

Benefits Committee Meeting
August 7, 2019
City Hall Main Conference Room

Start time: 9:00 am

Committee Members in Attendance: Mike Head, CWA; Ronald Rice, CWA; Officer Steven Squillante, FOP Officers; Sgt. Shante Dean (alternate for Sgt. Corey Lenczden), FOP Supervisors; Matt Schad, IAFF; Stephen Colbert, IAFF; Sandy Clayton, SAMP; Rick Crean, Retirees; Lisa Friday, SAMP; Monica Mitchell(alternate for Jay Ravins)SAMP.

Committee Members Not in Attendance: Matt McCombs, CWA; Roberta Gluski, CWA; Sgt. Corey Lenczden, FOP Supervisors; Sgt. Corey Lenczden, FOP Supervisors; Rick Crean, Retirees; Lisa Friday, SAMP; Jay Ravins, SAMP

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

Jill Paul, Human Resources Manager, opened the meeting and stated the purpose of the meeting was to discuss our renewal for 2020.

Gehring Group representative, Shawn Fleming stated in the last meeting we discussed a 5% increase to the premium for our medical insurance, and adding the Cigna Motivate Me Program. Mr. Fleming referred to the handouts (attached) which detail the City's claim experience from January 2018 through June 2019. He stated based on June claims the projection for 2020 has not changed and a 5% increase for the medical premium is still proposed.

Mr. Fleming then began the discussion regarding moving from a 3 tier structure to a 4 tier structure, as was discussed in the June 27, 2019 meeting. He referred the group to the 4 Tier Medical Insurance Rate Analysis Handout (attached.)

Mr. Fleming stated earlier in the year Human Resources conducted a survey and employees asked about a 4 tier structure, which many other entities have, versus our current 3 tier structure. The proposal is to move from the tiers of Employee Only, Employee Plus One, and Employee Plus Family to the tiers of Employee Only, Employee Plus Spouse, Employee Plus Child(ren) and Employee Plus Family. Mr. Fleming stated the impact would be to the Employee Plus One tier being broken out to either Employee Plus Spouse or Employee Plus Child(ren). Mr. Fleming explained that spouses cost more to the plan than a child does. He stated if we move to a 4 tier structure, some employees would get a discount, and other employees would pay more.

Mike Head asked how many entities have 4 tier structure. Mr. Fleming stated 4 tiers are most the common and 60-70% of groups of our size have a 4 tier structure. He further stated the first year of moving to 4 tier structure is the most painful.

Stephen Colbert asked how many employees have a single child on their plan versus multiple children. Mr. Fleming responded that they looked at a census and out of 100 employees, about 50 were covering their spouse and 50 were covering one child, and those with one child would move to the Employee plus Child(ren) tier. Mr. Fleming further stated that of those on family coverage, 50 would move to the new Employee plus Child(ren) tier.

Mr. Fleming then referred to the far right column on the handout and stated that those with one child would move from Employee Plus One to Employee Plus Child(ren) tier and save \$4.20 a pay period. He further stated those with

more than one child would move from Employee Plus Family to Employee Plus Child(ren) tier and save \$54.21 a pay period.

Mr. Colbert discussed the annual increase to employees in Employee Plus Spouse and Employees plus Family coverage. Mr. Fleming stated he understood and we needed to consider that while also considering the impact to our recruiting and retention, when it comes to employees who are covering children. Mr. Schad stated their members with family coverage will not be happy to hear they will be paying an additional \$1,300 for their medical coverage next year, should we move to the 4 tier structure. Mr. Fleming let the committee know they were not trying to convince the committee to move to the 4 tier structure, but presenting it to the group as employees asked about the 4 tier structure when completing their survey.

Mr. Colbert stated moving to a 4 tier structure would not help recruitment or retention for employees who have family coverage.

