

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

**MINUTES
February 8, 2012**

I. Call to order

Chairman Fred Horvath called the City of Henderson Insurance Committee meeting to order at 10:09 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
Tom Chiello (for Tim O'Neill)
Gerry Collins
Connie Kershaw (for Richard Derrick)
Norm "Doc" Halliday (arrived at 10:42 a.m.)
Priscilla Howell
Jayne Mazurkiewicz
Dan Pentkowski

ABSENT: Richard Derrick
Tim O'Neill

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

ALSO PRESENT: Bill Bixler, The Loomis Company (via teleconference)
Shawn Adkins, Pam Levy, Sierra Healthcare Options
T'Sharra Wright, HPN

III. Acceptance of Agenda

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

IV. Approval of Minutes

A. Regular meeting of November 9, 2011

B. Strategic Planning Meeting of January 11, 2012

An amendment was noted to the November 9, 2011, minutes on page 2, Section IV, change "Mr." Howell to "Ms." Howell.

(Motion) Mr. Pentkowski introduced a motion to approve the minutes of November 9, 2011, as amended; seconded by Ms. Howell. The vote favoring approval was unanimous. Chairman Horvath declared the motion carried.

Approval of the January 11, 2012, minutes was continued to the next meeting.

V. Staff Reports

A. Financial Report

Connie Kershaw, Accounting Manager, distributed and reviewed the Self-Funded Health Insurance Fund report as of January 31, 2011, and noted that we have received \$133,000.00 from stoploss claims.

B. Loomis Monthly Claims Report

Bill Bixler, The Loomis Company, reviewed the rolling claims report and stated that claims are being processed in nine days. He noted that there are currently 700 claims in inventory.

C. Sierra Healthcare Options Report

Pam Levy, SHO, distributed and reviewed the 2011 monthly average length of stay report through January and noted that there were a total of eight hospital admits in January.

D. Status Report - Gallagher Benefit Services

Shawn Adkins, GBS, reported that there are no new updates to report on national healthcare reform. In 2013, a \$2,500.00 annual limit to the Section 125 benefits will be implemented. He noted that heart and lung benefits will not be reported on W-2 forms, and he is unsure about expanded physicals.

Connie Kershaw, Accounting Manager, said medical, dental, vision, and COBRA rates will be tracked to include on the 2013 W-2 form.

Mr. Adkins suggested offering the EAP as a COBRA benefit. This must be covered since it is a benefit that offers a medical component. It was noted that staff will amend the contract to address this issue.

Mr. Adkins said GBS is working on the next GASB report, but is waiting for information from PERS.

Ms. Kershaw stated that they are having issues trying to get information from PERS due to the lawsuit. She explained that PERS opinion had been that benefits from PERS are not public information. They were sued that this is public information and PERS lost the lawsuit. PERS opted to appeal to the State Supreme Court.

There was a consensus to invite Express Scripts to a future meeting to give their annual report.

E. Committee Staff Report

Alysa Neilson, Employee Benefits Coordinator, reported that there is a global rate for an emergency room visit. If St. Rose hospitals bill under that amount, Loomis will increase the charged amount to hit the contracted rate. St. Rose bills the actual charges, not the contracted rate.

Bob Osip, Risk Manager, reported that staff has tentatively scheduled open enrollment meetings for Delta Dental. He noted that due to a glitch in the Sire agenda management system, staff is having problems getting this item through the queue by the deadline.

Note: Chairman Horvath left the meeting at 10:49 a.m.

Regarding an update on an out-of-area accident, there was a consensus that the intent of the committee was that the out-of-area network co-pay should be \$100.00, not \$500.00.

Mr. Adkins noted that due to enrollment of the 13 new early retirees, GBS will have to inform the stoploss carrier for approval. He commented that this addition will probably cause an increase in the stoploss premium.

VI. Public Comment

There was no public comment.

VII. Unfinished Business

A. Discussion and vote to add periodontal exams to the dental Class I Services for preventative and diagnostic procedures

Bob Osip, Risk Manager, reviewed the back-up material and noted that New Business Item B is related to this issue. Approving this addition should not increase out-of-pocket expenses to patients.

(Motion) Mr. Halliday introduced a motion to add periodontal preventative examination as a covered expense under Class I services, limited to two exams per year, and to be effective January 1, 2012. The vote was seconded by Ms. Mazurkiewicz and the vote favoring approval was unanimous. Vice-Chairman Pentkowski declared the motion carried.

Fred Horvath is now back at 11:05.

Shawn Adkins, GBS, provided update on DCC and recommended no changes because discounts offered by Sierra are significant.

VIII. New Business

A. Discussion and vote regarding benefit maximum for Autism Spectrum Disorder

Bob Osip, Risk Manager, provided a summary of this item and pointed out that \$86,437.00 was spent in autism treatments last year for six patients. He noted that no one has breached the \$36,000.00 limit.

There was a consensus of the committee that no changes be made to this benefit at this time.

B. Discussion and vote regarding request for increased allowance under Class I Services for periodontal maintenance

See discussion under Unfinished Business A. No changes on this item.

C. Discussion and vote to establish benefit percentage for out-of-area claims

Bob Osip, Risk Manager, asked for clarification as to whether out-of-area claims are paid at 80 or 90 percent. He noted that if the claims are paid at 90 percent, will it be 70 percent or 90 percent of Reasonable and Customary (R&C)?

Chairman Horvath commented that his recollection was to not penalize out-of-area people who did not have access to the network.

Bill Bixler, The Loomis Company, stated that the R&C is paid at 90 percent for out-of-network claims.

(Motion) Chairman Horvath introduced a motion to pay out-of-area claims at 90 percent R&C and 90 percent co-insurance for out-of-area, seconded by Mr. Pentkowski. The vote favoring approval was unanimous. Chairman Horvath declared the motion carried.

D. Discussion and vote to clarify pervious voting item regarding the adjudication of out-of-network claims

There is no change to this item. Out-of-network claims will be paid at 70 percent co-insurance of 90 percent R&C.

E. Discussion and vote regarding subrogation on a vehicle accident claim

Chairman Horvath explained that only \$50,000.00 insurance money is available for multiple people involved in an accident in Arizona. The challenge is that the City is being asked to walk away from any recovery amount by the employee's attorney. The stoploss carrier has claim to the entire \$50,000.00 and wants all of it. He noted that there is little likelihood that the victims of the accident will get any money if the stoploss carrier moves forward.

There was a consensus that the City should withdraw from the subrogation issue. It was suggested that Ingenix be utilized if there is additional recovery above the \$50,000.00 limit.

Bill Bixler, The Loomis Company, stated that the stoploss payments are well over \$100,000.00 for the two individuals. He believes the stoploss carrier will fight more for their money if the City withdraws from the subrogation issue. He suggested to not withdraw and give money back to the employee. He will check with Ingenix to see if they expect any payment if the City walks away from the subrogation issue.

This item will be continued.

F. Review of new benefits website

Alysa Neilson, Employee Benefits Coordinator, displayed and reviewed the new benefits website, and noted that a Delta Dental link will be added.

IX. Staff Comment

There was no public comment.

X. Set Next Meeting Date and Adjournment

The next meeting was scheduled for March 14, 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 11:50 p.m.

Respectfully submitted,

Tedie Jackson, Minutes Clerk