DRAFT

Regular Meeting Minutes
July 19, 2016 @ 10:00am
City Hall 2nd Floor Conference Room

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

I. Roll Call

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

Others Present: Tiffani Burk (HR Generalist), Chase Massie (HR Director), Rachel Kanady (NFP), Kelley Harmon (NFP), Krystal Urbanski (Finance), Chris Engelman (BlueCross BlueShield), April Bortmess (BlueCross BlueShield), Kerrie Cook (BlueCross BlueShield), Tim Johnston (Liazon), Allen Silver (Liazon), Anthony Naes (Liazon), Courteney Cacho (City Manager's Receptionist)

II. Minutes (4/19/16) (5/4/16)

Whisenhunt said on the 5/4/16 minutes, the Stop Loss insurance was presented and recommended but the Council agenda had it going to BlueCross BlueShield.

Massie said yes, what happened was the RX came back stating they couldn't guarantee what they originally told us. We weren't comfortable going into an agreement with them if they couldn't put in writing their guarantees. It only left us with (1) one option, BlueCross. They needed some other information. We didn't know if they were going to pull out large claims or not. We didn't want to get stuck with some really large claims down the road.

Whisenhunt asked on the Stop Loss, how they pull out large claims.

Massie answered they would say those occurred before they took over. So they wouldn't want to cover them. If they couldn't guarantee it then we wouldn't want to do that.

Motion to approve both April and May minutes by Albert Ozuna with second by Bob Bigham Ayes: Ozuna, Schwenk, Rogalski, Bigham, Kizarr Nays: Churchwell **Motion carried**

III, Review Reports

A) Financial Reports

Supplemental Bank Reconciliation	
Bank balance as of 6/30/16	$142,532.73
Transactions to date	$694.02
Cleared Checks	$47,162.14
Outstanding Claims (Self Funded)	$1,450,571.82
Outstanding Claims (Pass Through)	$-
Outstanding Claims Total……...$1,450,571.82	
Deposit(s) in Transit	$368,520.23
Adjusted Balance as of 7/15/16	$(985,986.98)*

*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.

Schwenk asked if deposit in transit means money is still on its way in.

Urbanski answered yes. Usually that's what comes out of payroll, premiums, and stuff which haven't made it to the bank yet. She'll get a hold of Peters in Payroll and get a total.

Whisenhunt asked if it included the pay period (2) two weeks ago.

Urbanski answered yes and that might have included one of the fire/police pension. Usually Peter's in Payroll gives her a total of everything that she's about to deposit and she gets those checks as well.

Rogalski asked transactions to date are a negative, that's payments that we make.

Urbanski answered transactions to date are positive.

Rogalski asked if cleared checks were a negative or positive.

Urbanski answered negative, that's what we are taking out of the bank.

Rogalski said claims are negative.

Whisenhunt said at the end of the year paying out of last years deductibles, we would have met is probably to continue to September timeframe because the new deductibles are in place now.

Massie said we are behind on our bills.

Whisenhunt said we expect Division and deductible changes. Really won't see that show up until the September time period.

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

IV. Wellness Committee

A) Update

Massie said we kicked off our Wellness Program for the next fiscal year. We've had (2) two events. We just kicked off our walking challenge yesterday. So far with each event attendance is going up and we hope to see that trend continue. The calendar is out there with the full events for the year. The walking challenge went really well yesterday. We had (2) two groups going, had one group walk indoors during lunch and the other after hours. We'll continue that for the next (4) four weeks. Blood Drive is coming up.

Whisenhunt said he received a comment from Public Works on the walking challenge that their lunch is not at 12pm. They cannot participate during lunch and they get off at 3:30pm. They'll be home for (2) two hours before the evening challenge. They're really not going to participate.

Massie said before anyone says that they are not going to participate, they should reach out to him or the HR office to see if we could work something out. We'll have to see if there's a big enough group. He has a group at the Medicine Park Water Treatment Plant of (4) four who said they can't make it in obviously for lunch. So we worked it out where their supervisor is that accountability person and they walk during their lunch, counting it as their group sessions. The goal is to get participation.

Whisenhunt said we will get with you and work with you this week.

Ozuna said there are some in Public Works who are coming in at 6am and getting off at 2:30pm just to get out of the heat.

Whisenhunt said participating, doing the walking, and making it to the mandatory sessions, those will be the challenge. Accountability is good but it's with that option being able to do it as a group with someone to verify would solve that issue.

Kizarr asked if the trackers could be used for verification in the future.