Ms. Jones stated with our current tier system some employees who have more than one child may move to have their spouse on the coverage as well, as they can add the spouse at no additional cost. She stated if we move to the four tier system, some employees may have the option, if their spouse is employed, for the spouse to move to their own employer's coverage. She stated it would not resolve the situation for all employees but for some. Mr. Rice stated we have 300 employees that will have to pay 9.5% more, and that would not help keep our long term employees. Sergeant Dean mentioned it would also be a hard sell to tell employees who have a spouse and one child that they would have to pay more than an employee who had no spouse but possibly ten children on their coverage. Mr. Schad stated most employees don't consider how many tiers a plan has, but how much money is coming out of their own pocket. He further stated insurance has affected recruitment, as they are able to get young employees but cannot recruit those with experience as those individuals state they cannot afford our health insurance. Officer Squillante agreed he can recruit younger employees but have a more difficult time recruiting those with experience when they ask for our benefit information. He went on to say our costs are going up, the Clinic was supposed to reduce costs, and asked where those savings are. Mr. Fleming stated overall cost of care is increasing 9-10% each year, whereas the City is seeing a 5% increase for 2020, and there has not been a change to the schedule of benefits in a number of years. Mr. Fleming went on to say that many municipalities do not have the funding structure that the City of Clearwater does, stating that the norm is the municipality pays 100% of employee only coverage, but 0% for dependent.

There was discussion over employees receiving bills they should not be, and incorrect information being received from Cigna customer service. The committee was advised that if employees are receiving bills they should not be, Human Resources, Gehring Group and Cigna are always available to assist. Cigna can also assist if they find Customer Service is providing the wrong information. There was discussion that Human Resources may put out communication again regarding assistance that Cigna and the Gehring Group can provide.

Ms. Jones also reminded the group that there is a cost estimator on MyCigna.com which employees can refer to to estimate costs of services or treatments they may be receiving.

Mr. Colbert motioned the City stay with the 3 tier structure and not move to the 4 tier structure. The motion was seconded; all committee members approved the motion.

The committee accepted the 5% increase to the Cigna medical premium.

Mr. Fleming then mentioned a new benchmarking tool the Gehring Group is developing so we may compare our benefits to other municipalities and have that information while we are recruiting new employees.

Mr. Colbert stated the total cost of the 5% increase to the medical premium totals \$108,000. He stated for 2018, the City agreed to absorb some of the cost of increased premiums and to decrease our co-pays. Last year the Committee voted to not ask the City to absorb the cost of the increased premium again so there would be no increase in premium to the employees. Mr. Colbert stated he would like the committee to propose that City Council absorbs the 5% increase to the medical premium this year.

Mr. Head stated we recently had a year when we had a large amount of catastrophic claims and we cannot guarantee we will not have a year like that again. Mr. Rice stated we would be taking a chance, and if we did have a large amount of catastrophic claims, we would be telling the employees their insurance premium will be going up by even a larger amount next year. Mr. Schad pointed out on the other hand we may not have any catastrophic claims and the surplus to the City could be increasing. Ms. Poirrier pointed out that it may be easier to absorb a 5% increase now versus the City absorbing the cost this year, and then next year we would need to reset the funding again and pass on an even bigger increase to the employees. Mr. Fleming also mentioned Motivate Me, and the rewards of up to \$200 annually that the employee can receive.

Ms. Poirrier stated new contracts were just approved for Police and Fire, and a compensation study was just conducted for SAMP and CWA employees, which resulted in raising salaries at the cost of \$3.7 million. Ms. Poirrier stated she did not know if the Council would approve spending another \$108,000.

Mr. Fleming reminded the group if we have a bad year with catastrophic claims we would be looking at an even bigger increase. Mr. Rice agreed. Ms. Poirrier stated approximately 500 out of 1,800 employees have dependents on their coverage; she stated she did not know if she would support it based on the increased amount and the number of people that it is impacting. Mr. Fleming once again stated did we want to accept a small increase to the premium now versus risking a bigger increase next year. He asked did we want to wait asking City Council to help absorb the increased cost of the medical premium until we really need it. Mr. Rice stated he felt it was better to wait until we possibly have a worse year with catastrophic claims and are facing a bigger increase to the medical premium; he said at that time we could inform the council that the employees have absorbed the increases over the years and we need their help just this one time.

