APPROVED

Regular Meeting Minutes
October 18, 2016 @ 9:00am
City Hall 2nd Floor Conference Room

Rusty Whisenhunt called the meeting to order at 9:06am

I. Roll Call

Members Present: Rusty Whisenhunt, Albert Ozuna, James Churchwell, Bob Bigham, Bruce Kizarr, (@ 9:06am) Richard Rogalski

Others Present: Tiffani Burk (HR Generalist), Chase Massie (HR Director), Krystal Urbanski (Finance), Hanna Carter (Finance), Kelley Harmon (NFP), Courteney Cacho (City Manager's Receptionist)

Member Absent: John Schwenk

II. Minutes (9/20/16)

Motion to approve minutes by Albert Ozuna with second by Bob Bigham Ayes: Ozuna, Bigham, Kizarr Nays: NONE Abstain: Churchwell **Motion carried**

III, Review Reports
A) Financial Reports

Supplemental Bank Reconciliation	
Bank balance as of 9/31/16	$239,805.00
Transactions to date	$409,797.65
Cleared Checks	$47,359.88
Outstanding Claims (Self-Funded)	$1,329,203.94
Outstanding Claims (Pass Through)	$122,317.41
Outstanding Claims Total……………………	...$1,451,521.35
Deposit(s) in Transit	$330,011.50
Adjusted Balance as of 10/17/16	**$(519,267.08)***

*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.

Urbanski said she would like to introduce Hanna Carter (Finance) who will be taking over her role next month. It was a little worse than what the last one was but last month she didn't include Delta Dental. She wasn't exactly aware of what the charges were. Whisenhunt asked if it also included some EOB catch-up from the start of the year. Urbanski answered yes. The last bill we received is still a little bit of dental that is still coming through BlueCross from last month. Whisenhunt said he knows on the medical side some of the medical changes from July were of early last week's EOBs being processed on some of that. Kizarr asked if it was still going down. Whisenhunt answered it's still going down. There are still a few catch-ups from a few delayed processing that's starting to get caught up. Kizarr asked on the 'Pass Through' outstanding claims, is that our stop loss money. Urbanski answered no it's Mutual of Omaha or anything filtering through bank (54) fifty-four that is this health account but not our self-funded health account. Delta Dental would also be on there. Whisenhunt said Delta Dental, VSP. Urbanski said VSP does not come out of bank (54) fifty-four. Delta Dental, Mutual of Omaha, Modernize for eyeglasses all come out of that account. Whisenhunt said also plan (65) sixty-five. Urbanski said yes, the BlueCross for the retirees. That's just premiums that go in and out. Whisenhunt said the Health Plan Review Committee would like to thank Urbanski for her financial help and wish her well in her future endeavors.

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

IV. Wellness Committee
A) Update

Massie said the City had the Health and Wellness Fair last Thursday and it was a success. A lot of employees came through in a short amount of time. A lot of screenings and flu shots were given. It was a one-stop-shop. The City accomplished what we wanted to there. We are doing the Biometric Screenings but this week got off to a rocky start for the company that we use. They got the dates mixed up so the team was here yesterday at 6am but all of the equipment was not. We had to cancel yesterday and hope to get those who were scheduled yesterday moved to one of the next (3) three days. If not, they said they would waive all fees and would schedule a (4^{th}) fourth day, whatever's convenient for us. We have our next Blood Drive coming up on November (11^{th}) eleventh at the Public Works yard. Employees will see communication coming out about a week or week and a half. They have filled up more than half of the appointments already at the Health and Wellness Fair. We do have our Healthy Options Cookbooks for sell in Human Resources. Once we get through the Biometric Screenings this week employees are welcome to the HR office to purchase those. We tried to sell some of them at the Health and Wellness Fair but due to so much going on they may have gotten over looked. Rogalski asked does an employee receive Wellness points for buying the book. Massie answered no points for buying the book. Burk said this month is also Breast Cancer Awareness Month. This Friday is National Mammography Day so we are asking everyone to wear pink and if employees don't have anything pink to wear HR has ribbons. Ozuna said he was going to ask about that because his department has to wear orange. Burk said his department can stop by the HR office and pick up a ribbon. Harmon said when Delta Dental was doing the oral screenings they said this was one of the biggest participations. Most employees really don't want to have oral exams near or around other people. They had great participation and were very impressed as well. Massie said the BINGO cards went over really well. It made it clear on where the employee needed to go and to do. Burk said the only issue was some of the vendors wanted to leave early. Harmon said we could probably discuss it so next year with the vendor invitations it will be a requirement that they stay a certain time. Whisenhunt asked about the flu shots, what the count on them was. Massie answered (120) one hundred twenty. Whisenhunt asked weren't we guaranteed a (150) hundred fifty. Massie answered we had them order (200) two hundred but there was no cost if they didn't get through them. They are going to use the leftovers at the Police Department. Next year we'll have tetanus shots available as well for those who need to get them.

