

Benefits Committee Meeting
February 17, 2016
MSB Conference Room 130

Start time: 10:00 am

Committee Members in Attendance: Mike Head, CWA; Roberta Gluski, CWA; Stephen Colbert, IAFF; Susan Chase, SAMP; Jim Donnelly, SAMP; Jay Ravins, SAMP; Karen Dombrowski, Retirees

Committee Members Not In Attendance: Steve Finney, CWA; Matt McCombs, CWA; Phil Hughes, CWA; Jonathan Walser, FOP Officers; Christopher Precious, FOP Officers; Sgt. Joel Morley, FOP Supervisors; Matt Schad, IAFF; Chad Reed, FOP; Sandra Clayton, SAMP

Non-Committee Members In Attendance: Shawn Fleming, Gehring Group; Kurt Gehring, Gehring Group; Michelle Kutch, Human Resources; Joe Roseto, Human Resources; Lisa Goodrich, Human Resources; Donna Cacciatore, Human Resources

Michelle Kutch, Human Resources Manager, opened the meeting and announced going forward minutes of the meetings would be placed on the City's intranet site and the retirement page of the City's internet site, to keep both employees and retirees informed of what is discussed in benefit committee meetings.

Ms. Kutch reviewed the enrollment breakdown for 2016. (Detailed attachment below.) Ms. Kutch stated 143 active employees enrolled in the LocalPlus Base Plan, 1315 enrolled in the LocalPlus PHA plan, and just 24 enrolled in the PHA Open Access Plus Buy-Up Plan. Although the option of the larger network was available it was not a big draw. Ms. Kutch stated perhaps many had the opportunity to find a physician in the LocalPlus Network and get established and did not feel it was necessary to switch to the OAP plan. For the retirees, 28 enrolled in the LocalPlus Base Plan, 104 in the LocalPlus PHA plan, and 7 in the OAP Buy-Up plan. Most of those with COBRA coverage were in the LocalPlus Base, 2 are enrolled in the LocalPlus PHA, and none are in the OAP Buy-Up plan.

Mr. Colbert stated there were many firefighters that were placed in the LocalPlus Base plan when they should have been in the LocalPlus PHA plan as they completed the required LifeScan examination. Ms. Kutch replied that the Human Resources Benefits team did move all firefighters that completed the LifeScan to the PHA plan. Ms. Kutch stated if anyone in Fire thinks they could be in the Base when they should be in the PHA plan to reach out to Human Resources. Mr. Fleming stated to the committee if anyone has issues with reprocessing of a claim to let Human Resources or Cigna Representative Stacy Lambert know and Cigna can reprocess the claim.

Mr. Fleming stated he would review claims over the last quarter, and in the last Benefits Committee meeting we had claims through August or September (Document from Gehring Group below.) Mr. Fleming stated the first column "Total Plan Funding" is the contributions from the City and employees. Administration and Network Fees are the fees paid to Cigna to administer the plan. Mr. Fleming pointed out that Cigna is paid \$876,000 per year on a plan with total funding of \$16 million. Mr. Fleming stated

the Stop Loss Fees are reinsurance fees to protect us from large claims that exceed \$300,000. The column Reserve Account is the difference between the Plan Funding and the Total Plan cost, and we finished the year in a pretty good position.

Mr. Fleming directed the group to the January 2016 claims and stated it was the best month since September of 2013. Mr. Fleming then reviewed the 3rd page of the document and stated we do see the orange line, which represents the 24 month moving average of claims is starting to trend down in January 2016. Mr. Fleming stated 2015 finished strong, and this year is starting well, but he is cautious until we see how the February claims look. Mr. Colbert asked if the January claims were lower due to the Diagnostic Clinic dropping out of the network; Mr. Fleming replied that would be discussed at a later point in the meeting, but January claims could be lower due to deductibles being reset and employees paying the cost of doctors' visits and services. Mr. Fleming further pointed out though that at the beginning of each year Cigna is also paying larger claims that would not yet be offset by the Stop Loss Ratio and he was eager to see February claims.