Officer Squillante stated a 5% increase to the medical premiums would be a hard sell to the employees. He stated he would like to ask the Council if they would absorb the cost so he could state to his members that they at least asked. Mr. Schad stated many employees know how much money the City has and the \$108,000 is a small amount. Mr. Colbert stated even when there is a small increase, his members complain about medical premiums increasing again. Mr. Fleming stated if we have complaints over a small increase now, imagine the complaints if we have a bad year and have to increase the premiums by even a higher amount next year. Mr. Rice said with the election, we may have new Council members who are not as labor friendly and should we have a bad year next year, they may not agree to absorb any increase to the medical premium then. Mr. Fleming asked did we want to wait to ask the Council to help absorb any increase until we really need it. Mr. Colbert agreed that was a good point.

Ms. Poirrier stated employees can get back some of the increase they are paying if they participate in the Motivate Me program. She stated the program would be good for the plan overall as the program would encourage employees to obtain their preventative screenings. Mr. Schad stated we would need to let employees know they

need to participate in the screenings to help decrease our overall health care costs. Ms. Poirrier said most employees right now are not obtaining their preventative screenings.

At the end of the discussion, Mr. Colbert stated he would not make a motion to ask the Council to absorb the 5% increase to the employee medical premium. The group agreed it was a good discussion to have and Mr. Fleming agreed, stating that most municipalities would not have even had this discussion.

Mr. Fleming stated that during the benefits survey, employees asked if there were better dental plan options available. He stated approximately 250 employees have Sun Life dental and the employees like the plan. Mr. Fleming further stated the Sun Life plan has a good schedule of benefits and they could not find a comparable plan to Sun Life. Mr. Fleming said they did find dental plans with lower premiums than our Cigna plans, but their schedules of benefits were substantially worse than what we have now. Mr. Fleming stated there would be no increase to the premiums for the Sun Life or Cigna DHMO plans; he stated there would be an increase of 2.5 % for the Cigna Dental PPO plan. Ms. Poirrier stated if we switched from Sun Life or Cigna, we may have a bigger network of dentists but the schedule of benefits would be substantially worse. Mr. Rice stated with the current plans there is a concern over the lack of pediatric dentists. Mr. Fleming stated Cigna recently increased the age limit for pediatric dentists; now a child can see a pediatric dentist up to the age of 18 through Sun Life, or to the age of 17 through Cigna. Mr. Fleming stated many dentists do not accept any DHMO plans.

Mr. Colbert stated Great Expressions has tried to charge for fluoride, but Cigna covers the cost so members should not have to pay for fluoride.

Mr. Colbert then motioned to keep the dental plans as they currently stand. The motion was seconded and the committee approved. The committee also accepted the 2.5% increase to the Cigna Dental PPO plan. The committee was then thanked for their time and the meeting was ended.

