

May 15, 2019
Minutes
Health Plan Review Committee Meeting

APPROVED 07/17/2019

A Health Plan Review Committee Meeting was held on May 15, 2019 in the 3rd floor conference room, City Hall, 212 SW 9th Street, Lawton, Ok 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: Bruce Kizarr
John Schwenk
Albert Ozuna
Rusty Whisenhunt

Members Absent: James Churchwell
Britt Hubbard
David Raynor
Bob Bigham

Others Present: Dewayne Burk, HR Director
Kristin Huntley, Budget & Compliance Supervisor
Cindy Griffin, Benefits Coordinator
Todd Chapman, NFP, Vice President Select Market
Jona O'Hagan, NFP, Senior Account Executive
Jody Maples, CCMH, Community Outreach

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II. Financial report by Kristin Huntley

Supplemental Bank Reconciliation

Bank balance as of April 30, 2019	\$ 119,895.59
Outstanding Deposits	\$ 469,711.05
Cleared Checks as of 05/10/19	\$ 561,100.07
Outstanding Claims (Self Funded)	\$ 657.14
Deposits in Transit	\$ 292,840.40
Adjusted Balance as of April 12, 2019	\$ 320,689.83

Motion to approve financial report by Ozuna and second by Rogalski. Ayes: Kiazrr, Schwenk, Whisenhunt. Motion carried.

III. Wellness update

- Griffin reported that a blood drive is scheduled on July 12 at Sewer Rehab from noon until 4pm.
- 107 have participated as of today in the \$100 physical wellness incentive.

IV. Minutes

Whisenhunt asked if there were any corrections to the April 17th minutes.

Schwenk stated that he missed the last meeting but was reviewing the minutes it was reported that there was a data breach at Cerpess RX and wanted to know whose names they got.

Welchel explained that the last update she heard was that the City of Lawton was not impacted by this breach; however, they were waiting on the final outcome and will follow up with Cerpess and update everyone at the next meeting.

Motion was made by Kizarr to approve the April 17th minutes, second by Ozuna. AYES: Rogalski, Whisenhunt, ABSTAIN: Schwenk Motion Carried

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V. Old Business

a. Subrogation letters

Whisenhunt provided a letter to HCH on a subrogation letter that he received.

Welchel stated that when the subrogation is set up there is a specific code that is to be used so that the letters are triggered and sent to McAfee & Taft. There was an examiner that was working claims and did not realize there was an existing code, they built a new code and tied it to the wrong subrogation vendor to where the letters were going. That has been identified and McAfee & Taft have confirmed they have received a full file of all subrogation starting January 1 to current. Everything is corrected and up to date. Examiner has had additional training so they know it is out there.

Schwenk asked when they build a new code why there are so many employees getting these letters when there was an accident.

Welchel explained that subrogation is going to be triggered off of a diagnosis. It could be like a sprain, sometimes if you are not aware of what the diagnosis is, it could be part of the problem.

Schwenk never heard of subrogation until now.

Whisenhunt stated they were given out before with BCBS.

Whisenhunt commented that anything over \$1,000 that includes some kind of injury would trigger a subrogation letter. However, it was the delays in them getting them sent out.

Welchel said it was because of the file not getting to McAfee & Taft but that has since been corrected and should not have any problems going forth.

Whisenhunt replied that he did not understand is sending it to the other company that was collecting information and once it got to them it was taking about a week and half to two weeks and it was clearing the hold for the subrogation letter, there was a long time before it came out.

Schwenk wanted to know when something is denied for subrogation, for instance CCMH is anything sent to them?

Welchel stated the same information is sent to the provider that is sent to the employee.

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Whisenhunt stated that he thinks part of the problem is that CCMH for instance has a contract vendor that does the billing, and they are a collection company for the hospital and it's listed that way but it is not truly collections and that's why they think they think they are being turned over to a "collection agency" which technically they are not

Maple is going to check the verbiage on this and let them know at the new meeting.

Kizarr stated that BCBS never denied a claim for subrogation letter; this is probably why we are having the problem we are because BCBS went ahead and processed it in good faith.

Schwenk replied that in good faith process it with subrogation pending and hoping to collect on the back end.

Whisenhunt stated if they wanted to agenda that as a direction from the City they can do it, but you have that exposure that it may be a true subrogation and you may not get the money back. It does carry some risk when you do this.

Whisenhunt asked if they want to agenda an evaluation at the next meeting whether to address whether to pay all of them that would qualify under the subrogation.

Kizarr asked if they have a number of letters that have actually been sent out and those being returned.

Whisenhunt asked the time delay when a claim comes in and the decision that it needs subrogation and the decision in sending to McAfee & Taft what is the timing.

Welchel replied that McAfee gets a file every Friday, once it has been processed if the claim is flagged with an accident diagnosis, then every Friday those claims are sent to McAfee.

Whisenhunt asked what their requirement was in getting the letter out under the contract

Welchel replied it should be no more than 72 hours.