Massie answered yes that's a good idea. You can set it as an exercise event and it'll start tracking your route. We go through it, we make adjustments, and we look to tweak for next years.

V. Old Business

A) UPDATE: Executive Session – Employee Appeal

Motion to go into executive session by Bruce Kizarr with second by Albert Ozuna Ayes: Ozuna, Schwenk, Rogalski, Bigham, Kizarr, Churchwell Nays: None **Motion carried**

Motion to end executive session by Albert Ozuna with second by James Churchwell Ayes: Ozuna, Schwenk, Rogalski, Bigham, Kizarr, Churchwell Nays: None **Motion carried**

B) Private Exchange Actuarial Information

Kanady the last time the Committee met was in May and we discussed the opportunity of a private exchange or benefits store for the City of Lawton. We walked through a demonstration of the system from Liaizon and also addressed some high level questions. What could that look like? Could it help with our funding challenge with the plan? Could benefits be different for different divisions within the City? What does that mean if we are self funded? What would the benefits be inside the store? What's the marketing process like? How will employees respond? Most of those questions were easily answered except the funding component. A lot of hypotheticals were thrown out on how it could help address the short fall of funding that you have for your health plan. We left the take away with bringing Liaizon's actuary here. Silver has done some modeling and he is cognizant of the outstanding balance, plan design changes that are made, and somewhat the state of the City at a high level. Johnston is going to do a refresher in way of a video and utilize the actuary that has joined us. Feel free to ask him any questions.

Johnston showed a video. Johnston said the idea was to expand a number of options that was available to everybody. Provide people the opportunity to buy different things and use the technology to help them figure out what makes the most since considering their situation. There's no doubt there are different needs out there so this would make a lot of since in that perspective. The common theme with this platform is many employees when going through the process of answering questions technology helps them determine what makes the most since. We see a lot of employees moving to the less expensive medical plans which in turns means lower payroll deductions for people. These claims are less expensive, they have high deductible associated with them, and when you go through and fill out the profile it'll recognize the estimated cost. The individual assessment the technology provides will drive people to make better decisions. Currently there's a short fall from a budget perspective on the plan. If the common theme is employees are going to move to high deductible plans, lower premiums, it's going to reduce the amount of premiums that the City is going to be collecting from the population. That became a concern from a financial perspective. Is this really the route that we want to take? We've sort of arrived at that point of our conversation during the last meeting.

Kizarr said he understands the concept for the company that's farming out their insurance. When you are talking about making choices, we only have (1) one choice. Kizarr asked if we were talking about having more choices. He feels like we are jumping the gun a little bit because this wouldn't work for us with the way we're setup. Kizarr asked are we talking about farming it out or having different plans.

Massie answered we would have potentially (5) five or (6) six different health plans with the same providers. We have BlueCross, so with all BlueCross BlueShield plans there would be (6) six different plans. We might have one that has a ($3000) three thousand dollar deductible, might have one that is a ($500) five hundred dollar deductible, and might have one that is the exact same plan we have today. That's where choice comes in. It would be the same on dental and vision.

Kizarr asked about the coverage, would it be the same.

Massie answered the coverage would be different depending on the plan. There will be (5) five different plans with very small changes.

Whisenhunt asked are all of the plans going to meet the Affordable Healthcare Act.

Massie answered yes, absolutely. Every one of them, we would get fines if they didn't.

Johnston said the idea is to maintain compliance across the board and ultimately to understand within the population here.

Whisenhunt said that really restricts the variation in the plans quite a bit. To be compliant there are minimum coverages. Our plan is a very good plan but it's not above what's required as a minimum in the Affordable Healthcare.

Kanady said there's affordability and actuarial value. There are (2) two components that we are talking about here.

Whisenhunt said he is talking about the flexibility in the types of coverages to change the valuation. To reduce your cost you'll have to go up on your deductible it'll have to go from (500) five hundred to the maximum that is required. There are so many coverages that require you to pay (100%) one hundred percent and it have to be in all of the plans. There are a certain number of things that can be different.

Most of those are going to get back to the deductibles, coinsurance, and a few coverages.

Kanady said you still have a lot of room. It's hard to implement a plan that doesn't meet affordability and actuarial values. You can do a whole lot with deductibles and coinsurance and still meet the ACA guidelines. You're going to be able to offer a whole lot more choices and still be within your rights for every single coverage. You won't be jeopardized there.