City of Clearwater

Meeting Agenda

Date: August 7, 2019
Location: Clearwater, FL

Items

- Claims Experience Update
 - Renewal Recap
 - Rate Discussion
 - 3 Tier Vs. 4 Tier Rates
 - Dental Renewal Discussion
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Date	Total Plan Funding	Administration & Network Fees	Stop Loss Fees (\$250,000/\$350,000)	Actual Paid Claims ¹	Total Plan Cost	Reserve Account	Total EEs	Claims / EE / Month
January-18	\$ 1,574,783	\$ 75,111	\$ 95,798	\$ 1,238,258	\$ 1,409,168	\$ 165,616	1,671	\$ 741.03
February-18	\$ 1,579,747	\$ 75,606	\$ 96,429	\$ 1,267,875	\$ 1,439,910	\$ 139,837	1,682	\$ 753.79
March-18	\$ 1,573,502	\$ 75,336	\$ 96,085	\$ 1,440,339	\$ 1,611,760	\$ (38,258)	1,676	\$ 859.39
April-18	\$ 1,567,859	\$ 75,067	\$ 95,741	\$ 1,546,726	\$ 1,717,533	\$ (149,675)	1,670	\$ 926.18
May-18	\$ 1,590,225	\$ 76,055	\$ 97,002	\$ 1,375,880	\$ 1,548,938	\$ 41,287	1,692	\$ 813.17
June-18	\$ 1,594,202	\$ 76,100	\$ 97,060	\$ 1,208,208	\$ 1,381,368	\$ 212,834	1,693	\$ 713.65
July-18	\$ 1,597,424	\$ 76,145	\$ 97,117	\$ 1,274,990	\$ 1,448,252	\$ 149,172	1,694	\$ 752.65
August-18	\$ 1,591,786	\$ 75,696	\$ 96,544	\$ 1,882,699	\$ 2,054,939	\$ (463,153)	1,684	\$ 1,117.99
September-18	\$ 1,598,249	\$ 75,696	\$ 96,544	\$ 1,496,391	\$ 1,668,630	\$ (70,381)	1,684	\$ 888.59
October-18	\$ 1,599,626	\$ 75,786	\$ 96,658	\$ 1,708,338	\$ 1,880,782	\$ (281,156)	1,686	\$ 1,013.25
November-18	\$ 1,614,610	\$ 76,505	\$ 97,576	\$ 1,428,283	\$ 1,602,364	\$ 12,247	1,702	\$ 839.18
December-18	\$ 1,610,253	\$ 76,235	\$ 97,232	\$ 1,565,226	\$ 1,738,693	\$ (128,440)	1,696	\$ 922.89
Pharmacy Rebates²					\$ 760,562			
Annual Total	\$ 19,092,266	\$ 909,339	\$ 1,159,786	\$ 17,433,212	\$ 19,502,337	\$ 350,492	20,230	\$ 861.75

¹ Actual claims only include claims up to the stop loss limit

² Pharmacy Rebates paid to City of Clearwater in 2019

City of Clearwater
 Cigna - ASO Only
 Plan Year: January 1, 2019 - December 31, 2019

Date	Total Plan Funding	Administration & Network Fees	Stop Loss Fees (\$250,000/\$350,000)	Actual Paid Claims ¹	Total Plan Cost	Reserve Account	Total EEs	Claims / EE / Month
January-19	\$ 1,675,807	\$ 79,496	\$ 108,836	\$ 1,169,331	\$ 1,357,663	\$ 318,144	1,695	\$ 689.87
February-19	\$ 1,668,969	\$ 79,214	\$ 108,451	\$ 1,243,030	\$ 1,430,695	\$ 238,274	1,689	\$ 735.96
March-19	\$ 1,684,208	\$ 79,683	\$ 109,093	\$ 1,545,765	\$ 1,734,541	\$ (50,333)	1,699	\$ 909.81
April-19	\$ 1,671,686	\$ 78,745	\$ 107,809	\$ 1,131,465	\$ 1,318,019	\$ 353,667	1,679	\$ 673.89
May-19	\$ 1,674,460	\$ 79,027	\$ 108,194	\$ 1,599,041	\$ 1,786,261	\$ (111,801)	1,685	\$ 948.99
June-19	\$ 1,680,282	\$ 79,355	\$ 108,643	\$ 1,446,498	\$ 1,634,496	\$ 45,786	1,692	\$ 854.90
July-19								
August-19								
September-19								
October-19								
November-19								
December-19								
Annual Total	\$ 10,055,411	\$ 475,519	\$ 651,025	\$ 8,135,130	\$ 9,261,674	\$ 793,737	10,139	\$ 802.36

