

Benefits Committee Meeting  
July 13, 2018  
MSB Conference Room 130

Start time: 3:00 pm

**Committee Members in Attendance:** Mike Head, CWA; Matt McCombs, CWA, Chancee Anderson, proxy vote for CWA, Steven Squillante, FOP Officers; Steve Colbert, IAFF; Lisa Friday, SAMP; Sandy Clayton, SAMP Jay Ravins, SAMP; Karen Dombrowski, Retiree; Lisa Goodrich, proxy vote for SAMP.

**Committee Members Not in Attendance:** Ron Rice, CWA; Roberta Gluski, CWA; Phil Hughes, CWA; Matt Schad, IAFF; Sandy Clayton, SAMP.

**Non-Committee Members in Attendance:** Michelle Kutch, Human Resources; Joe Roseto, Human Resources; Lisa Goodrich, Human Resources; Regina Novak, Parks and Recreation/Wellness

Michelle Kutch, Human Resources Manager, opened the meeting advising this was the third meeting to discuss and to ultimately vote on the existing medical and dental options for plan year 2019 presented at the last Benefits Committee meeting. Ms. Kutch advised that at the last meeting, Michael Head wanted to be able to go back to his membership and discuss the option of moving back to the City contribution 75% (employee + 1 dependent) and 68% (employee + family) coverage with his membership. Ms. Kutch reminded everyone that for the 2018 plan year, the City agreed to pick up the 2.1 % premium increase with a zero increase to employees, therefore the customary 75%/68% formula, the percentages that the City contributed on behalf of employees, were thrown off a little. Mr. Head raised a concern was that this year we have a 4.4% proposed increase in premiums and a year that the City may choose to no longer pick up the 2.1%, could be a year that the employees/retirees were faced with a higher increase for that year.

Ms. Kutch explained that if the Benefits Committee voted to go back to this 100%/75%/68% funding, employees paying premiums for employee + one or employee + family coverage would see an increase for 2019 of 6.6% to the biweekly deductions for medical. The biweekly deductions for E + 1 would increase by \$9.40 biweekly and the employee + family premium would increase by \$19.73 biweekly.

Ms. Kutch stated the second option for the proposed increase is the straight 4.4% increase (on both sides employee and City contribution) leaving the 2.1% the City picked up last year as is.

Ms. Kutch stated the other proposed option discussed at the last Benefits committee meeting was the current Cigna F1-09 and Cigna PX500 dental plans as there are no change in premiums and the City has a rate renewal guaranteed for 2019. Ms. Kutch stated that she has not received anything regarding renewal from Assurant yet, which is the low option dental plan. However, Ms. Kutch stated there were concerns with the two Cigna plans that the provider directory solely consisting of chain dental providers such as Coast Dental, so it was discussed adding a second PPO dental as an option.

It was explained that this option would give employees the ability to go to any dentist of their choosing and Cigna was asked to provide another PPO plan option to consider as PPO plans have historically been expensive. Cigna proposed a lower option PPO plan along with the current PPO plan now offered. Ms. Kutch explained the differences between the two PPO plans pointing out that with the lower option PPO that the maximum out of pocket reimbursement is less with the proposed PPO plan of \$750 vs the current PPO plan of \$1100, the single and family deductibles are higher, preventative services only cover 70% vs 80% on the current PPO plan offering, orthodontics is not covered and the difference in the biweekly premiums is minimal, just a couple of dollars less.

So, for an additional \$2.00 + per paycheck an employee could enroll in the richer schedule of benefits for the existing Cigna PPO dental plan.

Ms. Kutch stated that if the Benefits Committee voted to implement this new second PPO plan option, we would need to remove the one of the existing DHMO dental plans such as the Cigna F1-09 plan. This plan was considered for removal because it has very similar benefits to the Cigna PX500 dental plan and has Cigna F1-09 plan has the least amount of participants (135 enrollees) of the 3 HMO dental plans. Ms. Kutch noted that there is no option to add a "fifth" dental plan and if the benefits committee wanted to vote to implement a second PPO plan than one of the existing DHMO plans would need to be removed so there would be two DHMO and two PPO dental plans.

For discussion purposes, Ms. Kutch suggested that what the Benefits Committee should consider is: is it worth dropping an existing DHMO plan (Cigna F1-09) and adding a second PPO dental plan for what this second PPO dental plan offers. There was discussion about disrupting 135 participants in the Cigna F1-09 plan and committee member Karen Dombrowski stated that she did not want to see 135 participants being disrupted for the little significance that the second PPO dental plan offers.

Ms. Kutch stated that there will be two proxy votes for CWA committee members (5 votes in total), 1 proxy votes for IAFF (Stephen Colbert is voting himself and for Matt Schad), and 1 proxy vote for SAMP committee member Gina Clayton (Lisa Goodrich is voting in her absence).

Ms. Kutch asked if there was further discussion or if a committee member would make a motion for their membership regarding the medical options. There was feedback from Ms. Dombrowski from the retiree members is that no one wanted an increase. Ms. Kutch reminded the committee members that the increase was based on the claims that we would consider an anomaly and not preventable. Stephen Colbert stated that in the last five years he has reviewed and found that the amount the City has placed in reserves for the medical plan have been consistently the same for the last number of years. Additionally, Ms. Kutch added that the City had budgeted for a 6% increase in medical premiums.

Mr. Colbert stated that on behalf of the IAFF members he made a motion to implement the shared plan increase option and Lisa Friday second the motion. The vote was five members for the shared and eight members opposed to this option. Ms. Kutch reiterated that the shared increase plan would be less expensive then the 100/75/68 plan option.

Michael Head stated on behalf of the CWA members they would like to take the small increase now rather than possibly risk taking a larger increase in later plan years. That the increase right now is 4.4% and it could be potentially higher next year and where the City could advise that they are no longer able to absorb the 2.1% they are contributing right now. There was further discussion.

Joe Roseto discussed with the committee members the difference between the options and what the Benefits committee members need to consider.

Ms. Kutch asked if Mr. Head wanted to make a motion and he said he motioned to move back to the 100/75/68 plan option and Ms. Dombrowski second the motion. The motion to move back to the 100/75/68 passed with eight members for and five members opposed the motion.

Mr. Roseto stated that the next steps were for the City Manager to be briefed and then one on one meetings with Council members before a final decision is made by the City Council. He stated he will point out to the City Manager and City Council that not all Benefits committee members were in favor of going back to the 100/75/68 plan and that the vote was not unanimous.

Ms. Kutch stated the next vote would be to consider removing the Cigna F1-09 dental plan or a different plan and replacing it with a second PPO dental plan since the current DHMO provider directory is limited. Ms. Kutch asked if there was any further discussion and reviewed the options of each plan and what the committee members were voting on.

Ms. Kutch asked if a committee member would make a motion. Ms. Dombrowski made a motion to leave the four existing dental plans as they are and Mr. Head second the motion. The vote was unanimous to retain the four existing dental plans.

Ms. Kutch advised the Benefits committee members that this would go before the City Council in late August/Early September and will be implemented for Open Enrollment which will begin on September 28, 2018, the day of the City's Health Fair this year. Ms. Kutch advised that the Health Fair will be at the same location (Ross Norton Rec Center) between the hours of 9:00 a.m. and 2:00 p.m.

Ms. Kutch thanked everyone for their time and the meeting was adjourned at 3:21p.m.