Johnston said if you think about the single monthly rate for a plan and think of the lowest end of the spectrum where it's a (60%) sixty percent verses a (95%) ninety-five percent plan. Johnston asked Silver what would be the average, the difference between the single rate?

Silver answered It could be as significant as when you get down to the lowest minimum value plan for a single employee in the neighborhood of (250) two hundred fifty to ($350) three hundred fifty dollars a month verses the highest value plans which can rise up to (600) six hundred and (700) seven hundred. In some cases based on the risk profile it could be up to (800) eight hundred, (900) nine hundred. There's a big swing between what you get at the minimum value when you go with the maximum value. A minimum value plan represents a (60%) sixty percent actuary value which typically is implemented in a form of a deductible somewhere around ($6000) six thousand dollars. There are many ranges in-between. You could go from (500) five hundred to (6000) six thousand with very different approaches between. (1500) fifteen hundred, (2000) two thousand is what most of our employers start with.

Johnston said we would strive for is to be able to offer coverage that is similar or the same that is offered now. We have (4) four or (5) five others that allow employees who are health a few other options that could save them (100) one hundred to ($300) three hundred dollars a month because they don't need that level of coverage. It's creating that environment of flexibility for employees. It would mean changes in terms of what you'd be offering but the idea would be for those changes to be meaningful to population and to be a positive thing for employees who'll have more flexibility. You can apply that same concept not just on medical but on dental, vision, and all other types of benefits. It's creating that element of flexibility across all different lines of coverage.

Kanady said what's taking place employers are either offering a (2nd) second plan with multiple options. They kind of have a base plan they pay for but are also richer. They are looking at different approaches seeing that they are providing such a rich benefit to their employees because when you only offer (1) one or (2) two you have to offer the best possible for what you can afford. When you offer a seesaw approach where they can stay put, go richer or more, then employees might say that they just don't need that. When you put the dollars in their hands they are going to spend money a little bit differently. Your job is to put the best thing forward for your population. If you choose a bucket with a certain amount of money and let your employees spend it, they might go lower. Overtime that utilization will help stabilize your plan and they are going to learn how other products are going to round out their benefits.

Rogalski said he understands providing more options will suit new employees better. Choices always make a person feel a little better rather than getting stuck with something. With (1) one choice we know what kind of income we are going to have but we don't know what we are going to pay out every year. Rogalski asked with the varied plans, have those been shown to actually lower overall costs.

Silver answered what generally happens when you have (4) four or (5) five plan options, you'll see participants buy down from lower value plans. By choosing lower value plans your claim base must fall. The second piece that ends up happening when you go through this kind of approach is as participants move down to lower value plans and goes through this type of analysis, they understand their plan a lot better, and individualize their coverage. When you go and start utilizing services you start to see something in those individuals. They start to be a little more thoughtful with regard to what they are utilizing. Typically what we see is as participants shift down to lower value health plans, the actual claims base associated with the employer cost falls well beyond what they are paying for out of pocket. You're basically trending from (1) one year to the next. There are savings to be had there but it's going to depend on what it is you pick in regards to the options that are out there.

Johnston said everyone's struggling with the fact that everything's starting to get more expensive. It's getting harder every year to provide the same level of coverage. Costs have to be passed to employees, the City has to take on costs, and potentially we do both of those things. The other option is to just change the benefits, recognize that the costs are going up. Instead of taking one plan, we diluting it and make it less rich over time because we have to afford it. We are not going to make the decision to change the plan on everybody. We are not going to make everybody pay more. We are going to put a set of options out there to allow them to make decisions that make the most since. The City will continue to contribute as much as they can afford. He doesn't know if savings is necessarily what we are striving for here but the budget is something we are trying to correct. The bigger thing that we are shooting for is the nature of the population to fit all of the needs that exist. We could look at the financial perspective if we want to dig into some of the specifics.

Kizarr asked how much the City is going to pay Liaizon because the City has no money. How is it going to save us all most a million dollars, pay Liaizon, and save enough money for this to be affordable? If you offer a lower plan and people move then the plan we have now has to go up.

Whisenhunt said if a large majority moves to the lower cost plan, higher premium lower cost. He can't imagine many people moving to the one that cost more. Knowing what the City pay is that's not likely to happen. To keep that balance and to keep from having to move that pivot point up in cost due to that shift the Committee would be looking at (3) three options.

