APPROVED

Regular Meeting
Minutes
Health Plan/Cafeteria Plan Review Committee
August 18, 2015 @ 9:00 am
City Hall 2nd Floor Conference Room

Rusty Whisenhunt called the meeting to order at 9:10 am.

I. Roll Call

Members Present: Rusty Whisenhunt, John Schwenk, James Churchwell, Richard Rogalski, Albert Ozuna

Members Absent: Justin Dipprey, Bob Bigham

Others Present: Krystal Urbanski (Accountant), Tiffani Burk (HR Generalist), Chris Engelman (BCBS), April Bortmess (BCBS), Chase Massie (HR Director), Courteney Cacho (City Manager Receptionist)

*Brian Southerland (Higginbotham) @ 9:18am
*Bruce Kizarr @ 9:24am

II. Minutes

Motion by Rogalski with second by Ozuna to approve minutes of June 16, 2015.
Ayes: Churchwell, Rogalski, Ozuna Nays: None Abstain: Schwenk Motion approved

III. Review Reports

Krystal Urbanski went over the financial information and included the following information for the health committee members:

Supplemental Bank Reconciliation

Bank balance as of 7/31/15	$771,984.07
Transactions to date:	$376,054.87
Cleared Checks	$46,432.84
Outstanding Claims	$1,419,676.62
Deposit(s) in Transit 7/31/15	$ 327,739.36
Adjusted Balance as of 8/18/15	$(325,558.90)*

*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.

Rogalski asked to be reminded of what "cleared checks" were. Urbanski answered any checks that have cleared the bank since the last statement, we log into the bank to see what has come out. Urbanski said the "outstanding" are anything that we sent a check out for or claims that we are fixing to send out for.

Whisenhunt asked if those were actual invoices from Blue Cross. Engelman answered correct. Massie said because we were late getting our plan documents renewed for this fiscal year, they're still in the process of setting everything up, so they are holding some claims about 175,000. Massie added this number is really more 500,000 to the negative.

Rogalski said it looked to him that it was coincidental that the 725 and 620 from June had it up to 1.4 but that isn't really the case, 725 are gone and we added another 725. Urbanski said if that one has not cleared yet it was still going to be that outstanding. Rogalski asked if the number of cleared checks in June were 725, once it's cleared its gone and once it hits our account it's gone. Urbanski answered once it hits the bank it's gone. Whisenhunt said it always happens at the end of the claim year and once everybody has met their deductible, trying to get their stuff taken care of while they're still under the deductible. Burk said we had some high price claims. Whisenhunt asked 125,000. Engelman answered he didn't think they were that big.

Whisenhunt asked are we processing this year's claims yet. Engelman replied medical claims incurred as of 7-14 are still on hold that might get released this week doubt it will go past next week. Engelman said they'll go into August monthly amount due and its 60 days to pay that; you all go to the end of that grace period to pay that. Engelman said we are going to pay those claims that run within a day or two once we release the benefits, might be a couple of claims that get held up because they take manual intervention where someone will have to go in. Engelman said he didn't anticipate many of those, majority of those will get processed through a day or two. Engelman said they'll show up on your weekly claim detail on Blue Access, you can see what they were but they're not actually due until the 1st of September and payments not due until the end of September.

Whisenhunt asked if it's the 60 days from the invoice date. Engelman said it's technically due within 30 days but there is a 30 day grace period. Engelman said currently dental claims are being paid no matter when they were occurred along with prescription claims. Engelman said it was just the medical claims that were still in the benefits process and once the claim hold is released on those then they'll all go through. Schwenk asked that's why they're not showing up online. Engelman answered exactly, if it was incurred in 7-1 forward just on the medical claim. Engelman said normally we would have everything set up and released by the 15th which falls on the anniversary date but we do a lot of changes with confirmation of benefits.

IV. Wellness Committee

Massie said at the last Council Meeting we received the Wellness Trackers, gift of $28,000. Massie said the Wellness Committee and HR will start handing out a few at the next Wellness Committee to start handling the kinks and figure out how it's going to work. Massie said currently IHealth Labs is building a leader board that everyone will be able to sign into, example getting with Planning to create a challenge to see who out of each staff can have the most steps or you can do it individually as well. Massie said he has a call with IHealth later on this week and they will also be at our Wellness Fair on October 22nd, which is when we are going to distribute to all employees. Massie said we are working on building some challenges, now leaning towards the show "Biggest Loser". Massie said everyone would weigh in at the Wellness Fair which will be kept confidential and then would meet again in three month after these have been distributed to see if they had any effect. Massie said they have wireless scales, IHealth does as well, it records your weight and BMI, syncs with your cell phone; they may raffle some of those off at the Wellness Fair. Massie said as far as the Wellness Fair goes; we have an agreement with Wal-Mart who will be giving flu shots. Massie said we are going to purchase 150, so it will be

first come first serve and it will be from 9am to 4pm on October 22nd, it will be in the Banquet Room.

