draft

Regular Meeting
Health Plan/Cafeteria Plan Review Committee
November 19, 2013, 9:00 a.m.
New City Hall Conference Room

Kizarr called the meeting to order at 9:07 am.

I. Roll Call

Members Present: Bruce Kizarr, Cindy Ehlers, Richard Rogalski, Albert Ozuna, Doug Stamper, Bob Bigham, Rusty Whisenhunt
Members Absent: Scott Kisner, Alberto Talavera, Justin Dipprey
Others Present: Krystal Urbanski (Accountant), Tanya Riley (HR Generalist), Chris Engelman (BCBS), Sherry Anderson (Acting HR Director)

II. Minutes

Motion by Ehlers with second by Stamper to approve the minutes of September 17 & October 15, 2013.

Ayes: Ehlers, Bigham, Ozuna, Stamper, Whisenhunt
Nayes: none
Abstain: Rogalski Minutes 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 10-31-2013	$	553,205.74
Transactions to date:	$	306,459.66
Cleared Checks	$	49,071.61
Outstanding Claims	$	637,702.61
Deposit in Transit	$	243,105.96
Adjusted Balance at 11/15/2013	$	415,997.14 *

*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.

IV. Old Business - none

V. New Business

A. Make recommendations regarding plan changes/ideas (adding the Blue Options network, moving retirees and dependents age 65+ over to a group supplement plan, etc…)

Anderson stated on the network change, Jim Russell said he really wants to do that but he wants MOU's from the unions. Kizarr stated they were fine with it. Engelman said that BCBS can put this change into effect probably on February 1. Engelman cautioned that January is a very busy time for BCBS and he would say he is 95% sure that they could get it running by Feb 1. There are a few documents that need to be signed and Anderson said that it would need to go before council. The new id cards will be issued out sometime around Jan 10th. Kizarr said the way he read the premium increases the last time we had a meeting was if we wanted to get to the $900,000 in four years would require a premium increase of $14. Whisenhunt stated that he understood it to be that way as well.

Anderson stated that the committee had asked Higginbotham to put together a five year plan and they have provided a draft of a 5 year plan. Whisenhunt asked how receptive the retirees were to the medicare presentation. Engelman stated that the presentations were simply to inform retirees of what Medicare is, the history of Medicare, how a supplement works. There was no discussion of moving retirees off onto a separate supplement plan. Engelman said the presentations were very well received; about 65 retirees/dependents showed up, a lot of questions were asked during and after the presentations. There was a lot of interest. Riley stated that she had heard from retirees that they were intrigued by the fact that a supplement plan does not have a deductible and coinsurance vs how it works now with the City's plan. Riley said Luann Yarberry had several phone calls after the meetings from retirees inquiring about prices and how to sign up for a supplement. Whisenhunt stated that he knew of one retiree that was proceeding with obtaining a supplement. Ehlers said that most retirees are probably happy with the way things are and they would be willing to switch but they wouldn't do it themselves; whereas if we did it for them it would save money for all.

Rogalski asked what a working spouse surcharge was. Anderson answered that like what Goodyear does: if a Goodyear employee has a spouse working for an employer who offers health insurance Goodyear requires that the spouse take their employer's insurance. Some other employers require a surcharge to be paid by an employee whose spouse chooses to not take their employer's insurance. Kizarr stated this option is simply an option suggested by Higginbotham as a way to save the plan money.

Kizarr said that he feels the Benefits Advisor option needs to be removed from being implemented in Year 1. Kizarr said he was originally interested in that but after talking to Jim Russell about it Russell doesn't feel that there will be enough participation from members to make it worth the money. Kizarr questioned whether the committee would be ready to implement a tobacco surcharge. Anderson said originally when this was discussed it was going to be tied to the city tobacco free policy which hit a snag in legal so this was dropped.

Engelman said on the medicare supplement option would the prescription drug card part be offered through the city as well? Riley said that last time it was discussed, it would be part of the total package offered through the City. Engelman said that if this is carried out, retirees would be issued a new id card. Kizarr said it could be presented to retirees as here is what we have done on the research and this is the best supplement plan we have found for you. Riley said Yarberry had found the best plan (cheapest and least disruptive to retirees) was offered through BCBS (Plan 65). An open enrollment would need to be done for all retirees. Rogalski suggested an incentive to retirees to switch over. Bigham asked for a chart that shows how a claim is paid/processed under the current plan vs on a supplement.

Kizarr wanted committee to look at the plan options listed for year one and decide what the committee wants to try and do. Kizarr said he believed that it had already been decided that the Benefits Advisor would be moved away from year 1 (on down the road). General health education is ongoing. For the Tobacco Cessation Program is something we offer but this is more about gearing up to ban tobacco period. Jim Russell started this a couple years ago because the criteria was you had to offer cessation products/programs before you could ban it. This needs to be continued. In regards to the premium increase, Kizarr said this is something we have to make a recommendation on. Whisenhunt said the $14 per employee per month increase is better to him than a 10% increase. Kizarr said it needs to be raised in terms of a percentage amount instead of a dollar amount. We need to decide how much the premiums need to increase. Percentage increases make it more fair for everyone. Bigham asked if it was possible to simply move the retirees 65+ off of the city prescription plan. Riley stated that this could cause lots of confusion: a retiree wouldn't know who to call for a prescription claim vs a medical claim. Engelman said this would be adding another level. Kizarr said if the spouse is under age 65, we would still allow the spouse to stay on our plan. Kizarr also said that if we're going to keep retirees on the plan, we really need the retirees to be paying the full cost of the premium. Bigham asked if this was fair. Kizarr said it is because the amount that the city pays and what an employee pays is still more than what a retiree is paying for their insurance. Kizarr said this needs to be addressed. Bigham wants to see the chart, look at the prescription costs.

Whisehunt makes a motion to pursue the BCBS Blue Options Network as soon as possible. Ehlers with the second. Ayes: all Nayes: none Motion carried.

VI. Comments/Communication

A. Next regularly scheduled meeting will be held December 17, 2013

Kizarr said he would bring the numbers regarding a percentage increase. Riley said she would relay information to Luann Yarberry about bringing more information regarding moving the 65+ retirees over to a supplement plan (including prescription info) and also in chart form.

VII. Adjournment

Motion by Whisehunt with second by Ehlers to adjourn at 10:31 am.

Ayes: all Nayes: none Motion approved.