Silver answered we need to do a good job at explaining a little how exchange works in a self insured plan. In a fully insured environment they set a premium for each plan but what happens a lot of times the actuaries who do that projection mess something up and get something wrong. What's going to happen is both cost plans are going to rise. On the self insured side of the world we don't take that same approach to pricing. Our goal is to price those (2) two plans so that you will be insulated against any movement from one plan to the other. We try to identify what the risk is going to look like at the top for the entire group and say what would happen if everybody enrolled in this plan or that plan. You still have some cross subsidization going on between those (2) two plans but limit your exposure to the possibility that everyone who's left in the high claim are just going to see skyrocket costs. What you are looking at is a population as a whole. Unfortunately fully insured solutions can't do it like that because of regulations but on the self insured side of the world we can. Death spirals don't happen on the self insured side of the world assuming you have an actuary.

Kizarr asked if you have (1) one employee who wants to stay with our current plan and (1) one who wants to go with another. This employees cost has to go up to offset the cost of him not paying his premiums for the benefits that we already have.

Silver answered it doesn't have to be (1) one for (1) one. Our pricing wouldn't say the lower plan should cost (50%) fifty percent. Basically saying the total program needs to work out to be (100%) one hundred percent in some shape or form. Each claim needs to represent what would happen if both people were in that plan. There is still cross subsidization going on. When the (50%) fifty percent person goes to the lower value plan they are not getting the full benefit of (50%) fifty percent. They are only getting a partial version of it so they can offset the cost increase. We are able to do that because it is a self insured program. A fully insured program has minimum law ratio requirements where they wouldn't be able to do that. What you see from (1) one year to the next, in absence of any changes, something that looks like the similar increase for each plan over time. If the overall program goes up by (5%) five percent the plan should go up somewhere within the (4 1/2) four and a half, (5 %) five percent range for each of them. If you are seeing something different the underline pricing model didn't account properly.

Kizarr asked if a person is buying down are part of their premiums paying for the high premiums.

Silver answered that's right on an individual basis. If a healthy person is buying down they are not getting the full benefit of buying down because they have a portion of their buy down going to stabilize everything else. In a self insured pool, even in an exchange environment, as an actuary, he cannot prevent a bad year of large claims. If you're still staying self insured there is a possibility that your overall program will have an unfavorable experience the same way that your self insured program has had unfavorable experiences to this point. That's (1) one piece that is still on the table which needs to be carefully thought out.

Whisenhunt asked if the Stop Loss will still be in play in the (3) three plans or will they have different Stop Losses.

Massie said we would do (5) five or (6) six because we would have to have that spacing. If we do (1) one to (3) three plans it wouldn't be enough of a difference to produce any savings. We have multiple goals with this. (1) One is to take the next step to allow technology to work for us and help us educate our employees. Then in turn our employees are making better health decisions. If we can produce saving through this then it's something we definitely need to try to do. In order to do it we are going to have (5) five or (6) six plans that are spaced out appropriately. That's where the Liaizon, NFP, and BlueCross come into play. He believes BlueCross has sets of plans that go with something like this.

Engleman said this needs to be considered. Engleman asked how far off the current benefit level in funding for the employees portion of the premiums does Silver think the Unions are going to be able to let that go down. The Union negotiates very strongly of premium adjustments and benefit changes. It's not like freewill where the City could say this is what everyone is going to do.

Kizarr said he was always under the assumption that the City was going to pay the same amount per employee no matter what plan they are on. Kizarr asked if that was not what we are going to do.

Massie answered that's the plan. The City has a budgeted amount that we pay in per employee per month and that amount wouldn't go down. That amount would stay the same. If we have multiple plans it would be up to the employee on how they are going to spend that money.

Engleman said what Kizarr has to consider is the plan today may cost you more tomorrow. There are just some limitations that need to be considered when we are doing modeling. It's best to deal with that on the front end than the back end.

Kizarr said his fear is his guys are going to like this because we are all young healthy guys. Now the question is can they afford to stay on the plan because when they're young and healthy they're going to be paying cheap. They'll start getting sicker and having more health problems and then they'll have to buy up.

Massie said at the same time it would help educate because while the firefighters are young healthy guys, families aren't. We look at the claims and fire has the highest claims out of the (3) three groups.

Kizarr said he understands how this would educate people. If they had to make their own choices and they only get (65%) sixty-five percent of the coverage instead of (80) eighty, they should have known that. If you want to keep the same insurance you have right now, it's going to cost you more money.

Engelman said when people start thinking about their costs and their future services needed, they do tend to buy down. They start to think they would rather keep their money, spend it when they have to, than just giving it to someone and then use it down the road. He's been with this group for (11) eleven years and has seen the control that the Unions have. Their consideration and what they are willing to do have to be taken into consideration.