Massie said we will have Blue Cross Blue Shield, dietician from Higginbotham, Eye Care on Gore will be here doing basic eye screenings. Massie said he would know around the 1st of September if Plat College is going to bring a handful of massage therapists, they don't believe it would be a problem but will confirm in September, if so they will have tables set up and they will be giving massages throughout the day. Massie said we are talking to two different fitness centers right now and they should be here having raffles as well. Massie said Arvest will be here doing financial wellness and will provide lunch that day, serving hotdogs and hamburgers probably from 11am to 1pm. Massie said we will have Green Acres, the health food store off of Sheridan, they will be providing healthy snacks at their table. Massie said we have the Biometric Screenings pretty much ready to go and they would like for it to get a little bit closer before we start announcing it.

Massie said we are in agreement with Catapult; they will be doing Biometric Screenings the following week and probably around September 1st we will be sending out information, there will be an online or phone-in sign up. Massie said you will be given an appointment and they will be here from 7am to 1pm the following week for four days, from Tuesday to Friday, you will have to fast for these; which will be at the Wellness Fair to sign people up as well. Massie said the Biometric Screenings are normally expensive so this is a huge benefit for all of our employees; we can do a minimum of 40 a day before we'd have to pay the difference. Massie asked to please share it with your coworkers, your employees and information will be coming out on it in the next couple of weeks. Massie said OBI will be at the Wellness Fair and will be signing everybody up. Massie said we will be doing appointments and feel it will help encourage people to go oppose to showing up and having to wait in line. Massie said we are working with chiropractors to have them do adjustments at the Wellness Fair and it should be very well attended.

Whisenhunt asked what the Biometric Screenings were going to cost our insurance. Massie answered he wasn't sure and he'll check on that. Whisenhunt said with that many people involved in it will be an impact. Rogalski asked if they were open to spouse and family at the Wellness Fair. Massie answered right now it's just employees, if we start getting to that point where we are a few weeks out and we don't have that many people signed up then we'll send something out to allow dependants to sign up, we can make sure to meet our numbers. Whisenhunt asked about Biometric Screenings in those concepts is if they've gone to the doctor, got all of their blood work and everything; is there a reason for them to do it again because it's an additional cost. Massie answered if it's been six months or so then yes, the up side was people finding out sooner with massive amounts. Massie said we want to announce at the Wellness Fair the new Wellness logo and the brain for that; we are working on the logo now and hoping to be putting it on some things.

Rogalski said the Wellness trackers would probably increase participation because you'll feel like you got it so I got to do something. Rogalski added it's easier to track without writing anything down.

V. Old Business

None

VI. New Business

A) EVALUATION OF PLAN SAVINGS BY MEANS OF CHANGES TO CO-PAYS

Massie passed out a sheet dividing the healthcare options into 2. Masse said we are at a point where the health plan is continuing to struggle, we got to look at what we're going to do moving forward. Massie said he learned quite a bit about Cadillac tax and hard to see that it would affect us because we are so far from that $10,500 limit. Massie said experts are saying that if you stay up to date with your health cost, your plan should run around $9,000 by 2018; then you figure in the flexible spending accounts, those go into those totals, so if somebody does the max $2500 then you're there. Massie said our dental and health are bundled, so if your dental and health are bundled all your dental cost counts towards it, if they're not bundled then and are separated then it doesn't count towards it. Massie said he had a discussion with Jerry and Jim last week they are both in favor and he thinks we're going to move forward with next years plan proposing that we separate dental and make it an optional benefit. Massie said it was a step to help potentially moving forward before 2018 so we won't be able to make as many changes. Massie said it would become an optional benefit at the employee's cost, so there will not be a City's contribution on that. Whisenhunt asked if there was currently a City contribution towards that. Massie answered there is, yes.

