Regular Meeting
Health Plan/Cafeteria Plan Review Committee
September 17, 2013, 9:00 a.m.
New City Hall Conference Room

Kizarr called the meeting to order at 9:03 am.

I. Roll Call

Members Present: Bruce Kizarr, Justin Dipprey, Cindy Ehlers, Traci Hushbeck, Albert Ozuna, Rusty Whisenhunt, Doug Stamper, Bob Bigham
Members Absent: Scott Kisner, Alberto Talavera
Others Present: Glynn Preast (Fiscal Tech), Tanya Riley (HR Generalist), Chris Engelman (BCBS), Dena Stone (BCBS), Sherry Anderson (Acting HR Director), John Collins (Higginbotham), Luann Yarberry (Higginbotham), David Stewart (Higginbotham), Binni Carter (Higginbotham), Brian Sutherland (Higginbotham)

II. Minutes

Motion by Hushbeck with second by Ehlers to approve minutes of 8-20-13.
Ayes: all Nays: none motion approved

III. Review Reports

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

Supplemental Bank Reconciliation

Bank balance at 8-31-2013	$	507,208.69
Transactions to date:	$	324,384.15
Cleared Checks	$	229.00
Outstanding Claims	$	697,273.78
Deposit in Transit	$	71.50
Adjusted Balance at 9/13/2013	$	134,161.56 *

*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 City manager and Jim Russell are aware of the balance; Anderson said yes. Kizarr said that speaking for the fire union, they would need to take some kind of action; a grievance will be filed. Kizarr said he would set up a meeting with Jim regarding what action the Fire union will need to take. A grievance can be filed so that there is some time allowed for discussion to take place and possible action to occur.

IV. Old Business

Motion by Dipprey with second by Stamper to go out of agenda order and move to new business to be followed by old business.
Ayes: all Nays: none motion approved

V. New Business

A. Presentation of possible plan changes/ideas presented by Higginbotham & Associates (partnered with BCBS)

Refer to handouts: Collins stated the far left hand column is what the plan currently is now for all employees (Riley noted later on in presentation that there are some differences between police/fire

and general when it comes to prescriptions and out of network benefits; for the benefit of this presentation the police/fire plan details were used since these plan details are the most difficult to pass as far as the unions go). Over to the right are the various options that have been created.

- Option 1: Stone stated this product is called Blue Options. There are several different network options that you the member can choose at the point of service. For example, say you have a surgery scheduled; you can use a provider from the Preferred Network which is a smaller network with deeper discounts; better coinsurance for the member. A lot of your employees are already using providers within the BluePreferred network. Another option in this example is to choose a provider from the network we currently have (BlueChoice) which is a broader network with not as deep discounts. Third option in this example is to choose a provider from the BlueTraditional network which has very little discount. This design is modeled after one of our most popular fully insured plans. Collins said this plan would change up the network and plan design with a $510,786 savings; the most aggressive option.
- Option 2 (referred to by committee members as the 'no-brainer' option): Stone said this would not change anything as far as the plan goes so members would not even notice that there was a change made. The only change is offering the plan discounts from the BluePreferred providers. There is a 15% difference in cost savings to the plan by using and getting the BluePreferred provider discounts. The only thing a member would notice is they would be issued a new id card. No benefit differences would occur. This is the least disruptive but still presents the plan with significant savings. There is no additional cost to the plan. Collins believes this is a fantastic option with a savings of $364,847. Kizarr asked why now? Kizarr said we went out to bid with BCBS and this wasn't offered then. Stone answered that only in the last few years has BCBS acquired additional providers that are under the BluePreferred network. This used to be a product only offered to those in the OKC metro area.
- Option 3: Collins said the difference is upping the deductible to $750 with a plan savings of $160,533. Collins stated that these options are ala carte where these different options can be added onto one another.
- Option 4: Collins said this option is changing the maximum out of pocket. These out of pocket maximums are matching what they are under Health care reform. This saves the plan $132,075.
- Option 5: Collins said this option combines the previous two options (deductible and out of pocket max changes). The savings number will be verified by Higginbotham.
- Option 6: Collins said this option is changing the maximum out of pocket with a plan savings of $17,513.