Kizarr said we would be concerned about what the cost is going to be verses what we are paying now, what the City pays now, and what benefits we get. How much the changes fluctuates, one way or another, will be a big consideration whether his guys would accept it or not.

Johnston said looking at the current situation, not enough current rates are being collected for the plan. If you forget about the exchange all together, with the plan right now, if it was the only thing being offered, there's a possibility that the rate on that plan has to go up. There's got to be a way to collect more to cover the actual cost. Before you only had (1) one plan as of now you'll have multiple plans and won't be stuck in one bucket. It's all relevant to the overall discussion, exchange or not, there's a financial piece there.

Massie said we are at a point where our plan is adequately funded now. Option 'A', we keep (1) one plan and raise premiums again. Option 'B', here's (5) five plans; now you have another option if you don't want costs to go up and you feel this plan will fit you. It just adds choices for our employees.

Rogalski asked when this will take effect.

Massie answered July (1) one of (2017) two thousand seventeen. He would like the Committee to provide their feedback and recommendation sooner than later because in turn this summer he will work with NFP, Liaizon, and BlueCross to get it written so it could get to the Unions.

Rogalski said he would like to see with the (4) four or (5) five options, what the cost of those would be with one of those being the parallel plan. Rogalski asked what single plan we would offer with a single rate if we didn't do this.

Massie answered it's about a (13%) thirteen percent increase.

Burk asked do they give pre- (65) sixty-five retirees options.

Johnston answered what we would traditionally do for pre- (65) sixty-five retiree population setup is a separate store for them to shop. Any of their contribution and options available is different which can be configured for that population which would be normal.

Burk said we don't contribute anything to the retiree side, so they would have to pay (100%) one hundred percent.

Johnston said if that's how it is now and that's how you would like to continue things we would set it up in the system.

Kanady said we have different store fronts. The functionality is to have different options within the City. Our long term goal is to help with the funding challenge. She would want, when people retire, for them to be able to afford that and for the City not to have to sit and worry about the cost being so affordable. That takes years to correct. There's a lot of versatility within this. We're going to need some direction from the Committee. Our job now is to give you enough information.

Silver said from his perspective there are (3) three different approaches he would put in front of the Committee to see what the numbers look like.

1) **Do Nothing Scenario**

2) **Do a Conservative Approach – more of a long term savings construct**
3) **See It**

Whisenhunt said the one thing we haven't discussed is the buying down. That really promotes the buy down to maintain the costs where we are because salaries aren't increasing. Whisenhunt asked what happens with the buy down when they quit seeking medical treatment.

Silver answered the claims information that comes out of this is the deferred treatments actually don't result in a population the size of the City of Lawton in spike of claims later on. It doesn't mean the participants aren't as healthy as they could be. If someone has an illness/disease you would want them compliant with their treatments. All of these plans we are talking about have (100%) one hundred percent coverage on their preventive care. The City has a Wellness Program with the goal of keeping your employees healthy. The cool thing about an Exchange is you're not forcing them into a high deductible plan. You are showing them there are options out there in a range that they need to look at.

Johnston said for a lot of those people they are not going to move to the most expensive plan and the system is going to guide them that way.

Whisenhunt said if that plan escalates dramatically in cost, they don't refill their prescriptions because they cannot afford their part of reduced coverage.

Johnston said it still fits in the circle we are trying to achieve. If we end up in this environment where the existing plan needs to go up by (13%) thirteen percent, that plan becomes difficult for people to afford. The idea was to put that plan along side it that is similar. We don't want them to be on a high deductible plan. Let's keep them on a plan that has co-pays and prescription drug coverage that could still be in the store. The City has a baseline right now of a plan design that is really good for people you are talking about. If that plan goes up in cost we would want to provide another type of plan similar to that which enables people to still buy it. They'll still have the coverage that they need and aren't making those bad choices.

Whisenhunt said that supports Massie's comment, (3) three is not enough. Whisenhunt asked what the next step was going to be, take our history and develop (5) five or (6) six plans. Where the premiums would costs and actuarially determine what the expenses would be on those based upon the statistics. Whisenhunt asked if the (6) six plans would correlate with what BlueCross BlueShield currently has available.

Kizarr said he liked the idea of trying to make the million dollars back pretty quick but would also like to see the long term plan.

Silver said in order to get the City the million dollars the contribution of the current plan would be to rise significantly. He's talking about (50) fifty to (75%) seventy-five percent to get the City where it needs to be. He can give a (3) three year projection somewhere close to a ($20) twenty dollar increase.

