

Approved

Regular Meeting
Health Plan/Cafeteria Plan Review Committee
September 16, 2014 9:00 a.m.
New City Hall 2nd Floor Conference Room

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

I. Roll Call

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

Members Absent: None

Others Present: Shannon Foxx Day (Planning Technician), Krystal Urbanski (Accountant), Tiffani Burk (HR Generalist), Sherry Anderson (Assistant HR Director), Chris Engelman, April Bortmess & Kerrie Cook (BCBS), Luann Yarberry (Higginbotham)

II. Minutes

Motion by Stamper with second by Churchwell to approve minutes of May 20, 2014.

Ayes: Churchwell, Dipprey, Ozuna, Stamper, Whisenhunt, Bigham Nays: None

Abstain: Schwenk Motion approved

III. Review Reports

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

Supplemental Bank Reconciliation

Bank balance as of 8-31-14	\$	936,802.24
Transactions to date:	\$	329,926.58
Cleared Checks	\$	593,576.99
Outstanding Claims	\$	581,445.56
Deposit(s) in Transit	\$	
Adjusted Balance as of 9-12-2014	\$	91,706.27 *

*This balance does not reflect the actual amount of available funds in this account. It is only informational in nature and only for the use of the health committee. This is a compilation of all known outstanding debts and revenues for this account to date.

Kizarr asked if anything has been said about raising the premiums. Anderson said Jim Russell had requested some reports that tell about claims and he is keeping track of it. Kizarr said it is below the trigger for the 10%. Whisenhunt said this is the 3rd month that it has been below. He said we couldn't take action last month but it was below the 200,000.00.

IV. Wellness Committee

A. Discuss Future Plans

Whisenhunt said we have a blood drive set up for November 7th from 1-4 at the Public Works yard. It is set up to alternate every 6 months from the Public Works yard and City Hall. It depends upon the response whether it gets moved to quarterly or not. They used to do them quarterly.

Kizarr asked if we were planning to move the Wellness back to these meetings and not have a subcommittee. Whisenhunt said yes, that was the last discussion. Kizarr asked if the other subcommittee was not meeting anymore. Whisenhunt said that is correct. Kizarr said that used to be a big part of the Health meetings and it took a lot of time and that is why we moved it to that subcommittee. Anderson said we are just trying it for a little while because people from Blue Cross and Higginbotham would come for those meetings and no one would show up and so it was a wasted trip for them. Kizarr said we can do it this way. Foxx Day said she is not on the health committee but believes she is the lone survivor of the Wellness subcommittee. She said she wanted to talk about the blood drive. She said she has been hearing from people in her department that they would like the committee to maybe set up a softball team or a City bowling team or something like that. She said before they were disbanded they were talking about doing the blood drive but also they have mobile things that come around to do wellness checks. Like the coliseum has their Health Fair. Kizarr said before Jim Russell took the position that he has now, he took the initiative and got a lot of that stuff set up. We could have those fairs. We have Higginbotham and they could help us get that started. We just need someone to step up and coordinate it. Whisenhunt said last month we discussed the annual health fair and Jim Russell was here and he really thought that was something that we could get reestablished. We also talked about incentives. Kizarr said we have some guys from the Fire Department that want to start a Fire Department Health and Wellness plan. He would like it to coordinate with this Health and Wellness Committee. He would like to have a subcommittee and have one person from their department come to this meeting to get the information from BCBS and take it back to their subcommittee. He said maybe there should be subcommittees from the different City departments. Rogalski said he agrees, he has been on both committees. They both are separate and both are a lot of work. You really don't have time to do both. He agrees that it should be a separate action and if the members stop showing up then we need to replace them. Kizarr said we need the resources that BCBS and Higginbotham can give us but we still need the other committee to implement the information. Whisenhunt said one way to minimize their driving is to have conference calls. Anderson said that was suggested before. Whisenhunt said he was out about 3 months for his surgery and when he came back the Wellness committee was disbanded. Anderson said so you would like to separate them again. Kizarr said yes but he would like to have a chairperson or sub chairperson to come to our meetings. Anderson said you have members that are on both committees so that would be ok. Kizarr said he would like it for each division to come up with their own people or own committee and then have them come to the meeting.

