

July 17, 2019
Minutes
Health Plan Review Committee Meeting
Approved 08/21/19

A Health Plan Review Committee Meeting was held on July 17, 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: Richard Rogalski
Bob Bigham
Brit Hubbard
Rusty Whisenhunt

Members Absent: James Churchwell
John Schwenk
Bruce Kiazarr
David Raynor

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 March 31, 2019	\$ 967,363.70
Outstanding Deposits	\$ 403,045.56
Cleared Checks as of 07/12/19	\$ 964,047.83
Outstanding Claims (Self Funded)	\$ 445,505.04
For July 3 & July 10 claims, July Admin Stop & Loss fees	
Deposits in Transit	\$ -
Adjusted Balance as of April 12, 2019	\$ (289,143.61)

Huntley reported the \$250,000 for stop loss fees had to be transferred from the general funds to the health fund to pay for the June claims to give an adjusted balance of -289,143.61. Whisenhunt asked if the 250 was part of the \$289 adjusted balance. Huntley replied it was

Huntley reported what hurt it the most was that the May and June HealthScope charges were over a million, which is going to be hard to recover from since the payroll is only bringing in 300k. Burk asked if she received the stop loss checks. Huntley replied that she did receive \$147k and of that \$96k will go back out to pay for claims, which give us a total of \$51k, however we received a Liazon bill of \$179k. Chapman commented that the city will receive some more stop loss checks and should receive about 476k because of all the claims that came in June.

Whisenhunt commented that once we receive the 476k this would put us close to 200k positive. Once the accounts go below 300 or 250 for 3 consecutive months then it will constitute a recommendation to increase the premium. If the account remains low next month then the committee will have to make that recommendation.

Rogalski commented that we have been descending since Jan 2019. If an increase in premiums were to occur, the only way the premiums would lower back down is if the adjusted balance would remain at 500k for three consecutive months.

Whisenhunt cautioned that with two outstanding invoices next month might warrant an increase of premiums.

Motion to approve financial report by Rogalski and second by Hubbard.
Ayes: Bigam, Whisenhunt. Motion carried.

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III. Wellness update

Griffin reported a total of 36 employees received the \$100 incentive for the physicals this quarter for a total of 135 for the fiscal year. Whisenhunt commented we had more participate in this then they did in the biometric screening and these were more thorough. Because of the physicals, two major illnesses were discovered. Whisenhunt stated that this is the reason for the physicals, is to catch an illness early in hopes of saving a life.

Griffin reported 7 (seven) people participated in the blood drive that was held at the Sewer Construction. The next blood drive will be in November, but a definite date has not been set. We have a better turn out at City Hall then we do at public works.

Health Fair is scheduled for October 17th from 10am to 2:00 pm. Maples will get with Griffin on some information for CCMH.

IV. Minutes

Whisenhunt asked if there were any corrections to the May 15th minutes.

Motion was made by Rogalski to approve the May 15th minutes, second by Whisenhunt. Ayes, Bigham Abstain, Hubbard.

V. Old Business

a. Subrogation letters & threshold limits

Chapman reported that he checked with other insurance companies: Aetna, Cigna & United Healthcare and BCBS. BCBS was set at \$1,000 (one thousand) when it triggered an accident code. Aetna does not have a dollar amount and United & Cigna were both a thousand, which is standard when a subrogation letter goes out. Whisenhunt asked if it is under the a thousand then there are no questions asked? Chapman replied that was correct. Rogalski asked what the process was. Chapman stated they identified some problems with the process, some was being mailed to a claims examiner and so now an email file is going to McAfee and Taft and then the letters will go out. It should be about a week process. Rogalski asked if it was still coming through the mail and not electronic. Whisenhunt stated you can answer the questions online if you like. Chapman commented that it will be also on your EOB. Rogalski asked what was our currently set at. Whisenhunt replied \$1,000.

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Motion made by Hubbard to leave the subrogation amount at \$1,000 (one thousand). Second by Rogalski. Ayes: Bigham & Whisenhunt. Motion Carried

b. Wellness incentive for next fiscal year

Discussion on how to go forward with the wellness incentive. We currently have \$6,000. Whisenhunt asked if HCH could invoice the city for payment and HCH send employees a gift card in the amount of \$100.00. If it comes from HCH it will not be taxable or pensionable. Welchel said they ran that through their finance dept and accounting is pushing back on this as far as having to do the invoicing. Whisenhunt asked if it could be processed as an authorized claim. Welchel stated it would not be automated because you will have to manually enter them in the system and the other problem is that the accumulators are built in the system that are coded towards wellness.