¹ Actual claims only include claims up to the stop loss limit

5.0% Increase - 100%/75%/68%

Current

OAP Plan	CIGNA HealthCare				CIGNA HealthCare				
	2019				2020				
	Employee Contribution	EE Per Pay (24)	Employer Contribution	Total Plan Premium	Employee Contribution	EE Per Pay (24)	Employer Contribution	Total Plan Premium	EE Increase Per Pay
Employee	1,076	\$0.00	\$718.88	\$718.88	\$0.00	\$0.00	\$754.82	\$754.82	\$0.00
Employee + 1	223	\$307.94	\$923.83	\$1,231.77	\$323.34	\$161.67	\$970.02	\$1,293.36	\$7.70
Employee + Family	174	\$646.77	\$1,374.40	\$2,021.17	\$679.11	\$339.56	\$1,443.12	\$2,122.23	\$16.17
Dual Spouse w/ dep.	78	\$0.00	\$2,021.17	\$2,021.17	\$0.00	\$0.00	\$2,122.23	\$2,122.23	\$0.00
Active Monthly Premium		\$181,210	\$1,376,325	\$1,557,534	\$190,270		\$1,445,141	\$1,635,411	
Active Annual Premium		\$2,174,519	\$16,515,894	\$18,690,413	\$2,283,245		\$17,341,689	\$19,624,934	
Active \$ Increase		N/A	N/A	N/A	\$108,726		\$825,795	\$934,521	
Active % Increase		N/A	N/A	N/A	5.0%		5.0%	5.0%	
Retiree									
Retiree	76	\$718.88	\$0.00	\$718.88	\$754.82	N/A	\$0.00	\$754.82	N/A
Retiree + 1	30	\$1,231.77	\$0.00	\$1,231.77	\$1,293.36	N/A	\$0.00	\$1,293.36	N/A
Retiree + Family	4	\$2,021.17	\$0.00	\$2,021.17	\$2,122.23	N/A	\$0.00	\$2,122.23	N/A
Retiree Monthly Premium		\$99,673	\$0	\$99,673	\$104,656		\$0	\$104,656	
Retiree Annual Premium		\$1,196,072	\$0	\$1,196,072	\$1,255,876		\$0	\$1,255,876	
Retiree \$ Increase		N/A	N/A	N/A	\$59,804		\$0	\$59,804	
Retiree % Increase		N/A	N/A	N/A	5.0%		0.0%	5.0%	
Total Monthly Premium	1,661	\$280,883	\$1,376,325	\$1,657,207	\$294,927		\$1,445,141	\$1,740,067	
Total Annual Premium		\$3,370,591	\$16,515,894	\$19,886,485	\$3,539,121		\$17,341,689	\$20,880,809	
Total \$ Increase		N/A	N/A	N/A	\$168,530		\$825,795	\$994,324	
Total % Increase		N/A	N/A	N/A	5.0%		5.0%	5.0%	

Current

Current 4 Tier with 5.0% (100%/75%/75%/68%)

