

Benefits Committee Meeting
June 27, 2019
MSB Conference Room 130

Start time: 9:00 am

Committee Members in Attendance: Roberta Gluski, CWA; Stephen Colbert, IAFF; Rick Crean, Retirees; Lisa Friday, SAMP; Jay Ravins, SAMP.

Committee Members Not in Attendance: Matt McCombs, CWA; Mike Head, CWA; Ronald Rice, CWA; Officer Squillante, FOP Officers, Sgt. Joel Morley, FOP Supervisors; Matt Schad, IAFF; Sandy Clayton, SAMP

Non-Committee Members in Attendance: Shawn Fleming, Gehring Group; Karen Walker, Gehring Group; Shannon Jones, Human Resources; Jill Paul, Human Resources; Jessica Harmeson, Human Resources; Donna Cacciatore, Human Resources; Dali Andric, Human Resources; Regina Novak, Wellness; Christopher Baker, Wellness.

Shannon Jones, Human Resources Assistant Director, opened the meeting welcoming everyone to the second benefits committee meeting. Shannon introduced the new HR Benefits Manager Jill Paul.

Gehring Group representative, Shawn Fleming introduced the Meeting Agenda notes. Mr. Fleming asked the question about the tier structure that is currently offered. Currently there are 3 tier structures offered to the employees; Employee only, Employee +1, and Employee + Family. Most common in the industry is a 4-tier structure; Employee only, Employee + Spouse, Employee + Child (ren), and Employee + Family. A spouse is typically going to cost more than a child or children. So, it is common to see entities split that tier. When reviewing the plan, it is important that the ratios between tiers are evaluated.

Mr. Fleming provided the attendees with a handout. Referring to the handouts (attached) and stated the page 2 was based on the current census and equivalent funding. The current handout has the dual spouse rate increasing, but Mr. Fleming advised the group to cross out the rate increase and put in a 0, since the rate for dual spouse was not increasing. The Employee + Children tier showed the savings between covering only 1 child in comparison to the Employee + Dependent plan. If an employee were to cover multiple children, the plan would be a savings of roughly \$180.75 in comparison to the employee being on the family plan. Shannon Jones, Assistant HR Director, added that a lot of employees during the benefits survey requested the Employee + Children tier of coverage. As a result of the survey input, the Gehring Group provided the data for this tier.

Stephen Colbert, Fire representative, stated the biggest objection he foresees would be the increased premium cost for Employee+ Family premium. Regina Novak, Wellness representative, added that the Employee +Children tiers may appeal to more families adding their children that are currently on Obama Care and Florida Kid Care. Adding children to the plan would also offer employees the option to utilize the Employee Health Center for their children's health and wellbeing. Mr. Fleming asked for input from the committee on adding the Employee + Children tier. Mr. Colbert expressed that he would like to review the plan with his represented group to get their input on how it would affect them. Jay Ravin, Finance Director, asked Mr. Fleming what the percentage of plans that Mr. Fleming works with have 4 tiers compared to 3 tiers. Mr. Fleming stated that 4 tier is more common as a whole due to company size, from a risk point of view it is the fairest and aligns the costs to the claims where it statistically occurs.

Jill Paul, HR Manager, stated the next meeting will be tentatively held on Wednesday, July 24th from 9 am to 11 am. Ms. Paul also welcomed the new retiree representative, Rick Crean, as this was his first meeting.

Mr. Fleming referred to the handouts (attached) and stated the page 3 provided information regarding the medical insurance renewal projections. Mr. Fleming stated the City has a self-funded medical plan and described how claims impact the funding. Mr. Fleming explained that for the administration and network fees only \$79,000 out of \$1.6 million is given to Cigna to administer the plan. Mr. Fleming went on to explain Stop Loss Fees are reinsurance fees to protect the City from large claims that exceed \$300,000. Mr. Fleming then stated that on Page 4 you can see that for the current plan year the amount of actual paid claims versus the total plan cost. Currently the city has a reserve amount of about \$750,000 for the first 5 months. Mr. Fleming did point out however that the second half of the year is higher when deductibles are closer to being met.

Mr. Fleming then referred to page 6 of the handouts. Mr. Colbert inquired about the pharmacy rebates and stated he did not recall seeing those in previous numbers. Mr. Fleming explained that the Gehring group negotiated and enhanced pharmacy rebates back in plan year 2017. Mr. Fleming went on to explain that pharmacy contracts were renegotiated to provide the City with more rebates. Mr. Fleming stated that the \$760,000 is the payout from 2018 that was received into the account in May 2019. Mr. Colbert asked where the pharmacy rebate money was going previous years. Mr. Fleming stated that the City was receiving a small share of rebates, but extra money was going to Cigna. Mr. Fleming went on to further explain that currently the renegotiation allows for a 100% pass through to go to the City. Mr. Fleming said Cigna recently purchased express scripts and he feels that will allow a better rebate projection in upcoming years for employees.

