

Benefits Committee Meeting
August 2, 2017 1:00 p.m.

Main Library Conference Room

Committee Members in Attendance: Mike Head, CWA; Roberta Gluski, CWA; Matthew McCombs, CWA; Stephen Colbert, IAFF; Sandra Clayton, SAMP; Terry Teunis (for Gina Clayton), SAMP; Lisa Brown-Friday, SAMP; Karen Dombrowski, Retirees

Committee Members Not In Attendance: Steve Finney, CWA; Phil Hughes, CWA; Jonathan Walser, FOP Officers; Christopher Precious, FOP Officers; Matt Schad, IAFF;

Non-Committee Members In Attendance: Shawn Fleming, Gehring Group; Michelle Kutch, Human Resources; Joe Roseto, Human Resources; Lisa Goodrich, Human Resources; Donna Cacciatore, Human Resources; Tom Stewart, Human Resources; Regina Novak, Wellness

Michelle Kutch, Human Resources Manager asked Sr. HR Analyst Lisa Goodrich to advise the Benefits Committee on the recent approval of Recreation Card PLUS to City retirees enrolled in the medical insurance. Ms. Goodrich explained that retirees will be provided the card free of charge less the applicable federal payroll tax withholding that will be deducted from the pension payroll check. Ms. Goodrich stated that all retirees on the health plan including those out-of-state (may be seasonal residents) will be receiving a letter, application, and list of the recreation center address and phone numbers. The retiree will complete the form and take a current pension paystub (as proof they are a pensioner and enrolled in the medical insurance) to any Clearwater Recreation Center to register. Retiree benefit committee member Karen Dombrowski asked if retirees will be offered any other wellness benefits and Ms. Goodrich advised that she along with Health and Well-being Specialist Regina Novak will be conducting two classes next year for retirees, Chronic Disease Self Management and Matter of Balance training.

Michelle Kutch, Human Resources Manager, opened the meeting and stated that the City has been working very closely with the Gehring Group and have had positive medical claims experience this past year. Ms. Kutch stated the City's history of medical claims has not always been as positive resulting in higher co-pays and premiums with the schedule of benefits. Ms. Kutch explained that there was only a two percent increase in medical insurance last year (best in fifteen years) and during open enrollment meetings the benefits team encouraged employees to keep this momentum up and going in the right direction. It has always been the intention that if medical claims and premiums kept going down that the City would be in a position to give back to the employees. Ms. Kutch further explained that there is good news today regarding the medical insurance renewal and several options that will be explained to the benefits committee members today.

Gehring Group Representative Shawn Fleming again reviewed the City's claims experience last year as well as the projections going forward from the last benefit committee meeting. Mr. Fleming explained that the City is self-funded and that Cigna only administers the plan for a fixed cost. He further

explained the stop loss insurance as well as claims experience this past year. Mr. Fleming explained that the plan has an excess of 1.3 million dollars in surplus for the current year which is a stronger start than the last few years. Mr. Fleming explained that claims are not going down drastically but, there is a slight trend downward coupled with the City's increase in funding to cover the cost of the program. Mr. Fleming stated that the costs in the market are increasing eight to twelve percent depending on the area and for our plan to remain flat is very favorable. Mr. Fleming stated that the projection for the plan is to remain the same for plan year 2018. Mr. Fleming explained that how this projection was determined was by looking at the last twelve months beginning last April and there were 14.8 million in claims paid during this time period. Mr. Fleming further explained how other costs such as capitation are taken out as well as claims exceeding \$300,000 dollars or catastrophic claims and there were two during this time period totaling \$911,000 dollars. Mr. Fleming stated that the net claims were 13.2 million dividing this amount by the total employees on the plan and with further calculations drove our medical claims to 13.3 million. Mr. Fleming discussed trend or medical inflation to project future costs out eighteen months including half of this year and plan year 2018. Mr. Fleming stated that the projected increase is two percent and that it is the City's intention to not have an increase in rates this year.

Ms. Kutch explained that at the last meeting an option of providing a Health Reimbursement Account (HRA) to employees was discussed however, after further discussion the HRA of giving employees \$250 toward medical expenses found that some employees may use it and others may not. Ms. Kutch said that the City may not be able to guarantee that an HRA could be offered again in plan year 2019 and the ability to offer it to the retiree group may not be an option and she did not want to exclude them from this benefit. Additionally, there were other uncertain variables such as if employees leave the City how the HRA's would be disbursed. Ms. Kutch stated due to so many uncertainties, it was determined to not offer HRA's for this next plan year however, there were other possibilities to discuss on how the city could give back for the employee group changing the trend of the claims.