Whisenhunt said we've made quite a bit of plan changes.

Massie said in March.

Whisenhunt said we had one in June/July and then March, (10%) ten percent. We haven't seen a full year with the (10%) ten percent increase plus we've only seen (3) three weeks of the plan changes which makes it more challenging. Whisenhunt asked Silver if he was going to use our current plan.

Silver answered current plan, everything that's up to date as we've got it.

Massie said he wouldn't be surprised when we get to next July that we haven't implemented another (10%) ten percent. After talking to the City Manager, he' got to have a recommendation today for that.

Whisenhunt asked for September's numbers. When our plan changes we should see some change.

Burk said we're (90) ninety days late so it might be October because we are (3) three months late paying our claims.

Kizarr asked if the City can afford their (10%) ten percent. Contract said you'll have to go (3) three months.

Massie answered based on the new numbers he would find it.

Burk asked would it benefit the City on some of these plans to Tier a little farther.

Silver answered this is when an ACA Compliance issue does come in. There is only so much room you could work with on certain plans and whether they are compliant in terms of how much out-of-pocket exposure they have or how much deductible they have. Anytime we've tried to do Tiered Deductibles or Tiering out-of-pocket maximums we've found it to be very limiting with regards to the differences between them. Sometimes the plans themselves didn't make much sense. On the premium side of the world, yes, we have seen employers do that and it's becoming a lot more common.

Kanady said it's more common because a lot of employers who have (2) two Tiers now want to go to (4) four. It depends on how many people are going to win and how many people are going to lose. That's a tough message to settle to the families who are going to be paying more next year. We could model it that way. The good thing about this too is, you're going to be able to look at this in a lot of different ways to define your contribution. Whether that's a big budget for your employees that's higher than you have now or if you want to Tier it out just like you have. You can even look at (4) four Tiers. We could do some real time modeling with this team.

Massie said we have (4) four Tiers.

Silver said the concept makes since and seems fair from a messaging perspective. If you could believe it, adding children doesn't cost that much.

Kizarr said you do add a deductible for every child.

Whisenhunt said up to the family deductible.

Schwenk said ($1000) thousand dollar deductible.

Massie said one thing we should look at over the next year is currently our retirees are (2) two Tier not (4) four like our active employees. There's a group of retirees that are staying to save some money because they are paying what an entire family would pay. At the same time our retirees aren't paying (100%) hundred percent. Maybe the discussion is what it would look like if retirees are paying (100%) hundred percent and also have (4) four Tiers. So, will that balance it out some and help with lowering the rate.

Silver asked does all who are pre- (65) sixty-five end up collecting it.

Burk answered not always. Once they get off they can't get back on.

Massie said we're a unique situation where you have (40) forty to (45) forty-five year old employees who are retiring, so they can find it cheaper.

Harmon said it's your retirees who are going out to individual exchange and are getting those cheaper products. They are getting the higher deductibles. We can still offer retirees these benefits and they can choose in the store just like the active employees can. It's the same concept of sending them out to the Exchange but unfortunately the one's she's seen have a ($6000) six thousand dollar deductible. With giving them a few options it might help them make better decisions.

Silver asked the unfavorable experience that we've been talking about, are the retirees a part of that.

Massie answered yes.

Silver said as we do this we may want to think about how we are changing the percentage that the Tiering might have underlining that population and how it might impact the employees as a whole.

Whisenhunt said we have the discussion on what the plan is. Whisenhunt asked but when.

Johnston answered we could be ready as soon as the Committee is.

Kizarr asked what the cost was.

Whisenhunt asked what the management cost was.

Johnston answered ($65) sixty-five dollars per year per employee.

Schwenk asked if there was a way that he could have one plan and get a different plan for his dependent.

Silver answered no. He doesn't have a really good answer other than that's not how group insurance works. If you wanted to go to the individual exchanges that would be a totally different story.

Massie said that's really no different than what we have now. For example like our vision and dental, you can't go on the high dental and put your family on the basic dental.

Schwenk said he figured since we had a store front.

Silver said unfortunately the way our insurance works you'll have to choose coverage for your entire family.

Kizarr asked if the ($65) sixty-five dollars per employee is based off the number of employees we have now.

Johnston answered in our next meeting we could come and break out all of the pricing in that conversation. The pricing is based on the size of City of Lawton.

Burk asked if it was based off participates.