Mr. Colbert stated that it was announced last year if the City saved money with LocalPlus that those savings would be passed on to the employees. Mr. Colbert asked how this would be done. Mr. Roseto stated while LocalPlus did save us 6% in medical claims, our pharmacy claims increased by almost 40%, and thus our total claims costs for 2015 actually increased. Mr. Roseto stated our pharmacy claims costs increased mostly due to specialty drugs such as Hepatitis C Drugs, and specialty arthritis drugs. Mr. Roseto stated in 2015 Hepatitis C drugs cost us \$350,000 for 11 prescriptions, 20 prescriptions for specialty arthritis drugs cost us \$250,000. Mr. Roseto stated if not for the increased prescription costs we would have had seen a savings in 2015.

Ms. Kutch stated that Cigna and the Diagnostic Clinic were unable to reach an agreement, that both the LocalPlus and the OAP Buy-Up plans are no longer accepting Diagnostic Clinic, and that approximately 100 specialists have been impacted due to this. Ms. Kutch stated employees are now having difficulty finding providers in the LocalPlus Network and the City has asked the Gehring Group for some ideas to solve this problem.

Mr. Fleming stated Cigna and the Diagnostic Clinic are still negotiating, but we need to prepare that there may be no resolution to this matter. Ms. Kutch and Mr. Roseto stated as of right now Cigna and the Diagnostic Clinic have not agreed to a contract and to assume moving forward Diagnostic Clinic will not be part of the Cigna network. Ms. Kutch stated if someone wants to continue to see a provider with the Diagnostic Clinic, they can negotiate a cash payment with the provider or use the out of network benefit.

Mr. Fleming stated Cigna usually once a year will evaluate physicians in the LocalPlus network. Mr. Fleming stated because of the issue caused by the Diagnostic Clinic, Cigna is evaluating physicians currently to possibly add them to the LocalPlus network. Other strategies may be to look in areas where there are not enough LocalPlus specialists and allowing employees to see a physician outside of LocalPlus, or to move all enrollees now to the Open Access Plus Network. Mr. Fleming stated the

biggest concern is to make sure the employees have the right access. Mr. Fleming hopes we will still see savings as employees who switched to LocalPlus doctors and are established with those doctors may not switch again.

Ms. Kutch stated next on the agenda was to look at options for the 2017 plan year as we are now seeing some challenges with the network being a little too narrow. Mr. Fleming stated we can start looking at other options without definitely deciding yet on what changes we may make, if any.

Mr. Fleming stated some options may be to possibly change our administrator. He stated some companies are taking their plans to "Reference Based Pricing," which is Medicare based. Some companies wonder why there are paying 3 times the Medicare rate when they could pay 1.5 times Medicare. Mr. Fleming stated they really wanted to evaluate the different options, to see if we can improve access but lower cost.

Mr. Gehring stated the City of Clearwater has changed the administrator of our insurance a few times, from United HealthCare to Aetna to Cigna. Mr. Gehring stated each carrier has had its pluses and minuses, but with each change in our administrator we have not seen much decrease in our claims. Mr. Gehring stated with reference based pricing we could see our costs decrease. He stated reference based pricing is more popular around the country however, he does not know if anyone in Florida is using it yet.

Mr. Gehring and Mr. Fleming stated other options are to carve out prescriptions from our plan to some different vendors, and telemedicine is also another option.

Ms. Dombrowski asked if it saves the City money if employees fill prescriptions through mail order or by seeing a physician at the Health Clinic and having their medications prescribed and filled there. Mr. Roseto and Mr. Gehring replied yes. Mr. Fleming stated we could also save money if employees filled their prescriptions at Publix instead of CVS or Walgreens, as they are the two most expensive pharmacies. Mr. Fleming also stated Cigna has an app where you can see what your prescriptions will cost at different pharmacies, and stated it is a matter of educating employees to matters like this in order to help the City save on the cost of prescription drugs.

Mr. Gehring stated we have a high incident of catastrophic claims (any claim over \$50,000) compared to other municipalities, which has a significant impact on our health care costs.