Whisenhunt said the problem with the city is that is taxable income and it is a manual process. Rogalski asked about the reduction in the deductible. Chapman commented that it discussed last time that some do not like the idea because some employees do not meet a deductible anyway. Chapman suggested having a reduction in premium for next year, so everyone that gets it done this year will have a separate premium next year. Whisenhunt stated that would not encourage them to do it to take a few dollars off the premium. Chapman suggested giving you 60 gift cards, once a quarter you let them know what your number is and they send you an invoice for wellness incentive and HCH send you gift cards and you distribution. Griffin replied she would have to get with Finance first. Welchel said she would get with accounting and see how it can be done.

Whisenhunt, stated this would not be paid until the end of the quarter so we will have time to figure out the logistics, regardless this incentive needs to continue. Griffin asked if the retirees could participate in this program. Whisenhunt replied the ones that are on the HCH plan. Whisenhunt stated we would continue the wellness plan and continue working on the logistics next month.

Rogalski made a motion to continue the wellness incentive of \$100 for the next fiscal year and work out the logistics at future meetings. Second by Hubbard. Ayes, Whisenhunt, Bigham. Motion Carried

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New Business:

a. Re-establishing Wellness Committee

The committee ceased to function under a previous HR Director, and the Health Plan Review Committee would like to get that committee re-established. Griffin passed out a list of members that served on the committee.

Whisenhunt and Rogalski would not be able to attend the wellness committee. Griffin will reach out to those on the list to see who would like to get re-involved. Whisenhunt said the City Manager provided some information on a wellness program from another city and he would like to see some of that incorporated in the COL program, which is something similar to what we had before. Rogalski agreed that the city needs another program going that is activity based.

Rogalski made a motion to re-establish the Wellness committee second by Hubbard. Ayes, Whisenhunt, Bigham.

b. Review breakdown of enrollment in different plans.

O'Hagan reported that she was not able to get that information yet, will have to get with Liazon for that information. Most were passive enrollment. Whisenhunt stated he would like to know what the breakdown is of the three plans. NFP will bring that information to the next meeting.

c. Adopting changes to the formulary plan.

Whisenhunt explained the estimate was a 60k savings on the negative ones to the plan and effected 56 members however. Chapman stated that the members may not experience an impact other than they may have to change to a generic drug. Careways did agree to reach out to all the members being affected to let them know what their options are. Therapedic alternatives and let them know they can call their Dr. and not necessarily have to go in. Hubbard asked what kind of advance notice the employee would be given. Chapman replied you could give them until September 1. Whisenhunt asked when Careways would start contacting. Chapman replied immediately. Welchel said they could still do letters as well. Rogalski asked if they could not take the alternative drug then what. Chapman replied they could go through clinical review.

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Rogalski made a motion to adopt the changes in the formulary effective September 1 with the notifications. Second by Bigham. Motion Carried.

VII. Comments/Communication

a. Policy & Bi-Laws

The current bi-laws were handed out to the committee members. Whisenhunt explained there are a few things that need to be updated and will be bringing those changes to the next meeting for review. The committee functions predominantly as an advisory recommendation to the Manager, like premium increases would go to the Manager. Renewal of contracts. The one that is not a recommendation is the appeals process, but there is no limit set on it. The policy also states that the meeting would be every other month and the bi-laws every month. The policy has terms for every members, the thought process is whoever the appointed authority was for that committee member would be indefinite, removed or no longer works or steps down. Next meeting this will be an agenda item to make some revisions to make recommendations to the City Manager on the policy and a change to the bi-laws.

Over 65 plan

Chapman reported that on the over 65 plan, they are going to send that to market next month. The committee will have something to vote on in September. Whisenhunt stated that the plan was developed before NFP came on board. One of the things was that the prescription, BCBS customized the prescription and the plan to fill in some of the holes to where the employee paid a little more but the retiree would have no out of pocket expense and many of the other plans could not customize that plan.

Motion made by Rogalski to adjourn, Second by Hubbard. Ayes,

Next meeting scheduled for August 21, 2019 @ 10am, 3rd floor conference rm.

Adjournment:

Whisenhunt announced adjournment at 11:15