

**CITY OF HENDERSON
SELF-FUNDED INSURANCE COMMITTEE MEETING**

**MINUTES
November 7, 2012**

I. Call to order

Chairman Fred Horvath called the City of Henderson Insurance Committee meeting to order at 10:05 a.m., in the Westgate Conference Room, 1st Floor, City Hall, 240 Water Street, Henderson, Nevada.

II. Confirmation and posting

Ms. Neilson confirmed the meeting had been posted in accordance with the Open Meeting Law by posting the agenda three working days prior to the meeting at City Hall, Multigenerational Center, Whitney Ranch Recreational Center, and Fire Station No. 86.

Roll Call

PRESENT: Chairman Fred Horvath
 Connie Kershaw
 Priscilla Howell
 Jayne Mazurkiewicz (arrived at 10:44 a.m.)
 Tim O'Neill
 Dan Pentkowski

ABSENT: Sean Simoneau
 Norm "Doc" Halliday

STAFF: Bob Osip, Risk Manager
 David Hintzman, Assistant City Attorney
 Alysa Neilson, Employee Benefits Coordinator
 Tedie Jackson, Minutes Clerk

ALSO PRESENT: Shawn Adkins, GBS (via teleconference)
 Pam Levy, Sierra Healthcare Options
 Lily Arslanian, HPN
 Tom Chiello, HPSA
 Judy Schulz, COH retiree

III. Acceptance of Agenda

(Motion) Mr. Pentkowski introduced a motion to accept the agenda as submitted, seconded by Mr. O'Neill. The vote favoring approval was unanimous. Chairman Horvath declared the motion carried.

IV. Approval of Minutes

A. Regular Meeting of September 12, 2012

B. Regular Meeting of October 11, 2012

(Motion) Mr. Pentkowski introduced a motion to approve the minutes of the regular meeting of September 12, 2012, as submitted, seconded by Mr. O'Neill. The vote favoring approval was unanimous. Chairman Horvath declared the motion carried.

(Motion) Mr. O'Neill introduced a motion to approve the minutes of the regular meeting of October 11, 2012, as submitted, seconded by Mr. Pentkowski. The vote favoring approval was unanimous. Chairman Horvath declared the motion carried.

Responding to a question as to how elimination of coverage for surgical centers will be communicated to members, Mr. Osip said this information was in the Open Enrollment email and it will be discussed at the Open Enrollment meetings.

Mr. Pentkowski noted that this information can be shared with Fire Department members during their morning muster discussions.

It was suggested that staff send out an email blast and a separate mailing to all members to communicate this information. Ms. Neilson distributed a three-page handout that could be mailed to members entitled "The Self-Funded Health Plan Guide of What NOT to DO."

V. Staff Reports

A. Financial Report

Connie Kershaw, Accounting Manager, distributed and reviewed the Self-Funded Health Insurance Fund report as of October 31, 2012, and noted a decrease in working capital of \$1.4 million.

Chairman Horvath commented that new rules in 2014 mandate that the City provide benefits and insurance to part-time employees (30-hours per week). This effort will be complicated and impact operations and the Self-Funded Plan.

Shawn Adkins, GBS, said they have a video for committee members to view regarding updates on the Patient Protection and Affordable Care Act (PPACA). There is a fee of approximately \$6,500.00 for GBS to run a report to see how the City will be impacted. They will need all full-time and part-time employee information.

A discussion ensued regarding how to address this issue. Suggestions included limiting all part-time employees under 30 hours per week and using temp agencies for seasonal employees. It was noted that the City does not pay PERS for employees who work under 20 hours per week.

B. Loomis Monthly Claims Report

Bob Osip, Risk Manager, briefly reviewed the claims report and noted that dental claims have increased.

C. Sierra Healthcare Options Report

Pam Levy, SHO, distributed and reviewed the 2012 Monthly Average Length of Stay report through October. She noted that 45 bed days were due to mental health substance abuse confinements.

D. Status Report - Gallagher Benefit Services

Shawn Adkins, GBS, reviewed a financial reporting package and an Express Scripts (ESI) snapshot on prescriptions. He noted that specialty drugs are contributing to 15.3 percent of total costs. ESI is monitoring this usage and collecting data.

There was a consensus that Mr. Adkins will provide an update on PPACA at the Strategic Planning meeting.

E. Committee Staff Report

Staff is drafting a letter to mail to retirees who are not eligible for Medicare.

Mr. Osip reported that Health Services Coalition would like to meet with himself and Chairman Horvath to discuss the contract.

Ms. Neilson said she received positive comments from a few retirees that the new four-tier system will significantly decrease their premium. They fall into the retiree plus children tier. She asked members to review the handout entitled "The Self-Funded Health Plan Guide of What NOT to DO."

VI. Public Comment

Responding to a question by Judy Schulz, COH retiree, regarding when Extend Health will be in effect, Mr. Osip said staff is planning on March or April. The contract is being routed for signature. Per her request, staff will notify Ms. Schulz the effective date when determined.

VII. Unfinished Business

A. Discussion and vote on eligibility to opt out of the benefits under the Self-Funded Health Plan

Ms. Neilson referred to a handout in the packet regarding employee eligibility language. The opt-out option would include all medical, prescriptions, dental, and vision coverage; however, the employee would keep long term disability and life insurance.

Mr. Adkins said he believes risk is very low that employees will opt out and suggested not allowing this option for employees.

Following further discussion, there was a consensus to not allow this option at this time and focus on PPACA mandated changes.

(Motion) Mr. Pentkowski introduced a motion to not allow employees to opt out of insurance coverage, seconded by Ms. Mazurkiewicz. The vote favoring approval was unanimous. Chairman Horvath declared the motion carried.

VIII. New Business

A. Discussion and vote on stop loss coverage for 2013.

Shawn Adkins, GBS, reported that the current stoploss renewal came in at a 23-percent increase; however, after negotiations he was able to get that reduced to a 15-percent increase. He suggested going out to bid for stop loss coverage and will report back at the next meeting.

B. Discussion and vote regarding retiree health insurance.

Bob Osip, Risk Manager, reported that there are financial options to be discussed and setting up a fiduciary fund would take Council action.

Chairman Horvath said he will discuss this issue in a closed meeting with the Council in early December. He does not have any dates set for Council action at this time. He noted that a separate benefits contract will need to be drafted for the fire and police unions.

Ms. Kershaw commented that a fiduciary fund will probably require a GASB 67, which is a different accounting system.

IX. Staff Comment

There were no staff comments presented.

X. Set Next Meeting Date and Adjournment

The next meeting was scheduled for December 12, 2012, from 10:00 a.m. to 12:00 p.m.

There being no further business to come before the Committee, Chairman Horvath adjourned the meeting at 11:39 a.m.

Respectfully submitted,

Tedie Jackson, Minutes Clerk