Johnston answered it would be based off of eligible employees. It's technically based off of enrolled employees but everyone should be enrolled in some of the coverages.

Burk asked are we going to require everyone to get on even if they're waiving it and will those be charged to those employees.

Johnston asked does the City of Lawton sponsor a disability or life insurance plan.

Kizarr answered yes.

Johnston said then all employees who are eligible for benefits at minimum, even if they waive medical, are going to get captured in enrollment for life insurance and disability. They'll be captured in our system. When we lay out the (3) three options that Silver was talking about and we'll also have a worksheet that shows what the exact pricing will be per employee, per how many employees, and total cost. It would represent the whole thing.

Whisenhunt said he wants to know the assumptions that are in it and the basis of those assumptions.

Kizarr asked are we going to have details on what the (5) five different plans are.

Johnston answered yes. Our goal is going to be to match up what you have today, to provide you with coverages that are available on the plans that we have on our exchange.

Silver said he wants to change the provisions of the plan, coinsurance, co-pays, deductibles, out-of-pocket maximums. He doesn't want to change anything in regards to what's covered.

Burk asked is this going to be where you pick your health, dental, and vision plan or are we going to bundle the (3) three together.

Harmon answered every single plan are totally different and separate.

Silver said we are going to create a portfolio of benefits all together showing what medical, dental, and vision plan you should be in. You can purchase them all together and they are not linked to one another. We want you to be thinking about your entire needs across the spectrum. You don't have to couple anything together.

Johnston said just the idea we could actually expand types of products that are available. There are other things like telemedicine that would be offered within the store which people can select and there's no cost for the actual call. If you pick a high level health plan the system will definitely help you figure out what would make since to put along side that.

Burk said we've talked about some of those things before. Some of those things we won't be able to payroll deduct.

Kanady said everything can be payroll deducted except for pet insurance.

Massie said he had talked to a company that could.

Kanady said that was actually the City's choice.

Kizarr asked if there was going to be other plans offered for certain areas.

Johnston answered taking all things into consideration.

Whisenhunt ask will Liaizon have it together by the next meeting.

Bigham asked if that ($65) sixty-five dollar fee was per insured person.

Johnston answered it's going to be per eligible employee.

Massie said because we have more than just health insurance.

Churchwell asked even if they don't take the insurance do we still pay the ($65) sixty-five dollars.

Johnston answered yes because the system is going to be capturing life insurance and other products we are going to communicate to the carriers. We are going to bill for the premiums.

Kanady said she wants to rehash the take away, the medium option of what is the conservative approach and what do those long term savings look like. How much would it be if we stayed neutral? How much would the increase need to go up to get rid of that million dollars on a (1) one year basis? That's what we are looking at. Unfortunately all of the numbers are big but in addition to those, would the Committee like to see another demo in the system to think about what that portfolio includes. We do a lot of talking about medical but there are other products.

Massie asked if during the next meeting, if we are going to see what some actual plans would look like.

Johnston answered yes.

VI. New Business

A) Problem with Transition to New Providers

Whisenhunt said he received a lot of phone calls because the dental and vision not being available on the (1st) first of the month. Even with the Flex Plan, there were some issues there too. He understands that it's fixed now.

Massie said we've addressed on the Flex side. They had a glitch in their system as far as the dependents getting cards and things like that. We've spoken to American Fidelity and that's been addressed. On the other side, it was kind of a perfect storm because we did have everything corrected and fixed within the week. It was also the holiday and we didn't realize that Delta was going to be closed on Friday and Monday, so that added to it. Anytime you're entering (800) eight hundred something employees manually, you are going to run into some errors. NFP has since audited all (3) three systems; BlueCross, Delta, and VSP. Everything is correct and in the system as of today. We did have a number of calls that first week everyday and we tried to address those as best as we could. Burk and he now have access to Delta. Ideally if they go to the dentist and they have problems they'll call NFP or they'll reach out to Delta.

Whisenhunt said several of them did try to reach out and everybody started throwing each other under the bus.

Harmon said she talked to some employees on Friday and Tuesday. She called dentist offices, verified benefits, and checked eligibility. We had one that needed to be added into the Delta system. Unfortunately Delta was closed on Friday and so the dentist offices couldn't verify through the eligibility system because it takes to much time for them to go through. We had one that needed to be in the Delta system in order to provide services.

Whisenhunt said sounds like most of them got services and most of them had to upfront more money.

