looking at both.

Kizarr asked if our managed plan would still be self funded.

Massie answered we are looking at a self funded plan and a fully insured plan.

Kizarr asked if it would be separate from the health fund.

Massie answered yes, he thinks the odds are it'll be fully insured.

Whisenhunt said with the little bit of checking he's done on it, fully insured plans have been coming in fairly reasonable in comparison to what we are currently paying self insured cost.

Massie said anytime we go out to market we'll always look at both options to make sure that we are still doing what's best.

Whisenhunt asked is it this year we do a new proposal because he saw something about an RFP for BlueCross BlueShield.

Massie answered yes, it's the end of year (3) three.

Kizarr asked if we were going out for contracts on our insurance again.

Whisenhunt said for administrator.

Massie answered for everything.

Kizarr asked if we are still going to stay private self or fully.

Massie answered we'll look at both; there's so many penalties with ACA and taxes going fully insured.

Kizarr said he knows we already talked about that and knows of (2) two cities who have went that way.

Massie said we would definitely look at it for sure, if it's cheaper or more cost sufficient then that's something we will do.

Whisenhunt said from all of the research it generally doesn't come in cheaper and we aren't trying to make any money.

Massie said we looked at the numbers last Fall and he thinks it was a little over ($2,000,000) two million dollars more.

Kizarr said he knows we've always talked about being more but those cities were happy with it.

Massie said maybe so they don't have to deal with it. It's like the company says here's the health insurance, your premiums are (550) five fifty per person and that's what it is.

Kizarr said he doesn't know if they're carrying the retirees.
Massie said they are definitely all different situations.

Rogalski asked if we know what our expected income increases were going to be and could we do a projection.

Whisenhunt answered on the income increases on the last (10%) ten percent will be (750) seven hundred fifty or ($800,000) eight hundred thousand dollars a year.

Massie said we had it at the last meeting and it may be in the minutes.

Whisenhunt said it's close to (800,000) eight hundred thousand a year then the changes in the plan are projected at (250) two fifty. We are looking at about ($1.1) one point one million dollar increase.

Rogalski asked when those premium increases would kick in.

Massie answered they went in last Friday.

Whisenhunt said the other's that go into effect, the (250,000) two hundred fifty thousand doesn't go into effect until July.

B) Compounding for 4 Tier Prescription on Generic Plus

Whisenhunt said we had a lot of discussion about compounding (4th) forth Tier along with the maximum per event and per maximum yearly last month. In stead of completely doing away with compounding, he believes that BlueCross was going to look at the possibility of basically customizing that.

Bortmess said we can set it up to be a (4th) fourth Tier like we talked about but we cannot set it to have a maximum on it for the year maximum because of how our accumulators work. You could set it up (4th) forth Tier if you want to.

Whisenhunt said the maximum was necessary to prevent the pharmacies.

Bortmess said we could set it up like if it goes over ($300) three hundred dollars then you'll have to have a 'PA' (Prior Authorization) in place. Or say you wanted to do one where each employee only got a ($1000) thousand dollars a year to use for compounds, that's not something we can set in the system as a maximum. We can set it up as a (4th) forth tier with a certain dollar amount and we can have it where it says when it goes over a certain threshold then it will require a prior authorization.

Whisenhunt said from that discussion it wouldn't prevent them from rerunning it through.

Bortmess said right, they can continue to put it through if they want to. With your group, she thinks it's something that this Committee could exclude and just watch it to see what is really going on with compounds. Right now you don't have a large amount of people utilizing that benefit but she thinks you should put some measures in place.

Whisenhunt said with ($5000) five thousand dollars being expended. The number of people involved is really related to about ($115) one hundred fifteen dollars a year that they were spending on compounds. This is not bad at all.

Bortmess said that's why she's saying just put that ($300) three hundred dollars in place. If they go above that it's forcing them and the pharmacy to have a prior authorization as to why it's going to be necessary since most are averaging under ($200) two hundred dollars anyway.

Whisenhunt asked why the Committee is stalling.

Kizarr said he doesn't have a problem either way but feels we need to address it because if it gets out of hand we'll have to take different actions. Kizarr asked if the pharmacist is filling the medication without a prescription because from what he understands they don't have to have a prescription for some of these compounds.

Bortmess answered the doctor still has to prescribe something. The doctor is writing a prescription and the employee is going into compound pharmacies and they are mixing it up.

Whisenhunt said the doctor is writing a compound prescription.

Bortmess said right but some of them aren't FDA approved.

Kizarr asked will the preauthorization eliminate those compounds.