V. Old Business
A) Private Exchange

Whisenhunt said he put a spreadsheet together on what Liazon proposed and their last submission to the Committee was dated the (27^{th}) twenty-seventh. They didn't do what we asked them to do. The biggest problem is what they are presenting on the baseline projections. Massie said he doesn't want the Committee tied up on cost. The recommendation he will support today is the technology piece not the premiums or plans A, B, C, and D. Whisenhunt said the next issue is the costs in plan B which doesn't maintain what is under the current plan. Rogalski said what they are saying this is the only path to get the claims down. There are reports that if you bring the market back to the Healthcare in people's minds then they'll start shopping. This is the only thing that's going to save Healthcare at this point because our cost escalation has skyrocketed. Whisenhunt said Healthcare is escalating but pay is not and they are transferring the cost to the employees. Your claims are your claims and if the plans not paying it then the employees are. Rogalski said we have our pay and the City income is flat. Whisenhunt said so is the employees income. Everybody's is flat. Rogalski said except for Healthcare costs because those are going up. These may not be the right numbers but the idea is the Private Exchange is something worth trying to get a handle on costs to try to pull those costs back down. Whisenhunt said it pulls the cost back down for the plan. Rogalski said he was talking about overall cost. Whisenhunt said it cannot pull down the overall cost. Bigham said the claims are going to be the same. Rogalski said if everybody went to a ($5000) five thousand dollar deductible our claims would not be the same. Whisenhunt said for that employee they are going to have to pay a ($5000) five thousand dollar deductible. Bigham said for the plan but the costs are still the same.

Rogalski said if he was on a ($5000) five thousand dollar deductible he would be careful when he went to the doctor and what the doctor prescribe because it's coming out of his pocket all year. The Private Exchange is trying to foster the idea that the employees will if given choices so we are back to thinking about what our Healthcare does. We will transfer that thought to purchasing medical stuff throughout the year. The employee will have a conversation with their doctor as if they didn't have health insurance. Churchwell said education to our employees would be more beneficial because if people are thinking about money they are going to be less likely to go to the doctor which could make it worse at the end. Whisenhunt said we are spending ($60,000) sixty thousand dollars a year on an education method for our employees. Massie said a choice method. We're giving our employees a choice. Whisenhunt said it really puts them at a point where they either have to be educated or it's going to cost them more money. His biggest concern is the numbers Liazon is providing because we don't know what those numbers are going to be now. Massie said correct, we are too far out. Whisenhunt said they have been up front about it but when they go and project based upon their plan which is a (22%) twenty-two percent premium increase, he has a problem with that. Massie said they have said we can dictate those numbers. Liazon is looking at the fastest way if the City wants to get out of the negative (500,000) five hundred thousand.Whisenhunt said they said it doesn't even address the (500,000) five hundred thousand. It's just to keep the plan sustainable. It's an average of (14%) fourteen percent over all of the employees if you maintain that ratio. The City's portion has to go up (14%) fourteen percent but their numbers are not matching up.

Kizarr said he's not against the plan.Whisenhunt said the concept is good. Kizarr asked if it's costing the plan (3%) three percent to pay

Liazon. Massie answered it's ($60,000) sixty thousand dollars. We are talking about giving our employees a choice. The alternative is to keep what we have and the recommendation will end up being this rich plan we have turns out to be a not so rich plan next year. We obviously can't sustain it and instead of having choices it'll be here's your one plan. Whisenhunt said Liazon said in January they could project back (12) twelve months. We made some significant changes July (1) one and we did the premium increase. Massie said we're going to be able to see (6) six months. Whisenhunt said they cannot do (12) twelve months because they won't be able to get a true report. Massie said we would prefer them to wait until the last minute. We want to see as much claims data as we can before we say what these numbers are going to be. Whisenhunt said it's good having choices but it's a challenge to get the employees to do what's necessary to be good purchasers. During the last enrollment some of the employees didn't fill their paperwork out right. He sees a technology issue. The employees in City Hall are more technology sound than the employees in Public Works. His biggest concern with that group is they're the lowest paid employees and they are the ones who will be looking at what they could take home which may not be the right decision for them based on their evaluation. We are to look out for the plan, the employees, and the City. His concern is for those employees without some control measures in making bad decisions. Harmon said that's one of the things this particular software has. Whisenhunt said it will still allow them to make a bad decision.