Schwenk asked to explain 2018 Cadillac tax. Massie answered Cadillac tax is basically a way to punish rich plans and fund the marketplace. Massie said if you have a rich plan and you have good benefits, if you exceed $10,500 for an individual in total yearly premium costs then they're going to tax you 40% for everything above that. Massie said it's up to the employer to decide who pays that 40%. Schwenk asked so we should lower our premiums is what you're saying. Massie answered we need to make sure we can pay our health bills too. Massie said basically anything over that then the employer would have to decide if the employer makes this difference up, do we move it on to the employee, who makes this difference up.

Rogalski asked how they calculate the $10,500 is that what the employee pays. Massie answered both, it's whatever's paid with for the premium plus flexible spending account plus if dental and health as bundled. Massie said it's consistently changing, so who knows what will be added to it by the time we get to 2018, but the goal is to make some of these changes now so in 2017 we do not have to say we're raising all of this up, we're changing this. Massie said to try to make this a three or a four year process and the thought behind separating dental making it an optional benefit; it saves $245,000 a year for the health fund. Bortmess added by the City not contributing to the premium.

Whisenhunt asked if it takes it out of the bundling then and won't count. Massie answered correct and will not count towards the Cadillac tax. Massie said we are getting ourselves set up for the Cadillac tax in 2018 and we are helping the overall cost. Massie said we are saving money by doing this cost shifting which will allow us not to make such drastic changes to the health plan overall. Massie said it's trying to find a way to affect a number of different areas instead of just looking at the health plan and going to raise deductibles, the average of $2500 or $3000. Massie said by doing this other stuff we can make smaller changes to the plan.

Kizarr asked the $245,000 you're saving, is that savings out of the Cadillac tax money or is that actual savings out of the City's pocket. Massie answered that would be savings out of the City's pocket. Schwenk asked because our premiums will double. Massie said basically, yes, it would be just like vision to where the employees pick up that cost. Rogalski asked if it might go up because you'd want to bundle it too. Bortmess answered it depended on the participation so if we continue to have the same type of participation that we have now then the premiums would probably stay about the same. Kizarr asked are we going to farm out our dental just like we do our vision. Massie answered correct but it could still be Blue Cross Blue Shield that will go out

to bid; right now the thought is to have a high/low plan. Massie said those high users of dental would pay a little bit more on a monthly premium but they would get a little bit more; for someone who just does the cleanings may have a lower cost.

Whisenhunt asked are you going to bring this to the committee so we can look at what those plans are. Massie answered we won't go out to bid for some time but yes. Whisenhunt asked you're talking July 1st. Massie answered yes, I'm not proposing we make any changes this plan year we're in and everything we're looking at today is working towards next July 1st. Massie said the goal would be to have everything set up so when we do open enrollment in April, everybody knows exactly what their going to sign up for. Whisenhunt asked if this is really an attempt for the City to save $245,000 out of the budget. Massie answered yes, to get in line with everybody else; it is very difficult to find other companies that don't split this up. Rogalski said splitting it up is one thing but the City could still share the co-pay, still share the insurance cost. Kizarr asked how they are saving $245,000, is it $13 a pay period and is it that much money. Massie answered yes, $245,000 a year annually.

Schwenk asked will we be able to vote on this. Massie answered this is a recommendation to the committee, so it's still the City Manager's decision but the Committee can vote no we don't agree or yes we're fine with it. Churchwell asked the $13.75 is that what the City pays. Whisenhunt said its $12.46 semi-monthly. Massie said what the employee dental is tied into the health premiums right now so for the employees monthly premium for dental is $24.92 that would be what an employee pays right now. Massie said with a dependant and a spouse is $76.64 and that's the employee and the spouse for the month. Massie said with a family or kids is $101 and that's for everybody to be covered for dental for the month. Whisenhunt said if you use this years numbers you're looking at the entire premiums will go down to the employee and if the employee who added the dental back in, using this years numbers, they would go up basically $24 a month, $25 a month for dental. Massie said we try to look at the majority of our employees; right now for our dental coverage 560 of our employees have dental just because it came with the medical so there's a potential to lose 25%-30% and we would have an administration fee change on the City's part, the City pays the admin fees. Whisenhunt asked does the employee or the health plan pay the admin fees. Massie answered the health plan. Whisenhunt asked splitting the dental out from under the healthcare plan, are we saying that this will be an outside insured not a self insured dental. Massie answered potentially, it could be fully insured.