Bortmess answered it would eliminate the dollar amount. This is how much we would pay up to before they would have to do a prior authorization. This is where the doctor needs to tell us why they feel this is necessary for this person to have this particular prescription. It just requires them to answer some questions.

Massie said if we did the (4th) forth Tier with preauthorization letters that puts us where we need to be with how the other (4th) forth Tier drugs are being handled because they do require a preauthorization letter. As far as consistency across the board, that makes the most sense to him. It still allows those employees who need them to receive them. There shouldn't be a problem for the doctor to write that authorization letter and from there we just monitor it. That's what we have NFP and BlueCross here for is to make sure that nothing gets out of hand.

Rogalski said the benefit with preauthorization for people to see that it's not Tylenol and an allergy drug compounded and being charged ($400) four hundred dollars. Rogalski asked if a (30) thirty day supply is ($400) four hundred dollars and needs preauthorization. Couldn't they just do a (15) fifteen day supply like ($200) two hundred dollars and not have to get preauthorization.

Bortmess answered right.

Whisenhunt asked if there was any way to put a yearly max because he knows we have other things that have a yearly max.

Bortmess answered with compounds, we cannot do a yearly max because she checked into it.

Massie said if we did have the (15) fifteen day it would be a lot easier to catch.

Rogalski said if it got abused, we can see that later and make a change but first see how the year works out.

Massie agreed.

Rogalski said that's the loop hole for having the (4th) fourth Tier is to get less of them.

Bortmess said that was the only reason why we brought it up when we talked with Massie and reviewed some of your information. We are seeing it to be a problem with other groups but not with your group. You don't have many taking compounds and there's not a big expense there. This is a good time to put something into place.

Kizarr said before it affects many people.

Bortmess said yes, before you have a huge member impact. That's how we see the trend going, so she would recommend trying to do something now.

> **Motion to have compounds covered under the new (4th) fourth Tier with a ($300) three hundred dollar maximum per fill by Kizarr with second by Ozuna** Ayes: Ozuna, Kizarr, Hadley, Bigham, Churchwell, Rogalski Nays: None **Motion carried**

VI. New Business

None

VII. Comments/Discussion

* Massie said at the next Health Plan Review Meeting on the (19th) nineteenth, we would like to use that meeting to do the demo of the private exchange. It'll take most of the hour but we've got that set up with NFP. We would use the projector and demo what that system looks like.

* Whisenhunt asked about the flex plan.

Massie answered everything is going out to market this week.

Whisenhunt asked if it would be at the end of March.

Massie answered we should have some thing decided by the end of April or maybe the (3rd) third week in April. Open enrollment's going to be most likely the (1st) first (2) two weeks in May.

Whisenhunt asked if he'd have it at Council and approved.

Massie answered the Flex doesn't need to go to Council because the City won't be contributing anything to it. It will not be Higginbotham.

Whisenhunt said the last time we reviewed it, Higginbotham charged for the cards.

Massie said he has already written in his budget that there will not be any fees.

Whisenhunt asked how many did Massie send out.

Massie answered it's still with NFP. He gave NFP a couple that he wanted to make sure that they got to but they have others within the market that they may send out as well.

Kizarr said the City use to do it and we farmed that out. Kizarr asked if there was any bidding benefits for the City handling it again.

Massie answered more work, less resources.

Churchwell said there were some tax problems.

Kizarr said he knew there was a reason why.

Massie said if there are no fees he didn't know why you would let somebody else do the work. It is definitely smooth when you don't have a cost; it goes quick, and nice not to have that kind of money up front. Harmon makes a good point, when you do it on your own you do get into HIPPA regulations and that becomes a headache.

Harmon said we'll put some examples together during open enrollment on flexibility savings and how they actually save us. If you put that money aside, never tax on it and you do have it up front. We have put some material together to provide the employees to try to up that participation. She thinks it's the most under utilized benefit. We'll give them a whole list of things that they can use on that Flexible Savings Account besides just the medical, deductible, co-pays, and these types of things. We could give them a list and send them to Walgreens to utilize that.

Kizarr said on the Affordable Healthcare website they actually extended the deadlines that you can take money out into the next year.

Massie asked if it was (70) seventy days.

Bortmess answered its (45) forty-five days. If you are January (1st) first and can use it up to March (15th) fifteenth then all of the claims go up to March (31st) thirty-first. So if the City's done in July it'll be August (15th) fifteenth and used by August (30th) thirtieth. Bortmess asked if Massie knew if that grace period was built in on the City's.

Massie answered it is

VIII. Adjournment

Rusty Whisenhunt announced the adjournment at 9:36 am.
Motion by Rogalski with second by Ozuna to adjourn Ayes: All Nays: None **Motion carried**