Harmon said it will still allow them but it also wouldn't recommend an HSA if they don't have a savings account. If you do elect (1) one of these high deductible health plans, make sure to elect the virtual visit as well so you can get care by talking to your physician and receive your medications. Normally she would agree that it is hard to educate the employees but she just implemented it with a restaurant group. We are talking about a lot of very uneducated people and the excitement that was received from that group of employees was very good feedback. The thing they liked having the most was having options. You're going to keep the funding the same for the base plan but if they need to take dental they can take a lower option to pay for the dental that they need. That's what the employees were happy about. Rogalski said we get to set how risky those options are. We can keep them pretty close so if an employee makes a bad choice it won't be that bad. If we were going to do this, to start fairly narrow where you have a narrow window of (3) three choices and then maybe the following year widen it. Slowly give the employees more choices as time goes on so they can get some time to learn how the system works. Whisenhunt asked Massie what his thoughts were on it. Massie answered yes, the (5) five plans that came are the initial recommendations but if we wanted to condense those and make them close then we could. Whisenhunt said it will help the City work through the education process.

Massie said it was one of the concepts he definitely wanted to keep on our plan. We did get the initial letter from BlueCross that we will have one of the plans be the exact same plan that we offer today. We can make it the exact same funding. If there's an employee who doesn't want to change (1) one thing, they are happy with what they have to pay today, then we can make it a default option. We went from a (1000) thousand to a ($1500) fifteen hundred dollar deductible. Whisenhunt said it is a richer plan. Massie said it's a little bit richer plan. We have a (2000) two thousand, (2500) twenty-five hundred and a ($5000) five thousand dollar deductible plan. The (2500) twenty-five hundred and (5000) five thousand are HSA accounts. He thinks it's something that would generate some interest. The plan would be to roll out almost a (6) six month education piece. We would have meetings and we would spend an hour talking about what an HSA is so that when we do get to open enrollment in May we don't have to answer those questions. Whisenhunt asked if we go to a (3) three Tiered plan can we make it mandatory for a small number to attend. Burk answered we've tried but we haven't been unable to. Even the ones who have attended the meetings don't pay attention. Whisenhunt said it was too big of a group. He's talking (10) ten people. Massie said we can shape Open Enrollment how we want it. What we may do is instead of offering all of these days we may do it by division. We'll give it to the Administrator and give them (4) four days. Whisenhunt said just like how we do our safety training. That'll be necessary for the education part of it. Harmon said that's why we want to make this decision early so we can spend the next (9) nine months educating the employees on this product, how they are going to make choices and the options that'll be available. If we can educate them then they can get into the system and they're going to know what their insurance lingo means. We don't want them to think that they are on their own. We are going to be there to help with that process as well and give them choices.

Whisenhunt said like Rogalski said letting it expand over time is a prudent thing to do. Massie said maybe we can go back, look at it, and stick with (4) four or (5) five plans but instead of (2) two HSAs we'll only have (1) one HSA. We'll add another plan option that will be a little bit narrow in there. We'll have our current plan, ($1500) fifteen hundred dollars, not quite as rich as our current plan. Kizarr said he was under the impression this was under the same plan and we were just changing the deductibles. Kizarr asked if we were changing the plan. Harmon answered we are not going to be changing those type of services. Those will be staying the same according to ACA guidelines. We can't offer co-pays on HSAs but the types of services and the administration of those benefits are going to be following BlueCross's guidelines. Preventive type services supported by ACA are covered at a (100%) hundred percent. They are still going to have those services but we may make some minor changes within the plans to help keep those premiums down. We are going to come and show you all the different plans and the Committee is going to tell us which ones you want the employees to be offered or if you just want to change the deductible. Kizarr asked how Liazon was getting the numbers if they didn't know what those plans were. Massie answered we had a recommendation to pick (5) five because the Committee wanted to see numbers. We don't want to get lost in the numbers at this point because we can pick different plans. We can change premiums to how we want them. At this point we are just focused on the technology and the choice piece. Once we decide to move forward with it then we'll spend time on what plans and premiums we want in that. One thing we did focus on was making sure we got confirmation from BlueCross that we could offer our exact custom plan because most of these plans come in almost a bundle package. Whisenhunt asked if the City's current plan is a custom plan. Massie answered it is. Whisenhunt asked if it would stay custom and the rest of them would be off the shelf plans. Massie answered correct.