Kizarr asked if it would be cheaper for employees that way. Engelman answered he couldn't answer that because he didn't know what the rates would be. Massie said he thinks most of them go fully insured on your optional benefits, like dental and vision, and it takes some of the heat off the health plan still. Southerland said employee rate for dental runs around $25-$35 for employees only per month, you can pick that pretax and that would be what it would cost you per month times 12 per year. Engelman said if they have a high/low plan you're not stuck paying for a high plan. Bortmess said the next thing you may want then is the high plan that has higher ortho coverage whereas somebody else may want the low plan that doesn't have as much ortho because they don't have that need. Massie agreed and said it's nice to give the options, there's a good chance that we'll do the same thing on vision. Whisenhunt said the fully insured plan is item one and second is the split in payment for the fully insured plan. Massie said here are two different options; Jim and Jerry are both on board with these options and looking at trying to make some smaller changes but get the ship in the right direction.

Whisenhunt asked you've got Blue preferred, we're Blue Choice. Massie answered we are Blue Choice. Whisenhunt said the Blue Preferred is the very restrictive. Churchwell asked if you are

talking about going straight Blue Preferred or talking about keeping the Blue Option. Massie answered it would be the Blue Option. Massie said this is the two options that are different than our current plan; you can see the savings potentially at the bottom. Massie said it's raising the deductibles up, again even if we went to 750 it's not near what the average is. Massie said co-pays for specialists have got to come up, we've got to get more in line with trends and until we do we are going to continue to have a failing health plan.

Whisenhunt asked if different groups have different deductibles. Massie answered that was correct. Whisenhunt asked if the goal was to call these groups to the same deductible. Massie answered correct and a lot of this is assuming, hoping that both fire, police, general are on the same playing field. Whisenhunt said since affordable health care came along, our co-pays now come before the deductible and they were not before. Whisenhunt said like general employees if they go to the doctor with $20 co-pay and go to the doctor throughout the year, 3 or 4 times, you're basically reducing that deductible because of that co-pay is counting towards it, $150-$200. Whisenhunt said realistically it came down to $300 over all because of that co-pay. Kizarr said that when Obamacare went into effect we should have raised the deductibles if you could have sold it that way. Bortmess said she thinks when Whisenhunt is talking about co-pays and deductibles; it's going to the out of pocket maximum not the deductible. Bortmess said if you look at the notes it says includes the deductible, medical and RX co-pays for that out of pocket max.

Churchwell asked we were told that all co-pays went to the deductible to, is that not true. Bortmess said the co-pays didn't use to go towards the out of pocket max, so those co-pays use to just go on and on; you would always have that $30 or whatever, now with the new law in place all of that is going towards your out of pocket max not your deductible. Schwenk asked once you hit the max then everything's paid for after that. Bortmess answered right. Bortmess asked didn't we just set it up where their share accums on the RX now, did we do that. Massie answered right now they're still combined and they'll be separated next year. Whisenhunt asked what does that mean. Massie answered you'll have separate out of pocket max for prescriptions and for medical. Whisenhunt asked does the maximum out of pocket prescriptions go towards that also. Bortmess answered that was the way that we set it up for 7/1 but you're going to break it back out.

Whisenhunt asked why that was required from affordable healthcare. Bortmess answered you don't have shared accums it can make it easier if you did the shared accums sometimes you have to make sure you're watching your medical bucket and your prescription bucket, watching both of those out of pocket maximums. Bortmess said a lot of people have gone to putting them together so there was only one bucket they had to watch and right now we have it at one bucket. Whisenhunt asked if your prescription out of pocket goes toward the same that's shared with the maximum out of pocket as your medical. Bortmess agreed. Whisenhunt said that use to not be the way that it was set up, you had no maximum out of pocket on prescriptions and you paid your out of pocket on prescriptions no matter what; that was the way it was originally set up. Bortmess said now with the law we had to put an out of pocket max on the prescriptions. Whisenhunt asked did Affordable Healthcare say you had it. Bortmess answered right.

Rogalski asked if Option 1 was still combined. Massie answered yes, again that's on Option 1 when they're combined and Option 2 when they're separate. Whisenhunt said the EOB have not been reflecting what we've just discussed in the maximum out of pockets, it's not on your deductibles, maximum out of pockets on your prescription and it's not showing up on the explanation of benefits as your maximum out of pocket for an individual. Engelman said it went into affect 7/1 of this year. Whisenhunt said 6 months we asked what are other changes occurring

that we don't know about, this is one that hasn't been brought to us. Bortmess said it was a last minute change. Massie said that meeting was in June and he thinks we decided to keep it the same. Whisenhunt said we asked how Affordable Healthcare was going to affect our plan, which was not shared that it was going to impact our plan and he can definitely see an impact to our plan.