Harmon said all of the one's she talked to were billing the members until the claim went through into the system. They found a column that was incorrect on their spreadsheet when it went into their system. So they did pull it back and held it until it could be corrected which takes (48) forty-eight hours for that to show up in the provider's system. It's not going to show up in that provider's system until that Tuesday after the effective date. Unfortunately, we had people who had already gone on July (1st) first. We did call all of the providers who contacted us as soon as eligibility was corrected and they didn't have any issues. We would prefer that they contact us because that's how we found out there was a glitch in the system.

Whisenhunt said it was still occurring on Tuesday and Wednesday of the following week.

Harmon said we know they were loading eligibility on Tuesday and Wednesday. Anyone who called her was immediately put in instead of waiting for the spreadsheet to upload into the provider's system. We did have to work around it if there was an issue but unfortunately the only ones who called Whisenhunt instead of NFP, they weren't aware that they needed those services. The VSP system, again, when we do a manual spreadsheet we are entering everything into columns. When it goes up to VSP, their system reads it and we actually stop them from uploading that spreadsheet until that Tuesday because of that issue. Based off of the logons we were able to see people who were in the wrong columns, we had to stop that spreadsheet, and re-upload it with correct columns in the correct areas. That was a technical glitch in their system verses ours. We did withhold that spreadsheet until that Tuesday after the (4th) Fourth of July.

Whisenhunt said on the dental side, he knows there were a couple of them who tried to use their Flex Plan.

Massie said typically they should get a refund.

Harmon said the dentist office should be able to refund that debit card right back and that should take care if that issue.

Whisenhunt said they don't refund as quickly as they want their payment.

Harmon said have those employees call us and we will work with the dental office to get that refund.

Whisenhunt said on the Flex Plan, when they issued my spouse's card they didn't link it to my plan and it got denied.

Burk said there were a lot of issues with the Flex cards.

Kizarr asked if the insurance and Flex cards were.

Massie answered yes. We've received generic Delta cards.

Burk said we do have some generic cards in the HR office. There's no name on them.

Massie said when you switch as many things as we did and you're doing almost all of it manually, that's some of the stuff you're going to run into.

Harmon said when you enter (900) nine hundred something applications, we may still get a call or (2) two due to possible errors. We have (5) five or (6) six people working on these spreadsheets.

Burk said if anyone contacts NFP saying they haven't received their card they need to contact her at HR. She has a list of all of the cards that were sent out. Sometimes we may send out a form that requires a spouse card and they didn't send it.

Motion to fix the problem with new providers during transitioning period by Albert Ozuna with second by James Churchwell Ayes: Ozuna, Schwenk, Bigham, Kizarr, Churchwell Nays: None **Motion carried**

VII. Comments/Discussion

Kizarr said (10%) ten percent premium increase isn't on the agenda but expect it go up (10%) ten percent.

Massie said it's not adequately funded and we've got to do something. Even with the plan changes, once you get a million dollars in the hole it's not going anywhere quick. With the new numbers, he thinks it's definitely something on everybody's radar at this point.

Schwenk asked about BlueCross, have they processed claims for July yet.

Engelman answered claims that have occurred as of July (1st) first forward are still on hold because we are still testing on live claims. They are supposed to be released this week which means they'll get paid overnight. Maybe a few that'll get held for additional information needed.

Whisenhunt said he received this years EOB email.

Engelman said maybe they already released it then. He checked on Thursday of last week and was hoping they would have it released this week.

Schwenk said he just signed in and there's nothing yet.

Churchwell said he got a phone call that VSP won't allow you to get glasses at Eye Mart Express and that you have to use the doctors. There's more coverage provided under the new insurance.

Harmon said we've mentioned in the meetings that Eye Mart was not included. You could get it at Eye Mart but get the Out-of- Network benefit. We had a list of providers who took VSP. VSP doesn't like the (24) twenty-four or the (2) two hour vision providers because they don't feel like those glasses are what they are supposed to be. These providers have to go through different training for glasses.

Massie said he's used VSP prior to the City and it takes up to a week to get your glasses.

Harmon said it's usually (7) seven days at the most.

Whisenhunt said we need to move the next meeting to Tuesday, August 9th.

Motion to reschedule the next Health Plan Review Committee meeting to August 9, 2016 by Bruce Kizarr with second by Albert Ozuna Ayes: Ozuna, Schwenk, Bigham, Kizarr, Churchwell Nays: None **Motion carried**

VIII. Adjournment

Rusty Whisenhunt announced the adjournment at 11:13am.

Motion by Albert Ozuna with second by John Schwenk to adjourn Ayes: All Nays: None **Motion carried**