  Collins summarized that the one with least amount of change and the most value is the 2nd option and is one that should be considered. A final option would be to offer another plan such as an H.S.A. (health savings account) but you also have to have a High Deductible Health Plan. Kizarr stated the fear is that less money will be in the plan to pay for the sick people that will stay on the current plan we have now while the healthy people choose the other plan. Riley stated the problem with offering an H.S.A. is the amount of education that would have to take place with employees in order for them to understand.

Collins noted that in the packet reports were ran to show number of people who met their deductible and coinsurance.

Section 2 of the packet refers to only actives with retirees separated out. Yarberry stated that it was asked to see how much a retiree should be paying versus what they are paying right now. If retirees went off the group plan, an average retiree would pay $257.60 (doing this would save a retiree the $500 deductible, out of pocket maximum, as well as copays). A retiree over 65 would take a Plan F supplement. Total claims paid out by the plan on retirees was over $2 million. Kizarr asked if the city pays a portion of retiree premiums and the answer is yes.

Section 3, regarding reserves of the plan, shows that reserves as of Aug 2013 is $258,332.00. The amount needed in order to be able to pay all claims at any point in time should be $900,000. Collins stated that in order to build up the reserves, the plan could increase the premium paid by employees over the course of 4 years.

Section 4 refers to a wellness plan. Stewart said groups now have premium differentials based on wellness (smoking, participating in wellness). This gets employees engaged in their health (completing health screenings, tobacco cessation). Most groups choose to increase the premium rates based on the employees non participation in either/or wellness participation and tobacco cessation. These types of programs are based upon the auto insurance thinking. If you are higher risk, then you pay more. Tobacco cessation requires an affidavit to be signed.

Section 5 refers to retirees and medicare supplements and the prescription card for those retirees under the BCBS group plan design.

Seciton 6 refers to the dental network. Yarberry looked at almost every dental carriers in the area. All the yellow shaded dentists belong to MyDentist, all the green belong to OceanDental. Those not shaded in color are the independent dentists in Lawton. This shows you the different networks, who's in those networks and the premium prices for each. It is very difficult to get dentists to join into networks.

Section 7 refers to programs to consider. Collins cautioned that these all come with an expense but there is a return on investment to these programs. Essentially these programs assist employees with finding the lowest cost location or provider for various health needs (surgery, mri, cat scat, etc…). Stone addressed the Benefits Advisor program offered by BCBS. It is a call center where a member can call in to ask about benefits of their plan, and get information on the best provider for the procedure they are needing to have (a chance to find the better cost alternative as well as the outcomes of patients who have went to those providers). Stone has BCBS estimate that if we had this plan in place for the last plan year, at 15% utilization this would have saved $4.76 per employee per month. There is a cost for this program ($3.50 per employee per month) that would be paid for by the plan. This BCBS program will provide communication pieces for employees.

Kizarr asked when we could go ahead with the first option (nobrainer option) that was simply adding more network discounts to the members. Stone cautioned that it could happen prior to July 1 however it cannot be immediate (at the earliest it could happen around February). New cards and plan documents would be produced, claims would be placed on hold in order to confirm that everything is being paid correctly. This is also a very busy time at BCBS because lots of plans are renewing Jan 1. Anderson reminded the committee that the next open enrollment will be mandatory.

IV. Old Business

A. Flu Shot: Anderson mentioned that Jim Russell was hesitant to have the committee invite Walgreens to come out for a flu shot clinic because it would appear that we are promoting/giving Walgreens preference. It would be better to just provide the list to all employees and inform them how they can go to anyone on that list and just show their insurance card in order to get the flu, pneumonia and shingles shot. HR will get the information out to employees.

B. Employee appeal to committee

Motion by Ehlers with second by Stamper to go into executive session.

Ayes: all Nays: none motion approved

Motion by Stamper with second by Ozuna to come out of executive session.

Ayes: all Nays: none motion approved

VI. Comments/Communication

A. Next regularly scheduled meeting will be held October 15, 2013

Kizarr stated that it appears that raising the deductible does not save the plan a whole lot of money but it could encourage members to use other sources of information as far as shopping around for a better deal. Engelman stated that implementing a few things every year over time is easier for all to take and will over time effect the plan and increase those reserves.

VII. Adjournment

Motion by Stamper with second by Bigham to adjourn at 12:20 pm.

Ayes: all Nayes: none Motion approved.