Kizarr asked before 7/1, your prescriptions did not count against your out of pocket. Massie answered maximum out of pocket. Kizarr asked if you were maximum out of pocket, would you have to still pay for your medicine. Massie answered yes. Whisenhunt said that still brings up the issue, what other issues are going to interrupt our plan and it needs to be brought to this committee. Bortmess said she thinks that was what Chase was talking about with the Cadillac tax, that's the next thing. Whisenhunt said we didn't know about the insurance tax that was paid in December; we didn't know anything about that until January after we paid it. Engelman said insurance tax information was communicated well to the HR Department. Whisenhunt asked what the current out of pocket is. Massie answered $3250 for an individual and $9750 for a family. Whisenhunt asked what is the limit based on by Affordable Healthcare on those numbers. Southerland answered the maximum for an individual is $6350 and that's a normal policy and family number is times 2, that's what normal policies have. Kizarr asked if that affected our laser insurance for the up coming year and was this consider when we purchased our reinsurance for people who go over the limit. Bortmess answered yes. Kizarr asked if there was going to be no more added expense to our reinsurance or our insurance. Bortmess answered you keep your reinsurance about the same amount.

Whisenhunt asked what the current deductibles is, is it $500 on the generals. Massie answered the deductible he believes is still the same but the out of pocket max is the difference. Massie said putting more expense on the people who use higher cost drugs and the total percentage of prescription costs is going to go up by 50% by 2018 simply because everyone is putting their money into the specialty drugs. Massie said like Hep-C, there's now a cure for it, if you chose to get cured its $84 a day treatment, one pill a day for 84 days and its $1000 a day, its $84,000 that will potentially hit. Massie said it's a huge expense so the trend is to go into a 4 tier to basically add additional costs for specialty drugs. Rogalski said for example somebody's going to have to pay $350 a day even on tier 3, $300-$350 a day out of pocket. Massie said yes. Rogalski said that's pretty rough; don't know how people could afford that.

Rogalski asked then would it go higher to 40%. Massie answered yes, they are paying the 35% but the Health fund is paying the rest of that, so it's really putting the cost to those who are really using those drugs. Massie said prescription costs are going to be more and more prevalent over the next year, two or three years because all of the money is going into those drugs. Massie said even generics are potentially going to come up because there's less and less manufacturers making them. Massie said it's taking a look at our prescription coverage, what will be covered because some are over the counter now, just continuing to update out list of what needs to be excluded and sticking to that list.

Whisenhunt said looking at just general office visits going from $20-$30 and we use to be tiered that way at one time because specialist's cost double the cost that was $20 and $40. Whisenhunt said we're going to a $10 increase on standard office visits, $20 increase on specialists. Whisenhunt asked urgent care, are you saying the Wellfast is that $40 or $20. Massie answered that would be $40. Whisenhunt asked basically unless you're just going to your regular family doctor, you will never see that $30. Massie answered that was correct.

Kizarr asked why we were penalizing the urgent care. Massie answered its more expense to the

plan; urgent care is more expense to hit the health plan. Massie said just like if you go to the emergency room its more expense and we are encouraging people to go to your regular physician. Massie said obviously there are going to be a need to go to the emergency room but right now we have employees that say "Hey I need a doctor's note because my supervisor is requiring it" so they'll have to go to the emergency room to get it. Massie said then the health plan is taking this huge hit just because somebody needs to get a doctor's note. Bortmess said that if you go back and look at your EOB to see when you had gone to your doctor verses when you've gone to the urgent care or the emergency room there's a huge cost difference there. Whisenhunt said the emergency room, yes, Urgent Care/Wellfast, what use to be AM/PM Clinic their cost was cheaper than my standard doctor's visit. Whisenhunt said there are three in town that are Minor Medical.