Ms. Kutch stated the role of the Benefit Committee Members is to get information back to their respective employee groups. Ms. Kutch stated we will start posting the minutes on the intranet and also state to employees to contact their Benefit Committee Representative if they have any questions about what has been discussed in the meetings. Ms. Kutch stated if the Benefit Committee Representatives have any questions from their employee members that they are not sure how to answer to please feel free to reach out to someone in the Benefits group of Human Resources.

Mr. Roseto stated the role of the Benefit Committee Members is very important and it is very important to come to the meetings and take the information back to the employees they represent. Mr. Roseto asked the committee members to tell their employees that we are not ignoring their concerns, we understand the limitations of the networks and we are limited in what we can do, but are trying to address the issue.

Mr. Roseto then began to discuss the Employee Health Clinic. Mr. Roseto stated we were with CareATC for a few years but Care ATC was not managing the facility properly, was overstaffed, and were doing things that were inappropriate. Mr. Roseto stated Cigna Onsite will not indiscriminately fill prescriptions from another facility, and if an employee wants to obtain a medication from the clinic, they must be evaluated by a provider there first. Cigna Onsite stated they have never seen a facility they've opened as busy as ours, and they saw 1,000 patients within the first two months.

Mr. Roseto stated he has had reports of our employees going into the clinic and behaving very inappropriately, including using profanity and threatening the Clinic employees. Mr. Roseto stated he is in the process of banning one employee from using the Health Clinic from now on, due to his inappropriate behavior at the Clinic.

Mr. Roseto stated that we believe Cigna Onsite has saved us \$400,000 in their first two months of running the facility. He also stated the current physician at the facility, Dr. Patel, is receiving good reviews. Mr. Roseto stated some employees had concerns that Care ATC had three doctors, which is true, but for the past 18 months there was only one doctor on duty at a time.

Mr. Colbert asked who can use the Clinic, and Mr. Roseto and Ms. Kutch clarified that City of Clearwater and City of Dunedin employees and any dependents on their health insurance plan can use the facility.

Mr. Colbert stated within the past week he has received two complaints from employees in the past week who stated they were told if they wanted medications filled at the Health Clinic, that they had to stop seeing their own primary care physician and designate a provider at the Clinic as their primary care doctor. Ms. Kutch explained that if an employee is obtaining medication for a chronic condition at the Health Clinic that the provider who is prescribing that medication at the Clinic is expecting to do your follow up care, to make sure the medication is doing what it is supposed to. Ms. Kutch clarified those that visit the clinic can keep their primary care doctor, but if they are on medication prescribed from the Clinic, they do need to continue to see the doctor at the Clinic for follow up care for that certain medication and condition. Mr. Colbert responded that made sense, but what was communicated at the Clinic was a little different. Mr. Roseto and Ms. Kutch stated they would speak with the Clinic to clarify this communication. Mr. Fleming further stated that our plan is Open Access, and a member does not have to name anyone as their primary care physician.

Mr. Colbert stated he also heard that the Clinic will only give medications out on Monday, and on other days would write prescriptions to have employees fill somewhere else. Ms. Kutch clarified there was

one Friday where there was no one on staff who could dispense medication, and that we did not find out until after the fact. Ms. Kutch stated this should not occur again.

Ms. Kutch also stated CareATC was also giving out maintenance medications, whereas Cigna is seeing the patient's particular condition needs to be evaluated by a specialist, and the Health Clinic is a primary care facility. Ms. Kutch stated the facility has been giving out one month refills of these medications, but is recommending the patient see a specialist for that particular condition.

Ms. Dombrowski asked about "no bills" that the Clinic sends out. Mr. Fleming clarified the Clinic is not sending bills to the employees, but they are sending "Explanations of Benefits" which may show the employee paid 0, Cigna paid 0, and also show what the employee would have paid if they had seen a doctor outside the Employee Health Clinic. There is some benefit to this as the employee can see the value of seeing someone at the Health Clinic, but it can also cause confusion to other employees who may think it is a bill which they need to pay. Mr. Fleming stated they are considering turning this function off, to avoid confusion amongst employees, but it could possibly impact outreach programs that Cigna is trying to establish to provide employees better support regarding their health care.