Mr. Fleming again referred to the handouts (attached) and stated that page 6 shows future projections and the projections covers the most recent 12 months from June 2018 to May 2019. Mr. Fleming then stated that when looking at Line 11 the medical costs increased by 8% and Pharmacy by 11.5%. Mr. Fleming went on to discuss Line 17 and the increase for the expected Medical claims with the Reinsurance cost projected to increase 11% due to medical inflation. Mr. Fleming stated that the plan looks to be roughly a 5% increase for the upcoming year. Mr. Fleming explained that overall compared to the market the City is below the anticipated increase by 3-4%, just as it has been the past 3-5 years.

Mr. Fleming referred to the handouts (attached) and stated that page 7 is the rate analysis for the 3 tiers. Mr. Colbert stated it would be most helpful to be able to offer the 3 and 4 tiers in comparison. Mr. Fleming stated that if the City decides to move to the 4 tiers it would still offer complete coverage for employee only as well as dual employee coverage as it is with the 3 tiers. Mr. Fleming stated that the ratios presented are based on the actuary numbers. Mr. Ravins and Mr. Colbert stated that the employer contribution decreasing would need to be addressed to receive union support. Mr. Fleming referred to the handouts (attached) and stated that page 8 reflects the adjusted rates for the 4 tier that would change the portion for the employer contribution. Mr. Fleming stated that both tier coverages would see an increase of about 5%.

Mr. Fleming referred to the handouts (attached) and stated that page 9 was the Motivate Me Proposed Strategy. Cigna has a program called Motivate Me; that runs through their system and claims. Mr. Fleming provided an example that, if an employee was to get a flu shot or a preventative screening, he or she would receive a reward for the claim. Mr. Fleming went on to say that the system is an evaluation of usage of preventive screenings. Mr. Fleming stated Cigna will now be able to issue a reward for up to \$200 in the plan year per employee. Ms. Jones stated currently PHAs through the Employee Health Center offers a \$25 Publix Gift Card for employees and their dependents on the medical plan. Motivate Me will replace the PHA Publix Gift Card program. Ms. Jones went on to further explain that this plan will offer up to \$200 for employees only, not dependents, on the medical plan to encourage preventative screenings. Ms. Jones explained that this incentive allows employees to customize how they earn a reward. Mr. Fleming did explain that the reward is still taxable as is the current Publix gift card. Ms.

Jones then stated that Motivate Me is an online only program through each employee's myCigna account. Mr. Fleming stated that preventive screenings are worth \$75 per screening, capped after 2 screenings. Mr. Fleming further explained that the max overall is \$200, and it will require all employees to perform a wellness screening before unlocking the other eligible events. Mr. Colbert wanted to know if the lifescan screening will count for Police and Fire employees as their annual physical. Mr. Fleming stated that the employees would still need to have a wellness annual screening but could provide the results from lifescan so they may not necessarily have to redo all the testing.

Mr. Fleming stated employees would not be required to go to the employee health center to get the wellness screening done and will be allowed to use their own primary care for an annual physical to unlock the other rewards. Ms. Jones went on to explain that the reward will be in a form of a gift card of the employees' choice. Ms. Novak stated that the reward options will be accessible through My Cigna personal web portal and there is an app for easy access on the phone.

Mr. Fleming referred to the handouts (attached) and stated that pages 10 thru 14 were the renewal rates for the dental and vision plans. Mr. Fleming stated that both the Human Vision and Sunlife Dental plans have a rate guarantee from the current year cost. Mr. Fleming added that the Cigna PPO plan has a 2.5% increase. Mr. Fleming stated that the Gehring Group explored enhancing the network for doctors on the DHMO plans, but the increase is not worth the cost with very limited doctors participating with the enhanced network. Mr. Colbert stated he has received positive feedback from moving to the Cigna dental plan in comparison to the Humana plan and that cost have decreased. Mr. Colbert also reported that he has received concerns from several employees of inconsistent responses from Cigna customer service representatives. Mr. Fleming noted that all calls through Cigna are recorded and phone calls can be pulled, and they will honor what has been quoted on calls. Mr. Fleming added that Cigna is looking at rolling out a customer service department specifically for government employees which may provide a higher level of customer service. Donna Cacciatore, Senior Human Resources Analyst, stated that with any issues the Gehring Group, as well as the Benefits team for the City, is always available for assistance.

Mr. Colbert asked if the City has a plan on how to move forward in administering the new Firefighter Cancer Bill. Mr. Fleming said that the statute states that claims will go through the medical plan. Mr. Fleming went on to explain that this is a new bill that addresses firefighter diagnosed with specific cancer(s) and it included a \$25,000 lump sum payment for initial diagnosis. Mr. Fleming said that Cigna would purchase a separate insurance carrier to add to the policy. Mr. Fleming said there is still an outstanding gap on reimbursing the copays and the plan paying for the treatment. Mr. Fleming said there should be no impact to the plans claims as it would be the same cost as prior to the passing of the bill.

Ms. Paul closed the meeting and stated the committee would probably meet again tentatively on July 24, 2019 and again asked for the committee to go back to their respective members with the renewal information and obtain feedback.