Bortmess said some of them you would have to watch for because some of the trends we're seeing they are connected with the hospitals and what they're doing is billing it like they would through their ER, so people aren't realizing how much more the cost is going to be. Bortmess said you have to just watch who it's owned by because if it's owned by a hospital it's going to be more expensive. Southerland said the average emergency room bill is about $1400 and the minor emergency, like in Texas Dallas and Fort Worth, they're popping up at every corner as well and their cost run around $1500. Southerland said the doctor visits were up 40, so you see where the profit margin is which is to increase utilization and to get them to come into the hospital system which a lot of them are owed by doctors too; it's all about money. Whisenhunt said one of the problems since Affordable Healthcare has come along is private doctors are going away and family doctors are going away. Whisenhunt said they are going into groups with the hospitals because the hospital won't give them hospital privileges unless they're part of their group.

Churchwell asked how they are determining that people are just going to get doctor's notes at the emergency room. Rogalski said you don't really know; all you would know is whether they went to the ER or they went to the Urgent Care. Bortmess answered sometimes we see the codes come through that are considered nonemergency, so the codes that are coming through on the claim could be that they are going in for a cold or something that wasn't a true emergency, Massie may have seen some reports with that code on there. Churchwell asked if there was a certain way to separate emergency or nonemergency. Bortmess answered she's assuming that if you go to the emergency room, the co-pay is waived if you're admitted, so if you go in and it's not considered a true emergency and you're not going to me admitted then you would have to pay. Burk said that if you break your arm that considered an emergency you don't have to necessary have to be admitted. Kizarr added but you will have to pay $200. Southerland responded life or limb. Rogalski said you'll find that the Urgent Cares are also doing less and less.

Whisenhunt said Plan 1 without the prescription is $141,000 of estimated savings; Plan 2 which has the prescriptions seems to be the only difference within the two, $164,000. Whisenhunt asked where these estimates come from. Burk answered Higginbotham. Whisenhunt asked basically the difference between these two options here were the prescription changes. Massie answered correct. Whisenhunt said so 141 verses 164. Rogalski asked does Option 2 still pull the two and still have a total of 6000 because the total max is 6000 oppose to 4000, couldn't you still pull them. Massie answered you still just have the one, yes. Whisenhunt said he would like to know deductible changes, what that's going to provide, when the co-pay changes or the prescriptions changes and how those each one impact. Massie said maybe this was sent to Higginbotham and Blue Cross prior to us getting this negative into the Health fund. Kizarr said that's a huge change, that's starting to save some money when you're saving 225, 000 a year by separating that out. Rogalski asked if those are savings to the City or to the plan. Massie answered to the plan. Whisenhunt said the dental depending on how that's split; if it's kept the

same ratio with the City's contribution it would save the plan $240,000. Massie added if we go fully insured it saves the plan too on the dental.

B) EVALUATION OF SAVINGS TO PLAN AFTER 6 MONTHS WITH PLAN 65
Whisenhunt said approximately $300,000 a year to the plan, 6 months in, if that would really be saving any money towards the plan. Whisenhunt said you would have to complete all of last year billing before we would actually know whether those numbers really changed. Bortmess asked Whisenhunt before the percentage on the retirees you were paying around 63% of the premium for the employee and are they currently paying today 100% of it. Whisenhunt answered no, 24% and we've increased ours 20% and they've increased 24% , so they're paying 4% more now based upon what we're paying. Whisenhunt said as an employee it went up to 10% last October then 10% in June, July time period; they went up 12% last July and 12% this July which barely kept them ahead of where we were. Whisenhunt said so we didn't obtain any increase in the non-plan 65 employee, 4%. Whisenhunt said there's a five year plan and that would put it at 12% at that time but we've increased 20%.

Kizarr said the recommendation to him was that they would go up 12% plus any premium increases. Whisenhunt said that wasn't implemented; the recommendation was the 12% per year plus any increases. Burk said it happened in July and our increase happened a week later, two weeks later and from what she understands we had all these changes happen, we already went up in August before it got implemented and then we did the Plan 65 change. Rogalski said we need to just reassess where we are. Bortmess said we could look back to the last 6 months and kind of compare the 6 month period of 2014 but she does need to know what they were paying premiums before that 6 month time and what it is now. Burk said it went from $290.16 to $324.98 August 1, 2014 to July 2015; if you divide it up month it's $461.44. Whisenhunt asked without the dental, just healthcare. Burk answered yes. Whisenhunt said what that amounts to is that 12% over 5 years would have put them to a 100% payment as long as we didn't have to increase premiums which we've already increased 20%.

