Draft

Regular Meeting
Health Plan/Cafeteria Plan Review Committee
April 16, 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, Bob Bigham, Doug Stamper, Albert Ozuna, Rusty Whisenhunt
Members Absent: Clay Houseman, Scott Kisner, Justin Dipprey, Alberto Talavera
Others Present: Sherry Anderson (Acting HR Director), Glynn Preast (Fiscal Tech), Tanya Riley (HR Generalist), Aflac and American Fidelity representatives

II. Minutes

Motion by Hushbeck with a second by Ehlers to approve the March 19, 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 3-31-2013	$	1,809,346.80
Transactions to date:	$	328,311.40
Cleared Checks	$	817,428.38
Outstanding Claims	$	676,936.68
Deposit in Transit	$	120.00
Adjusted Balance at 4/12/2013	$	643,413.14 *

*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.

Kizarr stated that the beginning bank balance has been coming down steadily. Preast said that another deposit of payroll will go in. Russell reminded the committee that employees are coming to the end of the 18 month deductible so we are getting to the end of the plan year.

IV. Old Business

A. Flue Vaccines (will be discussed at May 21st meeting when BCBS and Higginbotham are present)

V. New Business

A. Evaluate ancillary benefits; listen to presentations

Russell stated that today's meeting will focus on the ancillary benefits. Mostly these benefits are handled by Aflac but Russell wants to review these every couple of years. Initially Higginbotham was asked to put together a couple of companies information and after reviewing that, Russell stated that he thought it would be better if the committee handled these benefits. Russell feels that there are only two companies that offer all the services we offer (Aflac and American Fidelity). Those on the committee last time will remember that American Fidelity did a presentation for the first time and they got a little off track. Hopefully there presentation today will be better. Russell stated that he is aware of the issues the committee has been addressing in regards to the flex 125 plan with Higginbotham's administration of it. Both of today's companies to offer this plan so he is interested to see the cost. Currently the city pays $3 for each person that has the debit card while the employee pays $1. More importantly, each of today's companies have a local representative. Anderson asked if Aflac and American Fidelity are the only two companies to be considered for the short/long term disability (not Mutual of Omaha) and Russell stated correct. Kizarr asked if this doesn't stop an employee's ability to get this coverage from Aflac and Russell stated correct, that only today's company (whoever is selected) will be the only company the city will payroll deduct for. Russell also added that he has talked to payroll and that if we decide to move to American Fidelity we will still payroll deduct Aflac for only those currently with Aflac coverage. Russell reminded the committee that a change to the bylaws were made so that the committee to make a recommendation regarding the ancillary benefits. Russell stated today's decision will be in regards to short/long term disability, cancer policies, injury policies and any other services offered.

Aflac representatives:

Aflac began administering the city plan in 2003. Sharon Sutherlin is the local representative. We have done many enrollments over the years going to all departments and shifts to include police and fire. We are receptive to having any type of interaction which is least intrusive to the workplace. We were asked by Russell and Riley to come in and tell you what Aflac provides (currently and what can be provided). Many employees' policies have increased in value but no prices have changed and policies can be transferred at the group rate. We have had many claims over the years which are in addition to what health insurance pays. These benefits are paid directly to the employees. We help a person file a claim (Sharon is here in Lawton). The things already in place are working for you. Aflac helps administer all plans (including flex 125) at no cost to the city. Kizarr asked if the rates are based on age (answer is yes on some policies). Kizarr asked that if we went with someone else but the employee wanted to stay with Aflac would they be able to maintain the same rate (answer is yes). 50% of everything that is paid to Aflac is paid out (by federal law). Riley asked on the flex plan if Aflac does debit cards (yes they do and it is free). Do they do direct deposit (answered yes, done daily). Aflac still will require those using a debit card to verify and prove the charges they used the card for. Representatives do not know if online access is available yet for employees to see how much money is left for reimbursement. Aflac does not provide HSA/HRA services or wellness support. Russell asked if they have anything in place that will catch employees who are double covered for anything; example: we have vision insurance through another company but choose to take out a vision aflac policy). Aflac representatives answer that this information is revealed during an employee's enrollment into Aflac. Otherwise, if it is not known, then the city would need to provide Aflac with the additional information on what policies each employee has.

American Fidelity representatives:

Oklahoma based company since 1960. We specialize in school districts and municipalities including Lawton public schools. We also work with cities of OKC, Duncan, Midwest City, Hobart, Frederick, and Clinton. We partner with Oklahoma Municipal League and are endorsed. We are salaried employees so there is no pressure for our employees to sell your employees products. There is a local Lawton American Fidelity office that works with the school district. None of our services are out-sourced; it is all done in OKC. The flex 125 plan is done at no cost to the city; money is fronted, multiple debit cards are available. We offer a group disability plan (employees can sign up even with prior health problems), age at entry (once selected at age 30, the rate at that age will stay for as long as you have the policy; it does not increase as age increases), higher limits ($10,000 monthly benefit for employees not to exceed 60% of income), combo of short and long term disability plan (customize your plan based on your sick leave that you have accrued at work), accident plan (portable), critical illness/cancer/hospital indemnity. Kizarr asked when American Fidelity plans to have the conversation with employees (American Fidelity answered they can do group meetings with sign up sheets or they can help schedule individual meetings for the open enrollment process). We would like to put together an electronic enrollment process for the city and help employees enroll online for their benefits and give the information back to HR for processing. They do not have a dedicated person to wellness issues to assist the city's wellness committee.

Kizarr asked if the committee had time to push this decision back. HR answered no. Kizarr stated he liked their approach but they are in the business of selling insurance. Riley stated that from an administrative standpoint, there wouldn't be in problem in switching over but I would hesitate to set up individual meetings with employees due to the time crunch. Russell stated that HR would do a massive open enrollment every two years which the next one would be in 2014. Riley stated that HR never hears from Aflac representatives; the amount of communication to employees is unknown. Russell stated that he is a little biased towards American Fidelity because he has policies with them through his wife's employer. Kizarr is concerned that they are connected with Oklahoma Municipal League. Russell said the biggest difference is that American Fidelity is truly salaried employees. Kizarr asked if we are not going to use Higginbotham as our flex 125 administrator and Russell stated that that is his intent, is to get away from Higginbotham on the 125. Flex 125 will need to come back before the committee at the next meeting for consideration.

Motion by Ozuna with second by Stamper to endorse American Fidelity for ancillary benefits (not including flex 125) to include STD/LTD, accident riders, cancer policies.
Ayes: all* Nayes: none Motion carried. *Rusty Whisenhunt left before this vote was taken to attend another meeting

VI. Comments/Communication

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

VI. Adjournment

Motion by Stamper with second by Hushbeck to adjourn at 11:45 am.
Ayes: all Nayes: none Motion approved.