APPROVED

Regular Meeting Minutes
December 20, 2016 @ 9:00am
City Hall 2nd Floor Conference Room

Rusty Whisenhunt called the meeting to order at 9:05am

I. Roll Call

Members Present: Rusty Whisenhunt, Albert Ozuna, (@ 9:19am) John Schwenk, Bob Bigham, (@ 9:06am) Richard Rogalski

Others Present: Tiffani Burk (HR Generalist), Chase Massie (HR Director), Hanna Carter (Finance), April Bortmess (BCBS), Kerri Cooke (BCBS), Kelley Harmon (NFP), Courteney Cacho (City Manager's Receptionist)

Member Absent: Bruce Kizarr, James Churchwell

II. Minutes (10/18/16)

Motion to approve minutes by Richard Rogalski with second by Albert Ozuna Ayes: Ozuna, Bigham, Rogalski Nays: NONE **Motion carried**

III, Review Reports
A) Financial Reports

Supplemental Bank Reconciliation	
Bank balance as of 11/30/16	$504,475.76
Outstanding Deposits	$29.10
Cleared Checks as of 12/15/16	$89,656.62
Outstanding Claims (Self-Funded)	$1,205,384.80
Outstanding Claims (Pass Through)	$ -
Outstanding Claims Total……………………	$1,205,384.80
Deposit(s) in Transit	$396,110.21
Adjusted Balance as of 12/15/16	**$(394,426.35)***

*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.

Whisenhunt asked on the claims for BlueCross, what is the (1.2) one point two. Carter answered it is the last (2) two October and November charges that have not been paid yet. Whisenhunt said it's an improvement and hopefully it'll continue.

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

IV. Wellness Committee
A) Update

Massie said the City's (2nd) second quarter challenge is 'Stop Stress this Minute' and it ends tomorrow. It deals with stresses both personal and professional. We had our (1st) first meeting on November (28th) twenty-eighth and covered the (1st) first (2) two chapters. Everybody received a book and each chapter covers different topics about stress like financial, professional, or personal and how to cope with those stresses. During the challenge all employees who participated have to read the book and take a quiz at the end of each chapter. They also have to keep a stress log throughout each day of what their stressors were and how they coped. Hopefully this will open employees' eyes to finding ways to cope like exercise, breathing, or listening to name a few. We will finish up tomorrow and it will be our final Wellness Challenge for this (1st) first (6) six months. In the Spring, we have (3) three different food demos. We'll be doing (1) one for breakfast, lunch, and dinner. We're going to encourage all of our employees to bring their spouse and kids to show them some healthy options. Many times it may not be the employee cooking it could be the spouse. This could contribute to the employees and their families to being a little more active and healthy. Whisenhunt said the last Blood Drive at Public Works wasn't successful. Massie said it was not.

We had more people do the double /machine donation at the previous drive. He didn't realize if you did participated in that you would have to wait longer before participating again. We had (4) four or (5) five of our regular Blood Drive donors, to include himself, who were not able to give that day because they were still in that waiting period. He saw the numbers and wasn't very happy. He's looking to improve those at the City's (3rd) third quarter Blood Drive. Ozuna asked when the next Blood Drive will be. Massie answered in February.

V. Old Business

A) Private Exchange

Whisenhunt said we don't have any updates. (1) One of the issues he's looking at is the different plans. Massie said we will have our current plan as (1) one of the custom plans but we will spend some time at the next meeting going over the (4) four options and what those will look like.

VI. New Business

A) Deficit of Retirees

Whisenhunt said this is related to the amount of retirees who are paying what the current employees are. Massie said this is something we need to plan if we want to bring our retirees up to (100%) one hundred percent. We want multiple months to put out that communication. Maybe it's something we can send out in January stating July (1) one it will be raised to (100%) one hundred percent to give them (6) six months to start planning. There are 13 (thirteen) retirees who would be on a Retiree/Family Tier. The thought would be to change the Tiers because all we have are Retiree and Retiree/Dependents regardless of how many dependents they have. The plan is to change the Tiers to match our active employee's Tiers.