We need a lot of people because the Health Fair is a lot of work. Anderson asked when were the Wellness meetings. Several members said it was the Wednesday of the next week following the Health Meeting. Kizarr said he believes some of the information that they receive from BCBS and Higginbotham can come from over the phone. Engelman asked how many people are in each division. They discussed departments and divisions. They agreed that maybe they should have people designated from each department and not each division. Rogalski said that would be too many people from each division. Bortmess said maybe after the Health meeting some of the members from the Wellness could stay and discuss with BCBS and Higginbotham the information that they need. Burk asked do you want to start the Wellness meeting next week or next month. Rogalski said we will have to assemble it so probably it will be next month. Foxx Day said do we need to do some recruiting? Kizarr said whoever survived the dismantle of it needs to get together and we need to get people from each department. Whisenhunt said the problem with the departments is that Public Works has 4 divisions that have over 90 people. Rogalski said it doesn't have to be pure departments. If Public Works has a few people that want to be on it, that would be better. Foxx Day said we are going to have a problem getting people, I don't think we will have a problem getting too many people. She said there were meetings where she was the only one there. Bortmess suggested letting them know that you have a plan and you want to move forward with some activities and that you are not just having meetings with nothing being accomplished. Foxx Day said she can put together a flyer or something inviting employees to be a part of our wellness committee. Kizarr said that will be great. Rogalski told Foxx Day that he will help her put something together to send out. Kizarr said put the Wellness committee on the agenda all the time.

V. Old Business

A. Premium Increase

Retirees: Anderson said she had an update on this: at the May meeting the recommendation from the committee was to increase the premiums 12% over the next 5 years to bring the retirees up to what they should be. We did do the first 12% increase in August. We are on track for that. Kizarr said he hasn't had any calls from Retirees but other union members have received calls asking them complain to him about how expensive it is.

Current employees: Whisenhunt said we need to take action about raising the premium 10%. Kizarr said all we can do is make a recommendation. Engelman said you make the recommendation then it goes to the council. The next council meeting is September 23rd. Rogalski said we can't make the agenda on that meeting. Kizarr said he believes that the board should make a recommendation that action needs to be taken because the balance is below where it needs to be. Anderson said the amount is addressed in the contracts. Bigam asked if the retiree's premium went before the council. Anderson said no, it did not go before council. Kizarr said it is not an increase because they are supposed to be paying 100% and they are not. Bigam and Rogalski said that should have gone before council. Rogalski said he is going to check with Jim Russell on that. He believes it was discussed as part of the budget

process with the council. Anderson said the retirees are supposed to be paying 100% of the premium and they have not been. The health fund has been making up the difference. Yarberry said a retiree is currently paying \$290.16 and they are supposed to be paying \$418.20. Schwenk said how many years ago did they decide that they would pay a certain amount and what kind of paperwork was done for that. Kizarr said it was probably over 20 years. Bigham said there has been discussion that council did that. Schwenk said if council made that decision then wouldn't you think they would have to make the decision to raise it. Rogalski asked when did we raise the premium 12%. Anderson said it was raised in August. Kizarr said he heard that around 20 years ago, they had a rate increase on premiums. Retirees stormed the council meeting and the council decided to raise everybody's rate except the retirees. Rogalski said this committee discussed a transition plan and the plan got instilled. We don't know if the council ratified it or not. He agrees the council should have been involved. Bigham said we are a recommending body. We have no final action on anything. Kizarr agrees with that. Bortmess said the recommendation was made at the May 20th meeting and was presented to someone. Anderson said to the City Manager's office and they implemented it. Kizarr said he thinks that we should make a recommendation for the premium increase for current employees. Anderson said the letter that was sent to retirees in June about the increase was from Bryan Long. It is her understanding that it was also sent to the council.

Motion from Rogalski with a second from Whisenhunt to revisit the financial report.

Ayes: All Nays: None Motion approved

They discussed the financial report and the balances. Bigham said we used to get a 12 month account of the balances and would like to have them again. Whisenhunt said he thinks that Jim Russell was concerned about the balance and is expecting a premium increase recommendation from the committee.

Motion from Rogalski with a second from Dipprey to recommend to the City Manager to raise the insurance premium 10%.

Ayes: Churchwell, Schwenk, Dipprey, Rogalski, Ozuna, Stamper, Whisenhunt

Nays: Bigham Motion Approved.

B. Retiree 65+ and supplemental insurance

Whisenhunt said last month when there was a discussion about supplemental insurance, Chris told them they were looking into a prescription plan that could mirror our current prescription plan. That was the main concern of the committee. He asked what is the status on that. Yarberry said they are still in negotiations on the prescription drug card and the plan F premiums. She said she has had multiple phone calls from retirees and they have all been very positive when they have talked about coming off of the current City insurance and moving on to a Medicare supplement and prescription drug plan. She said she has told them that on the group side that we do not have dollar amount for the premium yet. She has quoted them on the individual