Kizarr said what he doesn't understand is that we keep allowing people to retire paying that lower premium. Burk said it has been discussed, Chase said something to Jerry and Jim the other day about like grandfathering those people in, we could keep gradually increasing but we start now with the new retirees. Kizarr said he feels we should still protect the retirees by providing insurance but we can't sell it to retirees at a lower cost than it would cost us to provide it and that he understands the logic behind not wanting to raise the retiree insurance, to raise it 12% then turn around and raise it another 10%, they had been raised the last two years to 44%. Kizarr said we need to say we're not going to raise them 44% but we are not going to allow people to keep retiring less then it costs to insure. Massie said it sounds great to HR. Whisenhunt said that one of the arguments was that they can't afford it, they're on a fixed income and generally the ones that are on a fixed income are on Plan 65, the ones that are not on Plan 65 are not on a fixed incomes because they retired young enough and are working somewhere else.

Massie said that we have 3 years left in the 5 year plan as far as what was initially communicated to the rest of them. Massie said probably next years communication is with the increases we are going to continue with 12% until your 5 and then we're going to make up the difference or the committee can recommend we go up to 14% or 15%. Whisenhunt said the actual recommendation from the committee was 12% plus any other increases which meant that we should have gone up 44%, which is tough, but they only gain 4% over the last two years. Rogalski said now we're behind that 5 year plan. Massie said he thinks this committee could recommend that either it goes up or to get it fixed in 3 years or the communication is to leave it at 12% for 2 and then your 5, whatever it is, we'll get it even and not extend that plan. Massie said

the 5 year plan we could either raise for the next 3 years or raise it all up at the end. Burk said this last increase was temporary for the current employees then we've raised them that big, 22%. Whisenhunt said looking at the numbers it's not going to be temporary very long.

Kizarr asked is there any problems with having two different retiree payment plans in different amounts, is there any legal issue or any problems that we ran into charging this retiree this much and charging this retiree this much. Massie answered we would have to talk to Legal because I'm sure discrimination is going to come up. Rogalski said he thinks we're better off making that turn around really fast and then treating everybody the same so in 3 years everybody's paying the same oppose to doing something different. Massie added or you're just asking for a lawsuit, the better idea is to figure out what percentage we have to raise to get to the 100%.

C) EVALUATION OF FLEX PLAN PROVIDERS AND DISCUSS A RFP FROM VENDORS
Whisenhunt said the Flex Plan was up for renewal this year. Whisenhunt asked when the policies are going to go out on that. Massie answered not until spring because we are under contract through June 30th; they'll go out early because we would want to have it for open enrollment, so we'll go January. Whisenhunt asked if anything you're going to RFP a little different than we've been doing. Massie answered RFP, presentations will come to HR and then the recommendations will come here to discuss any concerns. Whisenhunt said the last time this was done the top two individuals came to the committee. Massie said we won't be doing that this year. Whisenhunt asked if he would be bringing a recommendation with what will be involved, any changes to the committee before March. Massie answered probably March.

VII. Comments/Communication

***** Next regularly scheduled meeting will be held September 15, 2015 at 9:00 am.

***** Rogalski said he spoke with Brenda and she talked about a bicycle group, wanting to create a bicycle club. Rogalski said since it's tied to Fort Sill, anyone in the club can get an annual pass. Rogalski said he will be looking into it for the Fall.

*****Churchwell said it came to his attention that we have another issue with someone else's benefits being paid that's no longer on the plan. Burk said yes and those three premiums are going to be collected; the next three pension checks we will be taking it out of, he can pay it up front, or he can bring us a check. Engelman asked are there claims that need to be backed out. Bortmess answered no because he's going to pay the premium. Burk said that it's been cancelled since then. Schwenk asked how it was cancelled. Burk said he went to the pension board and nobody notified us. Churchwell asked is there a way to let them know to notify us if something like that happens. Burk answered they had been told before. Churchwell said that the premiums were cancelled through the pension but we were still paying for the premiums. Kizarr asked once you're a retiree and signed up you're obligated for 12 months. Massie answered we would consider that a life altering event because your employment status has changed so we would give you the option to cancel your coverage. Burk said that she was told that retirees could cancel at any time.

Schwenk asked about 12 years ago or less he kept hearing about an individual who wasn't paying premiums and had close to a $2,000,000 claim. Burk said that it went on for a long time and that it's been cancelled.

VIII. Adjournment

Rusty Whisenhunt announced the adjournment at 10:30 am.