Retiree/Family
Retiree/Child(ren)
Retiree/Spouse
Retiree Only

13	from	Retiree/Dependent	to	Retiree/Family
1	from	Retiree/Dependent	to	Retiree/Child(ren)
24	from	Retiree/Dependent	to	Retiree/Spouse
87	from	Retiree Only	stay	Retiree Only

If we caught them up July (1st) first it would basically add ($21,167.60) twenty-one thousand one hundred sixty-seven dollars and sixty cents a month and ($254,011.20) two hundred fifty-four thousand eleven dollars and twenty cents annually to the health fund. Rogalski asked where they are now verses being caught up. Massie answered about (25%) twenty-five percent under to getting caught up. It would be a significant rate increase. For example:

<u>Retiree/Dependents $980.48 a month</u>	Retiree/Family	goes up	$232.14
	Retiree/Child(ren)	goes up	$177.38
	Retiree/Spouse	goes up	$199.88
	Retiree Only	goes up	$151.44

Rogalski asked what they were currently paying. Massie answered Retiree Only ($363.98) three hundred sixty-three dollars and ninety-eight cents and to get them to a (100%) hundred percent would be ($515.42) five hundred fifteen dollars and forty-two cents monthly. Whisenhunt asked if that was the current rate the active employees are paying and does that pick up the increases we've added to our plan. Massie answered yes. Doing that will be an incredible increase for them, even getting them to that level is still considerably cheaper than with the Public Exchange. The Public Exchange went way up this year about (77%) seventy-seven percent. For (1) one person, they are paying well above (515) five hundred fifteen. Whisenhunt asked if this was for the retirees who are not (65) sixty-five. Massie answered yes. Burk said we still have (13) thirteen retirees who have children. Massie said if you look at the numbers, ($254,000) two hundred fifty-four thousand dollars is what we are not getting this year because retirees are not a (100%) hundred percent. If you contribute that to our health fund we would really get close to breaking even. Burk said a lot of the retirees won't drop the insurance because they fear that they can't get back on or if something happens at their other job. Rogalski asked can they get back on. Burk answered once you retire and you get off you cannot get back on. Whisenhunt asked if the ($254,000) two hundred fifty-four thousand dollars will correct the (25%) twenty-five percent. Massie answered add all of the increases and costs on a monthly basis then multiply that by (12) twelve. That's how much it's affecting our plan on an annual basis. He agrees with what Whisenhunt said that half of the retirees have other jobs that they could have insurance through. The plan was to get them caught up (2) two years from now. It would go up this July and then next July it would get them caught up. We are negative (398,000) three hundred ninety-eight thousand.

Whisenhunt said you'll be able to give the retirees a (6) six month notice to give them time if they want to do something different. Rogalski said what he is concerned about is July (1st) first some will have a ($100) hundred dollars taken out of their paycheck and that's a lot. Whisenhunt said they are going to take half of it anyway. Rogalski asked if it is better to take the whole amount in July or half in July and the other half in January which would be a softer blow. Massie said the argument from the employee side is it's the City and the active employees who are picking up the slack. Burk said there are some retirees who will not be bringing home a check because they owe the insurance. We already have a couple of retirees who have to come in and pay. Rogalski asked if their retirement pays less than their insurance cost. Burk answered yes. Ozuna asked how hard it would be to go up (1/2) half in July and another (1/2) half in January. Massie answered we could make it happen. We'll just communicate it would go up a percentage July (1) one and they'll be at a (100%) hundred percent January (1) one. Burk said depending if we don't raise ours.

