Draft

Regular Meeting
Health Plan/Cafeteria Plan Review Committee
July 16, 2013, 9:00 a.m.
New City Hall Conference Room

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

I. Roll Call

Members Present: Bruce Kizarr, Bob Bigham, Albert Ozuna, Rusty Whisenhunt, Alberto Talavera, Doug Stamper
Members Absent: Scott Kisner, Cindy Ehlers, Traci Hushbeck, Justin Dipprey
Others Present: Glynn Preast (Fiscal Tech), Tanya Riley (HR Generalist), Luann Yarberry (Higginbotham)

II. Minutes – none to vote on

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 6-30-2013	$	526,009.83
Transactions to date:	$	301,683.00
Cleared Checks	$	-
Outstanding Claims	$	601,685.76
Deposit in Transit	$	246,710.38
Adjusted Balance at 7/15/2013	$	472,717.45 *

*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 balance is getting low and that we need to keep an eye on it.

IV. Old Business - none

V. New Business

A. Discuss goals for FY 13-14 regarding health/dental insurance

Kizarr stated that as a committee we need to decide what we want to do with plan changes. Riley said this was put on the agenda now so that plan changes can be discussed now in time for HR to go to unions and before the next fiscal year. One example is looking at incrementally increasing deductibles. Whisenhunt stated he thinks the committee needs to remember that we've had 18 months on a $500 deductible. Kizarr stated we should be able to have BCBS run numbers based on the history of if our plan had been a true 12 month plan; how did this affect the out of pocket maximums and deductibles. Kizarr doesn't feel that a split tier would work for our plan but he would like to see numbers on that and discuss it. Whisenhunt mentioned a smoker surcharge. Yarberry discussed a 4 tier plan (1:wellness/non tobacco, 2: wellness/tobacco, 3: non wellness/tobacco, 4: non wellness/non tobacco) where you determine the highest premium price and the plan gives employees credits for wellness and tobacco. Yarberry also mentioned a working spouse surcharge (penalty assessed to an employee whose spouse in on city insurance even though they have access to other insurance. Yarberry said Higg met with an actuary regarding the plan and the fund amount and the actuary recommended a reserve of $900,000 to cover incurred, expected liabilities; to fund unexpectedly high claims year the actuary recommended a reserve of $1.7 million. Whisenhunt reminded the committee that the loan has been paid off ($300,000). Yarberry asked for what the committee would like to see Higg and BCBS bring back to them regarding reports, numbers and recommendations. Committee felt that the $900,000 reserve is more reasonable for what the plan needs. Whisenhunt stated the committee hasn't addressed dr office visit copays being raised and Yarberry said that you are not going to see any increase to the fund if you simply raise copays. Yarberry also mentioned looking into a 4th tier prescription plan. Talavera said the committee needs to remember the people they represent and we don't want to kill them financially either by higher deductibles or larger costs when we could have simply increased the premiums and shared the costs. Kizarr said there needs to be a balance. Riley stated that yes, raising the premium affects everyone the same but so does raising the deductible. Talavera said no. Bigham suggested making health insurance similar to car insurance. Riley asked that the committee provide ideas for a September agenda and keep in mind that some decisions would need to be made by January so that HR has time to go to unions and get something agreed upon by March in time for the next open enrollment period.

The following items will be discussed at the September meeting:
12 month vs 18 month deductible (look at BCBS reports/numbers), tiered plans (low/med/high), 4th prescription tier, dental (how to get dentists on board), prescription mail over vs no mail order

VI. Comments/Communication

A. Next regularly scheduled meeting will be held September 17, 2013

VI. Adjournment

Motion by Stamper with second by Ozuna to adjourn at 10:15 am.

Ayes: all   Nayes: none   Motion approved.