

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

**MINUTES  
December 12, 2012**

**I. Call to order**

Chairman Fred Horvath called the City of Henderson Insurance Committee meeting to order at 10:08 a.m., in the Westgate Conference Room, 1<sup>st</sup> 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  
          Norm "Doc" Halliday  
          Jayne Mazurkiewicz (arrived at 10:13 a.m.)  
          Tim O'Neill  
          Dan Pentkowski  
          Sean Simoneau

ABSENT: Priscilla Howell

STAFF: Bob Osip, Risk Manager  
          Michael Oh, Assistant City Attorney (left at 12:25 p.m.)  
          Alysa Neilson, Employee Benefits Coordinator  
          Tedie Jackson, Minutes Clerk

ALSO PRESENT: Shawn Adkins, GBS  
                  Bill Bixler, The Loomis Company  
                  Pam Levy, Sierra Healthcare Options  
                  Lily Arslanian, HPN  
                  Tom Chiello, HPSA  
                  Judy Shulz, COH retiree  
                  Jack London, London Medical Management  
                  John Hartman, London Medical Management.  
                  Dr. Nathan

**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 November 7, 2012**

Ms. Kershaw referred to page 4, Item 8B, and suggested the last paragraph be amended to read as follows: Ms. Kershaw commented that a fiduciary fund will probably be required under GASB 67, a new accounting pronouncement.

(Motion) Mr. O'Neill introduced a motion to approve the minutes of the regular meeting of November 7, 2012, as amended, seconded by Mr. Halliday. The vote favoring approval was unanimous. Chairman Horvath declared the motion carried.

**V. Staff Reports**

**A. Financial Report**

Connie Kershaw, Accounting Manager, distributed and reviewed the Self-Funded Health Insurance Fund report as of November 30, 2012.

**B. Loomis Monthly Claims Report**

Bill Bixler, The Loomis Company, reviewed the monthly claims report and noted that 24 members are charging the plan \$2 million in claims and seven members have exceeded \$100,000.00. He anticipates that several of these claims will be ongoing and expects December to have large medical claims.

**C. Sierra Healthcare Options Report**

Pam Levy, SHO, distributed and reviewed the 2012 Monthly Average Length of Stay report through November and noted there was one confinement for 13 days.

**D. Status Report - Gallagher Benefit Services**

Shawn Adkins, GBS, reviewed a reported that the new reinsurance assessment fee is \$63.00 per member per year, which amounts to an annual estimated cost of \$225,000.00. This payment will be due sometime in 2014.

A brief discussion ensued regarding the Federal Exchange. Chairman Horvath noted that the Committee would discuss the Federal Exchange program if they decided to end benefits and send employees on their way in 2014, or there could be an option for the entire Plan to go to the Federal Exchange in 2017.

**E. Committee Staff Report**

Ms. Neilson reported that 44 people moved from the City dental plan to Delta Dental. 13 spouses were removed from the plan, and nine spouses were added to the plan. Two employees moved from City Self-Funded Plan to HPN and two employees 2 moved from HPN to City Self Funded.

**VI. Public Comment**

There were no public comments presented.

**VII. Unfinished Business**

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

Shawn Adkins, GBS, reviewed the 2013 Stop Loss Analysis report and noted that the only two bidders who responded to the bid were SunLife and IHC. He reviewed the proposals and recommended the committee stay with the incumbent carrier, SunLife, with a 15-percent increase. It was noted that the reason for the increase is due to having a bad year regarding stop loss claims.

Mr. Bixler commented that IHC is a good company and pays their claims.

(Motion) Mr. Pentkowski introduced a motion to approve SunLife as the Stop Loss carrier at a renewal rate of \$765,228.00 per year, seconded by Ms. Mazurkiewicz. The vote favoring approval was unanimous. Chairman Horvath declared the motion carried.

**B. Discussion and vote regarding retiree health insurance.**

Bob Osip, Risk Manager, noted that the Extend Health contract was signed.

**C. Discussion and vote on the Hometown Health contract extension.**

Note: This item was discussed following New Business Item D.

Hometown Health is used to access the three HCA hospitals in the area. If we go to the Hospital Coalition, we will not need the contract.