Kizarr said employees can hurt themselves financially if they don't pay attention to what they are doing. They won't be able to call him and ask if something is covered because he won't know. There's no way he would be able to keep up with (5) five plans. Harmon said for the most part, that part of it is still going to remain the same. Where they are going to see differences are in the co-pays, out-of-pocket maximums, and network of doctors. BlueCross BlueShield is still going by their policy and procedures. The overall administration is going to remain the same. Employees are going to be able to call Liazon or the NFP office to ask those types of questions if different types of services are covered. We would be able to see what plan they are on and be able to answer those detailed questions as well. We want to start this so far ahead to get the education out. We may never know the plans on what the City agrees to until February or March. Our focus is to start the education in the next month. Kizarr asked we are already negative, are we going to make enough money to justify ($60,000) sixty thousand dollars. Massie answered we will make sure we have it built in and it's also something he's working on right now with Brady Ayala (NFP). We are talking about how to fund that ($60,000) sixty thousand dollars. Harmon said the City will be looking at carriers to fund that (60,000) sixty thousand piece. The carriers like this option as well whether it is on the dental or vision side because it does make employees aware. When it's the employees' money they'll spend it a little bit wiser and start thinking differently. The carriers are starting to fund this platform as well by giving us a little bit which is what Ayala (NFP) and Kanady (NFP) are working on. Whisenhunt said another thing we should include is the pet insurance option. He had spent money on his dog a few months ago but doesn't think it should be part of the City insurance.

Massie said pet insurance doesn't flow through the City. It's an option on the plan but if someone chooses it, then it's a direct bill. It's just another benefit for those who are inclined to get it. It wouldn't run through payroll and it wouldn't affect anything on the City's side. Whisenhunt said the accident policy is an important part. We already have an accident carrier. Massie said it would be that carrier. The employee would be able to go to the Exchange and do it through the shopping cart. Kizarr said he assumes if an employee chooses a high deductible the technology will recommend that they take the accident policy. Harmon said it's going to recommend a few things separately based on how the employee answers those questions. If it recommends a high deductible health plan it's because an employee said they don't have any medical expenses and have money in their savings account to pay for unknown medical. If the employee answers those questions saying that they don't have anything in savings then it's not going to recommend that high deductible health plan or an HSA. That's the way the formula has come out. We have played with it and ran it in different ways. Depending on how you answer those questions you'll come up with different responses every time. This makes the employee think about different types of things that could happen in life and it can help them prepare. We need to help them think about those types of things. Unfortunately it is falling on top of the employers to make sure that they have life insurance. Rogalski asked if the technology only gives information on items the City proves to be offered to the employees. Harmon answered correct. It can't offer something the City doesn't approve. Massie said everything in the store is what we as a City, as a group, put into the store. Harmon said the City will design exactly how you want your funds to be utilized. If you want it to stay focused on the medical and dental, you can do that or you can allow them to spend less on their medical because they are taking a high deductible health plan.

Kizarr asked how many questions are there. Harmon answered we can customize that as well. It would depend on how many plans and the type of plans you offer. Massie said it can depend on how you answer certain questions. Kizarr said we need to get out what kind of information the employee is going to need. Massie said they don't have to finish it in one setting. Churchwell said as long as we make available what we have right now then he's more comfortable with that. Massie said there will be (5) five options with (1) one of them being the current plan with (4) four of them being discussed at a later date.

> **Motion to approve moving to the Private Exchange Plan maintaining the Employee/City contribution ratio and (1) one of the plans in the Private Exchange would be our current existing health plan and the rates will be brought back to the Committee for review and future recommendation as well as the other Exchanges by Bruce Kizarr with second by James Churchwell** Ayes: Ozuna, Rogalski, Bigham, Kizarr, Churchwell Nays: None **Motion carried**