plans and a standalone prescription drug card. When they add those quotes up, it has been quite a savings for them. The biggest concern for them was wanting to know whether it would come out of their retirement check or is it going to come out of their checking account. She said if they go out on their own and get an individual plan then it will have to come out of their checking account. If they wait until January and get on the City's group plan then it will come out of their retirement check. She said she has reassured them that we will have some meetings to go over the information when we decide on the plan and premiums. We will also have some packets with information that will go out to them so they can fully understand what we are doing. Kizarr asked if it will be July when this happens. Yarberry said it will be January of 2015. Bigham asked who are you negotiating this with. Yarberry said with BCBS. Bigham asked if anyone else out there is interested in this. Yarberry said she did some investigating; you have an issue when you go out to other carriers. They are going to do what is called an age/sex rate. So that means that someone that is 65 gets one rate and someone that is 85 will get another rate. BCBS is willing to do a blended rate, which will be better for the retirees. Anderson said you did not find any other carriers that will do a group plan. Yarberry said she did find one other company and they call it a group but it is not truly a group plan and they are not willing to do the blended rate. The other carriers only have individual plans not group plans. Kizarr asked about renewing the contracts on these plans. Yarberry said it is still on a group plan so yes every January you would have the same thing as you have on the current employee plan, which you do in July. Bortmess said the renewal would come separately. The retiree supplement plan will be in January and the other in July. Whisenhunt said our next meeting is scheduled for the end of November, is that enough time for us to take any action. Anderson said you have already made the recommendation for January. Bigham said he believes it is highly important to have a meeting with the retirees to go over the information with them. Anderson said we are going to have the meetings. Last fall we had some informational meetings and we are going to have some again in October or November. Yarberry said some retirees have asked if they go out and find a plan on their own can they do that or do they have to stay with the City's plan. She said absolutely they can go out on their own at anytime. If you have a 65+ retiree that doesn't hardly have any prescriptions and they can get a prescription plan a lot cheaper than the City's group plan then they have that option. We just need to get that information out at these meetings. Kizarr said the only other question is about the spouse. If the retiree is 65+ and the spouse was younger. The spouse would be allowed to stay on the current City's plan. Anderson said you did discuss that and that was the agreement but you were discussing what rate would we charge them. Kizarr said he thinks that the spouse would be like the employee (retiree) and they would pay the retiree rate. And if they wanted to add children then it would be employee with children rate. Bigham asked where would be put that language, in the health plan? Where would we put the language describing those details. He asked when was the last time that the Health plan was updated? He asked where it is written down. Yarberry said you actually have it in the minutes from last meeting. Bigham asked is the health plan the appropriate place to put this information. Rogalski said it should be in the City code. Kizarr said since he has been on the committee he has never seen the plan document. They don't change the whole document they just add an addendum.

Anderson said that is where it states that the retiree will pay 100% so that will be the logical place to put it. Kizarr said since we have a lot of new members of the committee, he doesn't believe that they have ever received one of those plan booklets. They were talking about 2 different things. There is the Benefit plan booklet that is handed out to employees about their insurance. Then there is the plan document about the City of Lawton insurance plan. Kizarr said he has never seen that (plan document) and was told it was really thick. They discussed what happens when changes are made to the plan. Bortmess said as far as they are concerned, they are making the changes in the benefit guide. If you are referring to a City of Lawton document, she doesn't know if that is being changed. They discussed where things are documented about the plans. Rogalski said premium information is in city code. Engelman said if we do the changes to the Retirees 65+ then we will have to do an amendment to the benefits guide. Then when we make a new guide in July, it will be in there. Kizarr said if you can get everyone on this committee a guide then we can add the amendments. Bortmess said they will bring enough for the committee members. Bigham asked how are we going to handle appeals on the supplement plan. Whisenhunt said the supplement will be out of our hands. The individual will not go through the City of Lawton for an appeal they will have to go directly to BCBS. Whisenhunt said on the medical, the retiree will have no out of pocket expense. The prescription drugs are the only out of pocket expense. Anderson said the only way they will be a part of the City of Lawton as a group is that we will still take their premium and we will send it to BCBS. Their claims will not be on our claims experience. Burk said also if they make any changes they will go through HR. They discussed having a meeting in October. Anderson said we have not set a date for the retiree informational meetings.

VI. New Business

A. Executive Session-Employee Complaints

The employee could not attend the meeting. No action was taken

VII. Comments/Communication

A. Next regularly scheduled meeting will be held October 21, 2014 at 9am.

Kizarr asked if we need to have a meeting in October. He asked if there is anything about the retiree 65+ plan that we need to discuss at a meeting. Whisenhunt said if there is something strange about the cost for this plan then we should have a meeting. Kizarr said schedule the October 21st meeting and we will see if we need to have that meeting, if we don't need it then we will cancel it.

VIII. Adjournment

Motion by Stamper with second by Ozuna to adjourn at 10:27 am.

Ayes: all Nays: none Motion approved.