

Benefits Committee Meeting
April 22, 2019
MSB Conference Room 130

Start time: 3:00 pm

Committee Members in Attendance: Matt McCombs, CWA; Roberta Gluski, CWA; Ronald Rice, CWA; Steven Squillante, FOP Officers; Lisa Friday, SAMP; Sandy Clayton, SAMP Jay Ravins, SAMP.

Committee Members Not in Attendance: Mike Head, CWA; Sgt. Joel Morley, FOP Supervisors; Matt Schad, IAFF; Steve Colbert, IAFF; Mark Weaver, Retirees.

Non-Committee Members in Attendance: Shawn Fleming, Gehring Group; Kurt Gehring, Gehring Group; Jennifer Poirrier, Human Resources; Shannon Jones, Human Resources; Jessica Harmeson, Human Resources; Donna Cacciatore, Human Resources; Regina Novak, Wellness; Christopher Baker, Wellness

Shannon Jones, Human Resources Assistant Director, opened the meeting welcoming everyone to the first benefits committee meeting of 2019 for discussion of plan year 2020 and to also hear the feedback received from the benefits survey sent to employees.

Gehring Group representative Shawn Fleming provided the attendees two sets of handouts, one set from the Gehring Group, and the other set from Cigna. (Detailed attachments below.) He then referred to page 1 of the Gehring Group handouts, which provides an overview of 2018, and stated the first column "Total Plan Funding" is the amount of money the City puts into the plan to cover the costs of the plan. Administration and Network Fees are the fees paid to Cigna to administer the plan. Mr. Fleming pointed out that Cigna is paid \$75,000 per month, which is a small percentage considering total funding of \$1.5 million per month. Mr. Fleming stated the Stop Loss Fees are reinsurance fees to protect us from large claims that exceed \$300,000, and the next column is actual paid claims. Mr. Fleming stated the Total Plan Cost for 2018 was \$19,502,337, while Total Plan Funding was \$19,502,337, leaving a deficit of \$350,492. He stated \$350,492 sounds like a large number but it is actually small compared to total plan funding of \$19.5 million. Mr. Fleming then referred to the blue row towards the bottom of the handout, and stated anytime someone fills a brand name drug, many times the manufacturer pays a rebate back to the insurance company. Mr. Fleming stated we negotiated two years ago with Cigna that they pay 100% of those rebates back to the City. He stated the rebates paid back to the City totaled \$760,562 for 2018, and when that is taken into account City finished the year \$350,492 in the positive.

Mr. Fleming stated the last column represented the claims per employee per month, which is the total money spent for claims on a monthly basis divided by the total number of employees on the plan that month.

Mr. Fleming then referred to page 2 of the handouts, which provides an overview of the data we have for 2019 thus far. He stated total plan cost was less than total plan funding for January and February, but in March plan cost did exceed total plan funding by \$50,333. Mr. Fleming pointed out that the average claims per employee per month is \$778.70 so far for 2019, compared to \$861.75 for 2018, so we are trending down so far in 2019. He further stated we do see a bit of a bump in the beginning of the year as deductibles reset for all members on the plan so they tend to cover more of the costs themselves in the beginning of the year.

Mr. Fleming then referred to page 3 and stated over the past year, we have been flat on our trend, whereas the market has seen an increase in the cost of medical care between 8% and 12%.

Mr. Fleming then referred the group to the handouts provided by Cigna (attachments below.) He stated that “current year” refers to 2018, “base year” refers to 2017, and “norm” refers to the trend of other public sector organizations in the Cigna group in Florida. Mr. Fleming said that our medical costs increased by 5.1% while pharmacy costs increased by 11.5%, resulting in an overall increase of 6.4%. Mr. Fleming pointed out that pharmacy is only 20% of total plan cost.

Mr. Fleming then pointed out that we had 226 Telehealth visits last year, resulting in a savings over \$24,000 to the City.

He then referred to page 3 of the Cigna handouts and stated specialty drugs are more expensive as there is much more complexity in their production. He then stated our pharmacy costs increased 11.5% but our costs are still lower than the trend of other Florida public sector organizations in the Cigna group. He then stated the cost specialty drugs increased by 31.8%.

Mr. Fleming then referred to page 6 of the Cigna handouts, which provides an overview of the cancer claims. He stated the highest number of cancer cases were skin cancer, which is not surprising as we are in Florida. He highlighted the Employee Health Center is now doing much more with implementing skin cancer screenings. He then pointed out that the City’s screening rates for breast, cervical, and colon cancer are lower than the norm. He further stated the screening rates should be 100% as everyone should be getting a screening, especially given that the screenings are provided at no cost. He then said increasing our screening rates is something we can continue to focus on.

Mr. Fleming then referred to page 8 of the Cigna handouts, which highlights the Emergency Room and Urgent Care use. He stated steerable visits to the Emergency rooms are visits that could have been directed to a doctor’s office or urgent care clinic. The handout shows that although steerable visits decreased by 6%, the City still had 87 steerable emergency room visits in 2018, representing an increased cost to the City by \$119,502.

Mr. Gehring stated there is now a bill in the Florida legislature which would allow the state of Florida, as well as cities and municipalities in Florida, to purchase prescriptions from Canada. Mr. Gehring stated this would result in huge cost savings.

Ms. Jones then passed out benefit survey results (attachment below) and stated earlier this year the City had its first benefits survey. She stated we received 190 responses, which represents 12.6% of benefit eligible employees. She stated we are looking to get an increase in responses in future years. She stated overall the results were positive in regards to the Open Enrollment process and our plans. She stated the survey comments indicated many respondents were dissatisfied with the dental and vision options that we currently have. She stated other comments indicated many were happy with the Employee Health Center and asked for expanded services; she stated the Health Center is moving to a bigger suite in the same building they are currently in, which would allow the Center to offer more services. Ms. Jones stated comments also requested additional wellness options, and additional offerings are currently being explored with our wellness team of Regina Novak and Chris Baker. Ms. Jones said some respondents commented the premiums for family plans and our deductibles were too high, and that other comments requested more open enrollment meetings. Ms. Jones indicated the benefits team will be looking and analyzing on how we can be able to reach more employees, including different schedules for Open Enrollment meetings and encompassing the use of videos.

Two benefit videos were then played for the Committee, with one highlighting the Cigna Employee Assistance Program (EAP), and the other highlighting the Employee Health Center. The City is hoping to have more of these videos produced so we have another avenue on communicating benefit offerings to our employees.

Ms. Jones then stated the next meeting would be in June and she would notify the committee when an exact date and time has been set.