Whisenhunt asked why a claim sits in pending for months in the portal

Chapman stated it could be that they are waiting for additional information from the provider.

Welchel commented that they may be requesting an itemized bill from the provider, or if there is implants' they may be asking for documentation.

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Whisenhunt requested they give them a number on how many letters have of above the \$1,000 threshold and a value of how many did need to go to subrogation.

Chapman said he recommending not doing it the other way

Whisenhunt stated that it was his understanding that under the contract that the city actually provides funds outside of the healthcare the cost of the legal for subrogation.

Chapman replied that they would look into it.

Whisenhunt stated that he believes the way the contract was written which means that if it does go to subrogation then we have to go through the legal process, we are paying outside of our healthcare fees for that subrogation.

Rogalski suggested raising the \$1,000 to another amount but not \$100,000.

Whisenhunt agree that maybe the \$1,000 is a little low maybe this should be more of the discussion. Maybe that is the threshold that needs to be modified.

Chapman replied that he could ask around and see what the average threshold is on a provider.

b. MRI Cost @ Imaging Centers vs. CCMH

Whisenhunt stated there was some discussion with CCMH and ask if there was any further discussion on the MRI Issue.

Chapman replied where they are having problems is with the \$40,000 debt.

Whisenhunt commented that he does not understand why they are writing this debt off. Generally, hospitals go after collections so why would they write off the \$40,000. He assumed they would follow with debt collections/small claims. If you call in to pay it off they sometimes will give you a 20% off. Is that 20% a write off? Is the \$40,000 an actual 40k or was it because they gave a 20% write off?

Maples said that she would get with the Accounting & Finance Administrative Director Becky Holland and find out.

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c. Update Healthcare Highways portal Issues

Whisenhunt said they have fixed the issue because it is now listed under 2019 and going back to 2019, so the portal is working properly now.

Chapman replied that they are looking into some other changes for the future.

Welchel stated they had a call with the programmers because Chapman had made a suggestion that if they can make the drop box 18-19 & 19-20. The programmers are going back to research that. Welchel sent them some verbiage to add on the page on some point to notate that the plan is July 1 through June 30 and the accumulators restart apply then next year so that they know on 7/1 is going to fall on the 20/20 bucket.

d. \$100 Wellness Incentive for the next year

Whisenhunt discussed the wellness incentive for the fiscal year that the City Manager had sent a wellness program that he had used at his previous employment. We do not need to take action today but we need to looking at other incentives like if they meet the requirements then they can get a day off with pay instead of \$100.00.

Schwenk wanted to know about the spouses

Whisenhunt stated that was one of the items they have not addressed. The previous wellness incentive program requirement was that you had to meet a 400 point system in order to receive the day off. We need to look ways to accomplish this. One other way would be to pay out of the health plan to healthcare through the wellness plan pay out of the Visa Card like they are doing for the retirees.

Welchel replied accounting was getting with legal to make sure they are not missing anything from a legal aspect and how to work out that piece of it.

Burk commented that he did speak with the City Manager regarding the day off and he was supportive of giving the employees the day off for the physical. That would eliminate the tax issues with receiving the \$100 cash. As long as we can give the gift card for the retirees that would work. The day off would be like the safety incentive where you have a 'use or lose' day so you would have to take that day off within a certain amount of time.

Whisenhunt commented that the committee still needs more discussion on this item.

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Burk said it was his understanding that we do have a Wellness Committee. So we need to get that going again.

Whisenhunt replied the committee had not met since previous HR Director Chase Massie took over the wellness incentives when he was here.

Burk stated that it really affects all three, I think you will see all three committees the Health Plan Review, EAC & Wellness Committee evaluate that wellness program because in one prospective it's a benefit because you have the EAC who wants to look at that, then the wellness committee who actually oversees it and it affects the health insurance. Whatever we need to do to facilitate this HR Director will support it.

New Business:

b. Consider receiving information from HR Director, Dewayne Burk regarding late enrollment.

Burk gave an update stated that HR has several contract that needs to be renewed. There have been issues across the City with getting them renewed on a timely fashion. Staff and Directors are coming under fire for not being more timely on this. We started looking at all the contracts that HR has to deal with, on one hand they start July 1 but we have to do open enrollment in late May early June. If we are going to extend these contracts then we need to those to council in March or no later than April to get approve prior to open enrollment. The issue becomes that we have open enrollment scheduled for late May but these contract will not be approved until May 28th which means we will be doing open enrollment prior to the contracts being approve. There should not be a issues except where there is a stop loss increase, council may question that. Burk suggested moving open enrollment to June 5th. He wanted to make the committee aware and get a consensus on postponing open enrollment to after 1st of June.

Whisenhunt stated he did not think it would be an issue with the employees. But one of his concerns is getting the information uploaded to the provider by July 1 if we move the enrollment date.