Ms. Kutch then passed around a handout detailing the dispensing guidelines for the Clinic (attachment below) and stated the handout along with all the others would be posted on the intranet along with the meeting minutes.

Mr. Roseto stated that when the minutes are posted an email will go out to all the employees stating if they have any questions about what was discussed in the meeting, they should contact their Benefits Committee Representative. Mr. Roseto stated that if the Representative is unsure how to answer the employee's question, they can refer the employee to the Benefits team in Human Resources.

City of Clearwater
Cigna - ASO Only

Plan Year: January 1, 2015 - December 31, 2015



Date	Total Plan Funding	Administration & Network Fees	Stop Loss Fees (\$300,000)	Actual Paid Claims	Total Plan Cost	Reserve Account	Total EE's	Claims / EE / Month
January-15	\$ 1,351,798.73	\$ 72,729.10	\$ 73,052.70	\$ 1,279,351.22	\$ 1,425,133.02	\$ (73,334.29)	1618	\$ 790.70
February-15	\$ 1,354,816.64	\$ 72,414.45	\$ 72,736.65	\$ 1,104,046.98	\$ 1,249,198.08	\$ 105,618.56	1608	\$ 686.60
March-15	\$ 1,354,720.61	\$ 72,504.35	\$ 72,826.95	\$ 1,520,165.29	\$ 1,665,496.59	\$ (310,775.98)	1613	\$ 942.45
April-15	\$ 1,346,086.60	\$ 72,459.40	\$ 72,781.80	\$ 1,080,369.37	\$ 1,225,610.57	\$ 120,476.03	1611	\$ 670.62
May-15	\$ 1,358,836.75	\$ 73,088.70	\$ 73,413.90	\$ 1,284,503.63	\$ 1,431,006.23	\$ (72,169.48)	1624	\$ 790.95
June-15	\$ 1,353,658.67	\$ 72,774.05	\$ 73,097.85	\$ 1,199,859.48	\$ 1,345,731.38	\$ 7,927.29	1617	\$ 742.03
July-15	\$ 1,367,837.45	\$ 73,043.75	\$ 73,368.75	\$ 1,206,444.32	\$ 1,352,856.82	\$ 14,980.63	1624	\$ 742.88
August-15	\$ 1,370,350.88	\$ 73,358.40	\$ 73,684.80	\$ 1,095,780.38	\$ 1,242,823.58	\$ 127,527.30	1632	\$ 671.43
September-15	\$ 1,374,087.82	\$ 73,223.55	\$ 73,549.35	\$ 1,238,429.00	\$ 1,385,201.90	\$ (11,114.08)	1629	\$ 760.24
October-15	\$ 1,370,032.85	\$ 73,088.70	\$ 73,413.90	\$ 1,085,015.00	\$ 1,231,517.60	\$ 138,515.25	1626	\$ 667.29
November-15	\$ 1,383,081.07	\$ 73,628.10	\$ 73,955.70	\$ 962,271.00	\$ 1,109,854.80	\$ 273,226.27	1638	\$ 587.47
December-15	\$ 1,393,564.12	\$ 74,122.55	\$ 74,452.35	\$ 1,018,045.00	\$ 1,166,619.90	\$ 226,944.22	1649	\$ 617.37
Annual Total	\$ 16,378,872.19	\$ 876,435.10	\$ 880,334.70	\$ 14,074,280.67	\$ 15,831,050.47	\$ 547,821.72	19489	\$ 722.17