Human Resources Director Joseph Roseto explained the history of medical claims and the challenges the City faced in designing an affordable plan when costs continued to rise. Mr. Roseto explained that the Employee Health Center that was established five to six years ago coupled with the City's decision to go self-funded for the last four or five years, we have started to see improvement and want to give something back to employees. Mr. Roseto stated that there are a few options to consider even though the City will be putting more money into the plan the City can make the plan a bit more affordable for employees.

Mr. Fleming shared options for the benefits committee members to consider for plan year 2018. The first option scenario "A" is to reduce the calendar year deductible for a single person \$2000 to \$1200 and for family coverage \$4000 to \$2400 with an \$800 - \$1600 savings however; the out of pocket maximum would not change. Mr. Fleming explained that some employees may not benefit from this option as they may not meet their deductible or out of pocket maximum.

Mr. Fleming shared the second option scenario "B" where deductibles and out of pocket maximum would not change however, co-pays would be reduced such as the Primary Care Physician (PCP) charge

from \$40 to \$20 dollars and the specialist charge from \$60 to \$40. Additionally, Mr. Fleming stated that the hospital inpatient and outpatient per admission co-pay of \$500 and \$300 respectively would be removed and the prescription drug costs would be decreased as follows: generic from \$30 to \$10, preferred brand name from \$40 to \$30 and non-preferred brand name from \$60 to \$50. Committee members liked this option as those that see specialists on a regular basis would help with out of pocket costs.

Ms. Novak asked if registered dietitian services fall under the specialist co-pay and Mr. Fleming was not sure. However, IAFF committee member Steve Colbert stated it does fall under a specialist co-pay and that some services are covered and some are not depending on the diagnosis. Mr. Fleming recommended obtaining the providers tax ID number and calling Cigna ahead of time to be sure of the charges.

Ms. Kutch stated that these two options are available and reiterated that they are both presented with no premium increase to the employee. She summarized scenario A would decrease the deductibles and scenario B would decrease the schedule of benefits to include lowering the co-pays, eliminate co-pays for in and out-patient services and reducing prescription drug costs. Ms. Kutch asked the benefit committee members which scenario would their members be more inclined to accept while reminding them that ultimately either scenario must be approved by City Council and these costs are over and above the cost of the Employee Health Center (EHC).

Mr. Roseto stated that for the first time the City can make some positive changes to the plan and by keeping up the wellness initiatives and the use of the EHC will help in mitigating some of the medical claims. Mr. Roseto is hopeful that additional positive changes can be made to the plan next year.

Members expressed there would be many happy employees with these proposed changes to the plan. Ms. Kutch asked again if members wanted to take this information back to their perspective work groups and all agreed that their recommendation would be for scenario B. CWA committee member Michael Head expressed that he wanted to take these options to his members for consideration. Mr. Colbert made a motion to take this information back to their members and that option B would be optimal unless there were any concerns raised, which will be communicated to Michelle Kutch via email. Lisa Brown Friday seconded the motion. The benefits committee members were unanimously in favor of this motion. Ms. Kutch stated she would email the specifics of the information discussed to the benefits committee members.

Ms. Kutch stated that the next topic for discussion was the dental plans. Mr. Fleming stated the current Humana CS150 dental plan had no proposed increase to premiums for 2018. Cigna proposed an alternative plan P5X00 dental plan offering a similar schedule of benefits with a -7% decrease in premiums. Ms. Kutch stated for comparison purposes, to review the schedule of benefits and note for some items the co-pay is less or no charge, while others services the co-pay is more. Ms. Kutch stated that many of the independent providers are following out of the DHMO plans. Mr. Fleming and Ms. Kutch stated to find out which dental providers who accept the Cigna P5X00 plan to go to the provider

directory on the Internet and use DHMO plan to find a dentist. Additionally, the question was raised if a dentist must be chosen prior to use and Ms. Kutch stated that all DHMO plans require choosing a dentist before being seen.

Current Humana Advantage dental plan has no proposed increase to premiums for 2018. Cigna will offer an alternative option for replacing the Humana Advantage plan with a Cigna F1-09 dental plan. This plan offers a similar schedule of benefits with a -22.8% decrease in premiums. For comparison purposes, review the schedule of benefits and note for some items the co-pay is less or zero, while others services the co-pay is more.