O'Hagan replied that as soon as open enrollment is complete you always have people coming in saying I need to change this, or I did not know, so we have to do those individually for those who have to re enroll. The other piece is once the enrollment is complete then Liazon has to go in one by one and re enrolls all those people for them. We cannot just open enrollment for someone when we are in passive enrollment.

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Rogalski recommending approving keeping the open enrollment on the dates that are already scheduled because regardless of when you take it to council if they don't approve then you will be in the same situation.

Whisenhunt agreed that the repercussions' are less if you just go ahead as scheduled.

It was agreed by the committee that the open enrollment date of May 22 – June 5th should not be rescheduled.

Burk brought before committee the issues throughout the year on a qualifying event, in the past they have called HR complaining they have forgot to enroll during the 30 day grace period and would like an exception. In the past the HR Director and or City Mgr would make a decision to override and put them in or not to. He wants a consensus on the committees on how they would like that handled.

Whisenhunt stated that there is an IRS regulation that states that you have to do the change within the window and if you go outside the window then the plan no longer qualifies.

Chapman commented that on the legal side of the plan if you go outside of your reinsurance contract then because in your SPD document (which is what the reinsurance goes off of) you have a qualifying event period to make that change, or you have to wait until open enrollment. So if you make that change and you allow that then you are now outside of that reinsurance contract. For an example, if you allow someone to enroll after the qualifying event deadline, then say for instance it is premature baby reinsurance does not have to give you a dime and they have every right to do so. His suggestion is to stand firm on it.

O'jona suggested educating everyone by adding this information to the monthly newsletters.

Whisenhunt asked if they want to stick with the current plan document and keep it 30 days. The committee is going to stick to the current plan document to keep it at the 30 days.

Burk stated that we will make it a permanent reminder going forward in the city's monthly newsletters.

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Motion was made to go into executive Session by Rogalski and second by Kizarr . Ayes: Ozuna, Schwenk, Whisenhunt

Motion made to go out of executive session by Kizarr, second by Rogalski. Ayes, Raynor, Hubbard, Whisenhunt

Motion was made out of executive session by Rogalski and second by Kizarr on Schwenk appeal to pay by exception as in network. Ayes: Ozuna, Whisenhunt.

Burk appeal was tabled due to the departure of committee member Rogalski and a quorum would be needed to vote.

VII. Comments/Communication

Welchel commented that one of the things that one of the things they have had problems with was the customer service calls. These are not HCH employees so what they have done was have built their own customer service team and are HCH employees and have been for a while. She recommended they change to customer service so that it goes directly to them now. It will require a new customer service number and require new cards. However, HCH will incur that cost if this is something the committee would like to consider.

Whisenhunt replied that it is up to them who they want to use.

Chapman at the January meeting, the formulary changes, Welchel has the formulary changes and will email them to you.

Welchel explained that they have 123 that could be considered negative and 114 positive. Moving tiers or moving from excluded to being covered

Chapman replied if something is excluded then there is an alternative for people.

Whisenhunt stated he does not want letters mailed out until the committee votes and approves the changes.

Chapman replied he thought the committee already agreed

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Whisenhunt stated the committee was going to receive them and vote either yes or no. That has to be on the agenda.

Schwenk asked if there will be a list of those that are changing.

Welchel replied that it would tell you it is going from a different tier it is the same letter as before.

Whisenhunt in the email is the positive and negative impact with the plan.

Welchel stated it is a custom report and she can request it but it will take a while. Right now, she has the list that will show the impact and it will list out the drugs and the ones that are moving. She reached out to Careways to see if they were given a list of names if they could reach out to that member to help them understand the change.

Chapman commented that he feels that we are going above the level of expertise when everyone is trying to vote on which drug to take effect in the formulary and he is not comfortable in giving advice. There is a panel of pharmacist that go over that formulary list.

Whisenhunt replied it is a "cost savings measure" and our current contract was based on our current formulary.

Chapman stated it would factor in formulary changes into that, when they are looking into the contract they are assuming that you are going to update your formulary, to keep that formulary current with current pricing reduction to cost saving measure or alternatives that are cost savings measures as well.

Whisenhunt replied that the cost savings matrix there are if it saves the plan and cost the employee money then it is the committee's job

Chapman stated they do not always have to go in they can always call their dr and ask to prescribe something different.

Whisenhunt replied that he would wait and see what is emailed to the committee and this will be on June 19 Agenda to adopt the changes to the formulary. No letters need to be sent to the employees until that vote to adopt the changes has been approved at the next meeting.

Welchel has the list and will share with him

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Whisenhunt stated they were asking for these changes in early May

Welchel replied they had just received them.

Whisenhunt asked if they knew how many employees would be impacted by this.

Welchel replied she did not know the exact number of employees it just goes by the negative impact based off the drug, the members are not identified.

Chapman replied it was like 80 or 90 last time.

Meeting was adjourned by Chairman Whisenhunt at 11:46 since there was no longer a quorum.

Adjournment:

Whisenhunt announced adjournment at 11:46

Next meeting scheduled for June 19, 2019 @ 10am, 3rd floor conference rm.