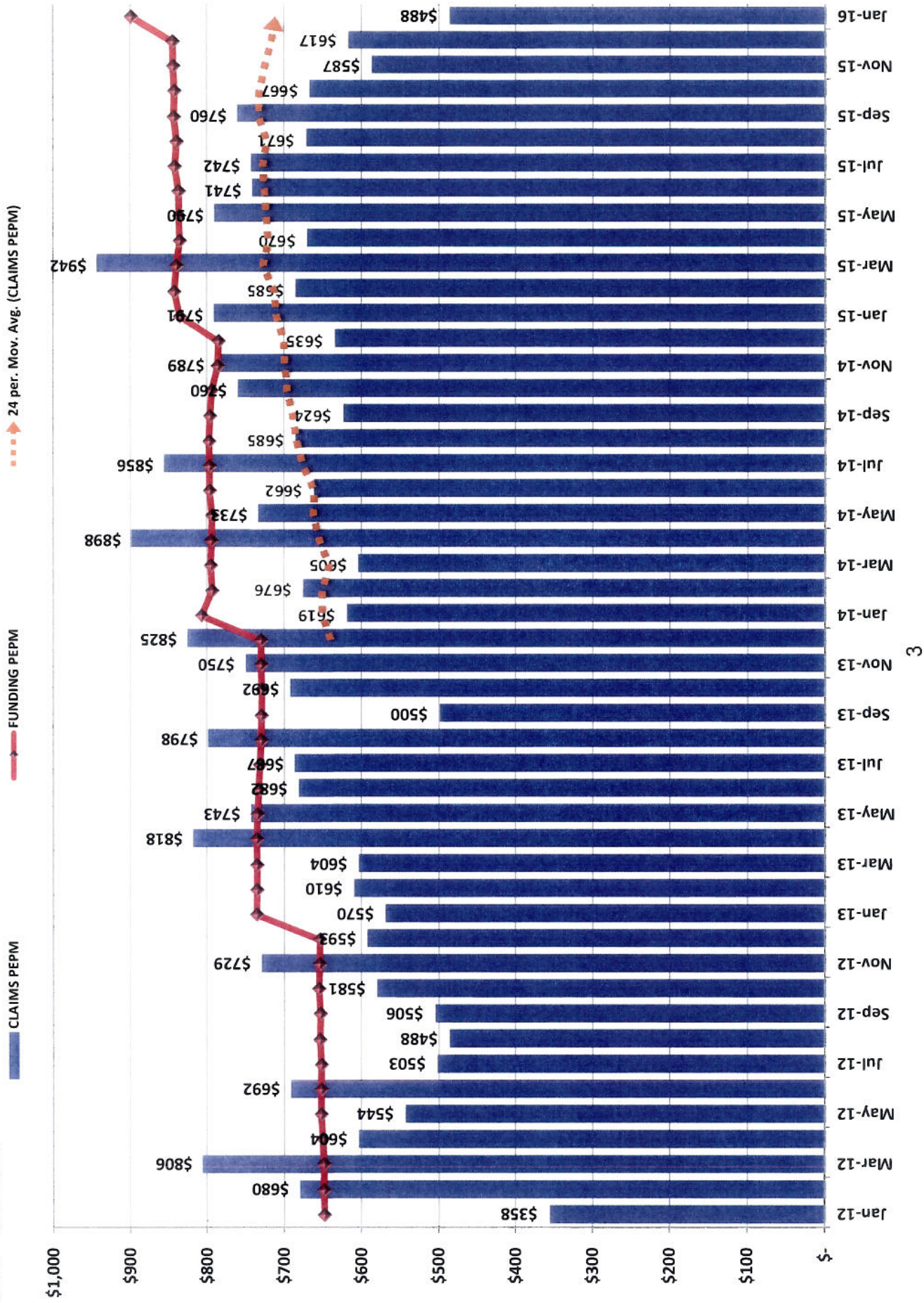
City of Clearwater
Cigna - ASO Only

Plan Year: January 1, 2016 - December 31, 2016



Date	Total Plan Funding	Administration & Network Fees	Stop Loss Fees (\$300,000)	Actual Paid Claims	Total Plan Cost	Reserve Account	Total EE's	Claims / EE / Month
January-16	\$1,462,747.78	\$73,133.65	\$79,332.52	\$ 793,181.36	\$ 945,647.53	\$ 517,100.25	1627	\$ 487.51
February-16								
March-16								
April-16								
May-16								
June-16								
July-16								
August-16								
September-16								
October-16								
November-16								
December-16								
Annual Total	\$ 1,462,747.78	\$ 73,133.65	\$ 79,332.52	\$ 793,181.36	\$ 945,647.53	\$ 517,100.25	1627	\$ 487.51

City of Clearwater
Claims Per Employee Per Month
(Net of ISL Reimbursements)
2011 - Current



Kutch, Michelle

To: Management's All Employee List(Director's Use Only)
Subject: Employee Health Center-Dispensing of Medications

As you know, the City of Clearwater Employee Health Center maintains certain commonly used generic medications for dispensing. This is different from a true pharmacy which stocks or can acquire all medications available.