There will be a 5% increase to the current Humana PPO Plan. Ms. Kutch explained that the PPO plan employees may go to any dentist and there are approximately 110 participants on the plan. The schedule of benefits stay the same, the premium is just increasing by 5%. An alternative to the 5% increase to the PPO Plan with a comparative PPO policy offered by Cigna. The Cigna PPO plans offers the exact schedule of benefits with a -11.5% decrease in premiums. The Cigna plan offers a higher calendar year maximum reimbursement of \$1,100 (compared to the current \$1,000). This plan allows use of out of network providers, however to see the in network providers to use the DPPO plan to find a network dentist.

Mr. Fleming explained to the committee members that they would need to decide if they would want to adopt the Cigna plans or keep the Humana dental plans, that it would be with all one provider. Ms. Kutch stated that there is a slight decrease in premiums if going with the Cigna plan. Mr. Colbert pointed out that some members may not want to lose their dental provider however, he also noted that the schedule of benefits (SOB) for Cigna appear to be less than the SOB's for Humana. Ms. Kutch stated the committee will need to reconvene again to consider if they would want to keep Humana dental plans or accept the Cigna plans to replace them. Mr. Fleming stated that sometimes carriers will change or retire the plans anyway and that DHMO plans are not offered by all vendors. Ms. Kutch explained that she will send out to all members existing Humana dental plans with dental proposals from Cigna as well as provider links for the committee to share with their members. Mr. Fleming stated he has not received the figures for Assurant dental plan and possibly will not receive it until September.

Mr. Colbert asked when these decisions should be made and Ms. Kutch explained that they will need to get before City Council with the committee's recommendation for the medical insurance by the beginning of September. Additionally, open enrollment will begin one month earlier beginning with the Health Fair on September 29th and run through October 27th to assist in getting everything completed before the plan year begins in January. Ms. Kutch explained to the benefits committee that their recommendations will be provided to City Council for approval and the deadline for the agenda item to be in is in approximately two weeks.

Sr. HR Analyst Donna Cacciatore asked if there were any changes or increases to the vision plan and both Mr. Fleming and Ms. Kutch stated no, there were no anticipated increases to the vision plan. Mr.

Colbert asked if there were any changes or increases to AFLAC and Ms. Kutch stated that it will remain the same with no planned increases.

Ms. Kutch reiterated that she will email to all committee members the proposed changes to the dental plans and for medical, the benefits committee has determined that scenario B is the best option and that if there are any concerns from work groups that an email should be sent to communicate any concern. Ms. Kutch stated that the benefits committee would meet again within two weeks to make recommendations about the dental plans proposed.

Ms. Dombrowski asked for clarification regarding pharmaceutical use as she was advised by the EHC nurse-practitioner Jean that the use of pharmacies would be limited. Ms. Dombrowski further stated that she was told she could only use CVS or Wal-mart. Mr. Fleming stated that she is referring to a program that Cigna has called Cigna 90 Now which allows members to obtain 90-day supplies of maintenance drugs through local retail chains, rather than through the mail, but still enjoy having the benefit of only paying a 2 month copay for a 3 month supply. Mr. Fleming further stated that in the next five years that mail order drugs may be eliminated.

Ms. Kutch asked Ms. Novak to tell the committee about the Cigna on-site well-being coordinator that is coming on board next week on August 14th. Ms. Novak explained that the Cigna on-site well-being coordinator Natasha will take the place of the claims representative that the City had eliminated. Ms. Novak stated that Natasha will be a full-time asset to the wellness program and will allow Ms. Novak more time for community outreach wellness programs. Ms. Kutch explained to the benefits committee that Ms. Novak has been the sole employee to administer the wellness programs at the City with the exception of having an intern to assist now and then. So this decision to add a Well-being coordinator will be a help to Ms. Novak to administer the wellness programs for the City.

Mr. Colbert asked if Cigna representatives would continue to come to the City periodically to assist with insurance and billing questions and Ms. Goodrich explained that the Cigna representatives are scheduled to come to various departments every ninety days. Ms. Kutch added that the Gehring Group can assist with billing and insurance questions by using the toll-free number and email (posted on the Intranet) as well as bring concerns to Human Resources and we will assist in getting resolution for the employee's concerns.

The meeting was adjourned.