Motion to make the recommendation to go up (50%) fifty percent in July 2017 and whatever it takes to get to a (100%) hundred percent in January 2018 by Albert Ozuna with second by Richard Rogalski Ayes: Ozuna, Rogalski, Bigham Nays: Schwenk **Motion carried**

B) Take Action on a Benefits Admin System

Massie passed out a handout titled 'NFP Benefits Administration Services'. Massie said at our last meeting (2) two months ago there was recommendation to move forward with the Private Exchange System that was demoed. To make sure everything was transparent we went out to market for the Benefits Admin System which NFP did for us. We had (3) three companies come back:

PlanSource
Liazon
Bswift

The recommendation from Human Resources and NFP would be to go with Liazon. They are the most experienced in this field and also provide us the opportunity to do the Private Exchange. The other (2) two are more of a Benefits Admin System. They don't have the algorithm and ability to help the employees select their insurance. The City employees would go through the Exchange, go through the shopping cart, pick their plans, and all that information would be communicated to our HRIS System into Payroll. Instead of employees having to write all of that down or HR having to input all of that information and transfer it to all of our carriers, it's all done when the employee signs up online. It really speeds things along and reduces the chance for manual errors. Schwenk asked if it was over ($60) sixty dollars a year per employee. Massie answered it's going to be about (55,000) fifty-five thousand a year. Schwenk asked if it was going to be ($5.49) five dollars and forty-nine cents per month per employee. Massie answered yes. Schwenk said so over ($60) sixty dollars per employee a year. Massie said the employee wouldn't necessarily pay all of that. We have a couple of options we are looking into. (1) One, we have budget allocated right now and part of that money is for the Benefits Admin System. The other option is NFP's going to look into potentially having some of our vendors who are in those shopping carts pay for some of that fee. We look to lower it to maybe a dollar or (2) two per employee per month and then it would be tied into the overall rates. If we feel we are well funded enough, maybe the premiums won't go up (10%) ten percent maybe they'll go up whatever the percentage is to help fund that piece. That would then be split between the City and the employees. Rogalski asked how many employees the City has. Burk answered (873) eight hundred seventy-three. Rogalski asked what Bswift was. Harmon answered Bswift is not as advanced as the Liazon system and it doesn't have an Exchange store type platform. The employee would just go in and pick their individual plans. The Liazon program is going to help the employee answer those questions and make those recommendations based on that. Since we are going to be offering an HSA for the first time, it's not going to recommend it if a person doesn't answer the questions correctly.

Massie said we don't just want to give employees choices and then put them in a bad situation. Liazon's technology helps recommend the right choice and the other (2) two don't. Harmon said with PlanSource and Bswift you would have the educational materials on there but the employee would have to go and look at those materials. Liazon will make actual recommendations and that's why we like that function better when you start introducing new products to employees. Whisenhunt said just estimating the underline cost difference there's not going to be much of a difference between Liazon and Bswift because some of the things they have included at no additional cost would almost offset the per employee per month cost. Rogalski asked if there was a contract. Massie answered it would be an agreement and it would go to Council. Burk said the other (2) two say actuarial support. Burk asked if they do FSA reporting. Harmon said the other (2) two have access to gather the data like Liazon does. The actuarial support is when they are actually looking at those claims and making recommendations on what the rates are going to be. The other won't do that. They are going to say whatever rate the carrier comes up with. Liazon is a little different than the other (2) two because they have already gone out and negotiated a lot of those contracts. Burk asked if they do FSA reporting. Harmons answered yes they do. Massie said that'll be big as we introduce an HSA for the (1st) first time. Whisenhunt asked since Liazon has the FSA support of administration available are we looking at using that. Massie answered we may. He does anticipate going back out to market for FSA. Harmon said they actually moved over an FSA that employees liked over to the Liazon platform and it's been going very well. The Open Enrollment process was very smooth and employees loved it.

Motion to make the recommendation to approve Liazon by Richard Rogalski with second by Albert Ozuna Ayes: Ozuna, Rogalski, Bigham Nays: Schwenk **Motion carried**

Whisenhunt asked when Massie plans to give the Benefits Admin System to Council. Massie answered we'll go to Council January (24th) twenty-fourth and we'll do an intention. We should be ready for Open Enrollment in May and we'll start communication ahead of time.