Since the EHC is not a true pharmacy, there are strict State of Florida guidelines they need to adhere to as it pertains to who within the EHC can handle and dispense the medications.

The following information will help you understand what the EHC is required to adhere to and will answer some commonly received questions about the health center.

- Under Florida pharmacy law, the EHC may only dispense medications prescribed by the clinicians if the prescription is associated with a clinic visit. Filling prescriptions prescribed by outside providers, would mean that the clinic was acting as a true pharmacy, which would be in violation of the FL pharmacy laws.
- The medical assistants or front desk staff *are not* allowed by law to refill medications nor are they allowed to dispense medications to you at the window. Per the State guidelines, only the physician or Nurse Practitioner, licensed to dispense, can fill your prescription and physically hand the prescription to you.
- For those receiving medications for chronic conditions such as hypertension or diabetes, the EHC will make an effort to dispense enough medication to last until your next scheduled follow-up visit.
- For those that receive a one-time medication for an acute care concern (antibiotics, anti-inflammatories, antivirals), a follow-up visit with the provider is required in order to get a medication refill.
- The EHC stocks a number of non controlled medications for the treatment of anxiety and depression and can dispense them if deemed clinically appropriate by the EHC provider. First line medications for ongoing treatment of anxiety and depression should

be non-controlled substances such as Zolft, Celexa, or Lexapro, and not a controlled substances such as Xanax.

- It is EHC policy to not stock any controlled substances. They also will not prescribe controlled substances to be used long-term. Narcotics or benzodiazepines (Xanax, Valium, etc.) may be prescribed for short term use if deemed clinically necessary by the physician, but if you require ongoing treatment with these medications, the EHC provider will ask that you have your condition treated by a physician who specializes in the area in which you are seeking the medication and obtain the prescriptions from that specialist. In the state of Florida, a nurse practitioner cannot write a script for any controlled substance only a medical doctor can.
- In most cases, prior to obtaining a refill for your chronic condition medication, you will need to be seen by the EHC provider. If you are running low on your medications, please make sure to schedule an appointment in advance of running out of your medication(s). If you wait until you are completely out, the EHC will see you as soon as possible but cannot guarantee a same day visit. The provider may consider a one-time “bridge” and provide you a limited amount of medication to get you to your scheduled visit, but that is at the discretion of your treating provider. The EHC has a limited number of same day appointments, but those are reserved for employees who are ill and absolutely need to be seen ASAP.
- Medications that we do not stock can be obtained from a retail pharmacy with a prescription from our providers or through mail order. We can discuss those options with you at a scheduled visit.

Please post for those without email.

Michelle Kutch, PHR, SHRM-CP
Human Resources Manager
Benefits and Employee Relations
(727) 562-4883
(727) 562-4870



CITY OF CLEARWATER
BENEFITS COMMITTEE SIGN-IN SHEET
February 17, 2016

_____	Steve Sarnoff, CWA
_____	Steve Finney, CWA
_____	Matt McCombs, CWA
<i>Michael A. [Signature]</i>	Mike Head, CWA
<i>[Signature]</i>	Roberta Gluski, CWA
_____	Phil Hughes, CWA
_____	Jonathan Walser, FOP Officers
_____	Christopher Precious, FOP Officers
_____	Sgt. Joel Morley, FOP Supervisors
_____	Matt Schad, IAFF
<i>[Signature]</i>	Stephen Colbert, IAFF
<i>Susan Chase</i>	Susan Chase, SAMP
_____	Sandy Clayton, SAMP
<i>Jim Donnelly</i>	Jim Donnelly, SAMP
<i>Jay Ravins</i>	Jay Ravins, SAMP
<i>K. Dombrowski</i>	Karen Dombrowski, Retiree
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Demi Cacavita HR