(Motion) Mr. O'Neill introduced a motion to approve the Hometown Health contract extension, seconded by Mr. Pentkowski. The vote favoring approval was unanimous. Chairman Horvath declared the motion carried.

## **VIII. New Business**

### **A. Presentation by London Medical Management.**

Dr. Jack London gave a PowerPoint presentation on his business Patient Pal, LLC. He reviewed patient advocacy and health claim negotiations, Patient Pal services, call center information, and the health claim negotiation process. He explained that their goal is to work closely with benefits department to provide an enhancement for members' health plan. The cost of this program is \$2.50 per employee per month, including marketing materials.

Responding to several questions, Dr. London said they are actively engaged in changes relating to the Patient Protection and Affordable Care Act (PPACA). They do interface with the Hospital coalition. He estimated that approximately eight percent of medical providers will not work with them.

Bill Bixler, The Loomis Company, commented that joining this program would cause challenges for Loomis and claims would take longer to be paid.

Ms. Mazurkiewicz said she thought the presentation was a duplication of services and efforts that Sierra already provides.

There was a consensus of the committee to not use this service.

### **B. Discussion and vote on the Vision Service Plan (VSP) renewal.**

Bob Osip, Risk Manager, reported that VSP is asking for a rate increase from \$1.55 to \$1.67 per member per month, which represents an increase of \$1,700.00 per year.

(Motion) Mr. O'Neill introduced a motion to approve the VSP renewal of \$1.67 per member per month, seconded by Mr Halliday. The vote favoring approval was unanimous. Chairman Horvath declared the motion carried.

The committee reviewed proposed plan design changes provided by VSP. Mr. Adkins recommended not incorporating any of these changes since the vision plan is running flat.

There was a consensus of the committee to not make any plan design changes to the vision plan.

**C. Discussion and vote regarding retiree eligibility language.**

Bob Osip, Risk Manager, referred to backup material entitled Eligibility Provisions and reviewed proposed language outlined in red.

Regarding the yellow highlighted portion, Ms. Neilson discussed an issue regarding a retiree adopting their grandchildren and wanting to add them to the plan. A discussion ensued that the grandchildren may be covered under Medicaid.

(Motion) Mr. O'Neill introduced a motion to include the following language as outlined in yellow, "and may not add new dependents after the retiree's death." The motion was seconded by Ms. Kershaw.

After further discussion, it was determined that a motion is not necessary since the language already exists. The language outlined in red will also be incorporated in the new Summary Plan Document.

**D. Discussion and vote on contracting with the Health Services Coalition.**

Chairman Horvath reported that the Health Services Coalition is very concerned that the City of Henderson would withdraw from Health Services Coalition if the St. Rose hospitals are not covered by the Coalition. Probabilities are high that the Coalition will not reach an agreement with St. Rose hospitals due to their expensive rates compared to the rest of the coalition rates.

Chairman Horvath stated that a huge majority of City employees utilize St. Rose hospitals, so not having access would greatly impact City employees. He also pointed out that joining the Coalition would save approximately \$800,000.00 per year.

There was a consensus of the committee to not join the Health Services Coalition.

(Motion) Mr. O'Neill introduced a motion to reconsider the vote on Health Services Coalition and moved to not join the Health Services Coalition at this time, but review after 2014. The motion was seconded by Mr. Halliday and the vote favoring approval was unanimous. Chairman Horvath declared the motion carried.

**E. Discussion regarding the International Foundation Employee Benefits Conference.**

Comments were made that the quality of this conference was poor and it was suggested to look into attending a different conference.

Shawn Adkins, GBS, noted that they attend the State and Local Government Benefits Association (SALGBA) conference and believe they provide informative and educational classes.

Mr Osip noted that the City of Henderson is a member of this Association.

Chairman Horvath suggested the committee members try out this conference and asked that this item be discussed further at the next meeting. Staff will research the date, location, and cost of the next conference.

**IX. Staff Comment**

There were no staff comments presented.

**X. Set Next Meeting Date and Adjournment**

The next meeting was not scheduled.

There being no further business to come before the Committee, Chairman Horvath adjourned the meeting at 12:28 a.m.

Respectfully submitted,

---

Tedie Jackson, Minutes Clerk