VI. New Business
A) 2017 Annual Meeting Dates

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

VII. Comments/Discussion

* Kizarr asked if the retirees were going to get the Tiered System too. Massie answered at this point we are not looking at it at least in year (1) one. We are not looking to offering (5) five plans to retirees but looking at doing the technology piece for them. We were looking

at just doing (1) one plan and then maybe year (2) two or (3) three maybe offering (2) two plans. Kizarr asked weren't we going to allow them to no longer pay the family rate and just drop down to spouse. Massie answered yes it would go down to (4) four Tier. Whisenhunt asked what the next step was. Massie answered one of the things we need to do is get on the agenda the retiree items. We talked about breaking them up into (4) four Tiers and a plan to either wait out the next (2) two years or try to do it July (1st) first. They are the ones we want to educate too. We need to start discussing the other (4) four plan options and get those on the next agenda to start looking at those options. Whisenhunt said we are going to have to see some premium numbers to really evaluate. Massie said let's wait before we can do that because we need to see where we are and get into the New Year. Harmon said what we would probably do (1st) first because it will take a while for BlueCross to give us some of this data to start evaluating those claim rates for the medical. We can go ahead and start on the ancillary products. You can make decisions on those because they will be totally voluntary for the employees. We will go ahead and get those quotes from the carriers maybe have those back by one of the meetings. We would like for the Committee to make some decisions on the easy stuff so when it comes to the hard stuff we can really dig into the medical plans. The Committee doesn't have to worry about what the employees might be spending on their dental. You'll be focused on the medical during that decision and not all of them at the same time.

Whisenhunt asked once this recommendation goes to the City Manager, does the City Manager have to act on it or does Council. Massie answered let him find out because it may have to go to Council. This will be something he'll try to work on and get into City Council by November. The City Manager and both of the Assistant City Managers have gone through the same presentation that the Committee went through last month. All (3) three of them are on board.

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* Whisenhunt said next meeting is scheduled for November (15th) fifteenth. Massie asked Whisenhunt if he wanted to consider taking a month off. Whisenhunt answered right now we are in the position to not meet in November and that will allow us time to get stuff together. Burk asked Whisenhunt if he still wanted the financial report. Whisenhunt answered yes, he still wanted the financial report. We'll meet December (20th) twentieth.

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* Whisenhunt said he has yet to see the City's flex plan carrier do anything right. They told him to scan your EOBs, send them in, and use your card. When you do they'll cut you a check, mail it to you, and deny the claim on your card. When you go to the doctor and it's not your normal co-pay, scan it, and send it in. He did that, they cut him a check but the intent was to use the card. Massie asked Whisenhunt if he was sending in documents before he used the card. Whisenhunt answered yes, because they said the minute he received it to send in the documents and they were going to pay them. Harmon said that's what they are seeing in the system and aren't seeing that the card has been run. Whisenhunt said what they said and what has to happen does not work. Massie said he's always used the card (1st) first and he's used it a lot this year. Whisenhunt said if you use the card (1st) first you're ok but what they said is not quite the same thing. Once he received the EOB bill he sent it to them and mailed the payment in with the card stub information on it. They cut the check before the card got there. Harmon said she would use the card then when they request it you have (30) thirty days to provide them with the documentation. She would then upload it but not send it in beforehand. Kizarr said they are requesting EOBs for everything. We use to not have to provide anything for a doctor's co-pay. Massie said we got that one fixed. Harmon said during the Wellness Fair we did pass out what's an ineligible and eligible expense because Higginbotham was not following the IRS guidelines to the standard. That's one problem we are running into is American Fidelity is following the guidelines. Employees who were getting things paid under their FSA shouldn't have been allowed which could have cancelled out our Section 125. That's kind of why we are concentrating on the education piece right now as well.

Burk said doctors don't want to write prescriptions for over-the-counter medications. Harmon said unfortunately IRS has tightened the strings on that and it should have been done since 2010. Whisenhunt said with Higginbotham, the doctor actually signed the prescription on all of the over-the-counter. Burk said employees can ask American Fidelity for a form like that. Harmon said IRS says you have to have an actual prescription per prescription. Whisenhunt asked per time. Harmon answered your doctor can take a prescription, write it for (1) one year, explain why he is prescribing it, and send it in. You will be covered for a year. Massie said it just can't be a letter. Harmon said it depends on your doctor. Some doctors don't mind writing prescriptions for over-the-counter medications.

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* Whisenhunt said the Urgent Care facility on (38th) thirty-eighth and Cache Road files it as an urgent care visit. The one in front of Country Mart on (67th) sixty-seventh and Cache Road files it as a regular doctor's visit with just a ($20) twenty dollar co-pay. When it was processed through BlueCross it was processed that way too. You can get in and out. Massie said it'll be good to pass that on. They'll get more business if they do that. Massie asked if they were open 8 to 8 on Sunday. Whisenhunt answered he doesn't know the hours but they are open at 1pm on Sunday.

VIII. Adjournment

Rusty Whisenhunt announced the adjournment at 10:13am.
Motion by James Churchwell with second by Albert Ozuna to adjourn Ayes: All Nays: None **Motion carried**