OAP Plan	3 Tier		CIGNA HealthCare				CIGNA HealthCare				EE Increase Per Pay	
	1,076	1,076	2019				2020					
			Employee Contribution	EE Per Pay (24)	Employer Contribution	Total Plan Premium	Employee Contribution	EE Per Pay (24)	Employer Contribution	Total Plan Premium		
Employee	1,076	1,076	\$0.00	\$0.00	\$718.88	\$718.88	\$0.00	\$0.00	\$726.16	\$0.00	\$726.16	\$0.00
Employee + Spouse	223	173	\$307.94	\$153.97	\$923.83	\$1,231.77	\$0.00	\$186.08	\$1,488.62	\$1,116.46	\$1,488.62	\$32.11
Employee + Child(ren)	0	100	N/A	N/A	N/A	N/A	N/A	\$299.54	\$1,198.16	\$898.62	\$1,198.16	-\$4.20/-\$173.62
Employee + Family	174	124	\$646.77	\$323.39	\$1,374.40	\$2,021.17	\$0.00	\$377.60	\$2,360.01	\$1,604.80	\$2,360.01	\$54.21
Dual Spouse w/ dep.	78	78	\$0.00	\$0.00	\$2,021.17	\$2,021.17	\$0.00	\$0.00	\$2,360.01	\$2,360.01	\$2,360.01	\$0.00
Active Monthly Premium			\$181,210		\$1,376,325	\$1,557,534		\$187,981	\$1,635,411	\$1,447,430	\$1,635,411	
Active Annual Premium			\$2,174,519		\$16,515,894	\$18,690,413		\$2,255,776	\$19,624,934	\$17,369,158	\$19,624,934	
Active \$ Increase			N/A		N/A	N/A		\$81,257	\$934,521	\$853,264	\$934,521	
Active % Increase			N/A		N/A	N/A		3.7%	5.0%	5.2%	5.0%	
Retiree												
Retiree	76	76	\$718.88	N/A	\$0.00	\$718.88	\$0.00	N/A	\$726.16	\$0.00	\$726.16	N/A
Retiree + Spouse	30	23	\$1,231.77	N/A	\$0.00	\$1,231.77	\$0.00	N/A	\$1,488.62	\$0.00	\$1,488.62	N/A
Employee + Child(ren)	0	8	N/A	N/A	N/A	N/A	N/A	N/A	\$1,198.16	\$0.00	\$1,198.16	N/A
Retiree + Family	4	3	\$2,021.17	N/A	\$0.00	\$2,021.17	\$0.00	N/A	\$2,360.01	\$0.00	\$2,360.01	N/A
Retiree Monthly Premium			\$99,673		\$0	\$99,673	\$0	\$106,091	\$106,091	\$0	\$106,091	
Retiree Annual Premium			\$1,196,072		\$0	\$1,196,072	\$0	\$1,273,095	\$1,273,095	\$0	\$1,273,095	
Retiree \$ Increase			N/A		N/A	N/A	N/A	\$77,023	\$77,023	\$0	\$77,023	
Retiree % Increase			N/A		N/A	N/A	N/A	6.4%	6.4%	0.0%	6.4%	
Total Monthly Premium	1,661	1,661	\$280,883		\$1,376,325	\$1,657,207		\$294,073	\$1,741,502	\$1,447,430	\$1,741,502	
Total Annual Premium			\$3,370,591		\$16,515,894	\$19,886,485		\$3,528,871	\$20,898,029	\$17,369,158	\$20,898,029	
Total \$ Increase			N/A		N/A	N/A		\$158,280	\$1,011,544	\$853,264	\$1,011,544	
Total % Increase			N/A		N/A	N/A		4.7%	5.1%	5.2%	5.1%	

City of Clearwater
 Dental Executive Summary
 Effective Date: January 1, 2020

	Enrolled		Current		Renewal	
		Total	Total	Sun Life	Total	Sun Life
Low DHMO						
EE	142			\$7.22		\$7.22
EE + One	24			\$12.21		\$12.21
EE + Two or More	72			\$19.27		\$19.27
Annual Premium	238			\$32,469		\$32,469
\$ Increase/(Decrease)			N/A			\$0
% Increase/(Decrease)			N/A			0.0%
Mid DHMO						
EE	321			Cigna		Cigna
EE + One	103			\$17.21		\$17.21
EE + Two or More	95			\$32.02		\$32.02
Annual Premium	519			\$41.68		\$41.68
\$ Increase/(Decrease)				\$153,385		\$153,385
% Increase/(Decrease)			N/A			\$0
			N/A			0.0%
High DHMO						
EE	85			Cigna		Cigna
EE + One	28			\$21.52		\$21.52
EE + Two or More	14			\$40.08		\$40.08
Annual Premium	127			\$52.18		\$52.18
\$ Increase/(Decrease)				\$44,184		\$44,184
% Increase/(Decrease)			N/A			\$0
			N/A			0.0%
DPPO						
EE	222			Cigna		Cigna
EE + One	75			\$35.96		\$36.87
EE + Two or More	96			\$72.88		\$74.72
Annual Premium	393			\$107.44		\$110.16
\$ Increase/(Decrease)				\$285,160		\$292,374
% Increase/(Decrease)			N/A			\$7,214
			N/A			2.5%
Total Annual Premium				\$515,197		\$522,411
Total \$ Increase/(Decrease)				N/A		\$7,214
Total % Increase/(Decrease)				N/A		1.4%