VII. Comments/Discussion

* Schwenk said our current FSA is pretty horrible. Whisenhunt said he agrees. Burk asked even worse than Higginbotham. Whisenhunt answered yes. Schwenk said he never had a problem with Higginbotham. Massie said as we discussed at the last meeting, Higginbotham didn't follow the IRS rules but American Fidelity does. Whisenhunt said American Fidelity is sending money that they shouldn't. He caught an error and made the vendor reimburse American Fidelity. American Fidelity paid them and didn't question it. Schwenk said American Fidelity finally sent him an email after he sent them documentation stating what the visit was for. He asked if he needed to substantiate anything but never got a reply. Then he received a letter in the mail stating what he needed to supply. He uploaded it but never heard back from them. They still haven't updated anything. Whisenhunt said they don't let you know if what you sent them substantiates what they're asking. There are some definite issues. He hasn't heard good comments about them. Massie said he will get with NFP and they will go back out to market this year. Whisenhunt said that was one thing Higginbotham did was keep you posted on the process. Massie asked Schwenk if he uses the website or the app. Schwenk answered the website. Massie said Schwenk might want to try downloading the app. It's a lot easier to use. The app shows everything that has been done including what's been processed. Schwenk said he has his documentation just in case anyone asks. Whisenhunt said make sure to keep your own documentation because the employee is responsible for the IRS rules.

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* Whisenhunt said he didn't realize when the City went to Delta Dental that dentist had to send them x-rays and radiographs to qualify for a crown. Bortmess said it should be pretty standard. Whisenhunt said it took (10) ten weeks. Once they finally approved it he received (5) five different approval letters. The dentist received the letter (4) four weeks later than when he received his just for a crown. Schwenk said he has to call his dentist because his cleaning was denied. Whisenhunt said his first crown was denied. Burk said a lot of them were denied because employees forgot to tell their dentist we went from BlueCross to Delta Dental. Bortmess asked Schwenk if his cleaning was denied. Schwenk answered yes. He received a ($155) hundred fifty-five dollar bill from his dentist. Bortmess asked if he could get that sent over to her. If you are receiving anything that's getting denied then we need to be checking those. Whisenhunt said Delta Dental does not communicate with the dentist very well. Schwenk said he called Delta Dental on Friday and they had no record of a denied claim. Burk said they may have tried to file it through BlueCross BlueShield which has been happening a lot. Schwenk said the letter he received said Delta denied it. Bortmess said we usually don't get those types of claims because the dentists really like Delta. They usually have a contract to contract with them. If something has taken (10) ten weeks, claims are being denied, or it's taking too long have the employees contact us because we need to investigate those types of things and find out what's going on.

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* Schwenk said the deficit is shrinking every month it seems like. Sometimes we need to let things work its way out before we jump to something else to help fix the fund. Liazon mentioned (95%) ninety-five percent of employees will take that higher deductible lower premium. Even though there will be software to try to keep them from making bad decisions his fear is they'll look at the bottom dollar for their pocketbook. Whisenhunt said some are going to make some bad decisions and that has always been (1) one of his concerns. Rogalski said we are their employer not their parents. Employees sooner or later have to figure out how to make good decisions. Massie said this gives them an option which is what we keep hearing from our employees. They want to make their own choices and not be force fed a choice. If they don't want to make a choice we will have the exact same plan that we have today. Schwenk asked if it was going to be (22%) twenty-two percent more. Massie answered no those were just numbers. We are too far out that Liazon had to put numbers in. Whisenhunt said their last numbers came back the exact same numbers that the employees are paying right now with no projected increases. Burk said it's going to make the employees pay more attention.

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* Whisenhunt said next meeting is scheduled January (17^{th}) seventeenth.

VIII. Adjournment

Rusty Whisenhunt announced the adjournment at 9:54am.
Motion by Albert Ozuna with second by Richard Rogalski to adjourn Ayes: All Nays: None **Motion carried**