

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

**MINUTES
March 14, 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 (for Richard Derrick)
Norm "Doc" Halliday (arrived at 10:16 a.m.)
Priscilla Howell
Jayne Mazurkiewicz
Dan Pentkowski
Sean Simoneau

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
Shawn Adkins, Pam Levy, Sierra Healthcare Options
T'Sharra Wright, HPN (arrived at 11:00 a.m.)
Pam Levy, SHO
Jo Franko, Express Scripts (arrived at 11:00 a.m.)
Cyndi Olivarez, Express Scripts (arrived at 11:00 a.m.)

III. Acceptance of Agenda

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

IV. Approval of Minutes

A. Strategic Planning Meeting of January 11, 2012
B. Regular Meeting of February 8, 2012

(Motion) Mr. Pentkowski introduced a motion to approve the minutes of January 11, 2012, and February 8, 2012, as submitted, seconded by Mr. Simoneau. 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 February 29, 2012, and noted that the income to date is \$186,628.00.

B. Loomis Monthly Claims Report

Bill Bixler, The Loomis Company, reported that medical claims compared to January were down about \$100,000.00. He noted there are currently 716 claims in inventory, and claims are being turned around in 16 days.

C. Sierra Healthcare Options Report

Pam Levy, SHO, distributed and reviewed the 2011 monthly average length of stay report through February. She noted that mental health facilities are not reported on the handout; however, this will be rectified on the report next month.

D. Status Report - Gallagher Benefit Services

Shawn Adkins, GBS, reported that 14 early retirees were added to the plan with no problems. Regarding PPACA, the Supreme Court will be hearing arguments this month. However, due to tax issues, the Supreme Court may have the opportunity to sidestep the entire hearing until after the election.

Chairman Horvath commented that the Supreme Court will hear oral arguments on four separate areas: tax issue, commerce clause, severability, and an issue of the federal government inflicting Medicare expenses and threatening to withhold funds if the states do not absorb the Medicare cost.

Mr. Adkins said the City does have to do the summary benefits and cost, but this may be able to be sent out electronically. They are expecting a definition of a part-time/seasonal employee and what benefits they can receive.

Referring to EERP, Mr. Adkins noted that they have been monitoring this closely, but Loomis was not able to get the file to submit.

Chairman Horvath commented that the money is gone and new applications are not being accepted, so the City will not see any reimbursement.

E. Committee Staff Report

Alysa Neilson, Employee Benefits Coordinator, reported that she was contacted by a retiree who is frustrated with Medicare. The doctor does not bill any insurance, so the retiree has to bill Medicare and submit a claim. She noted that Medicare does not cover the procedure, which is acupuncture.

Bill Bixler, The Loomis Company, stated that Loomis needs an EOB and it would be paid outside the plan.

Following a brief discussion, it was suggested that Ms. Neilson provide the retiree with the necessary form to submit to Medicare, or the retiree could send Ms. Neilson a copy of the paid receipts and she will forward them to Mr. Bixler to process.

Ms. Neilson reported that about 170 employees and 23 retirees signed up for Delta Dental during open enrollment. It was noted that although staff conducted several Delta Dental informational meetings for employees, it would be beneficial that staff develop a communication strategy to continue educating employees. This information will be added to the website.

Mr. Bixler commented that he can identify all members who use non-network dentists and send correspondence as to whether they know about Delta Dental.

VI. Public Comment

There was no public comment.

VII. Unfinished Business

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

Chairman Horvath reported that there is zero possibility of the City recovering any insurance claim.

(Motion) Chairman Horvath introduced a motion that the City withdraw from the subrogation effort regarding this vehicle accident claim, seconded by Mr. Pentkowski. The vote favoring approval was unanimous, with the exception of Ms. Kershaw voting nay. Chairman Horvath declared the motion carried.

VIII. New Business

A. Prescription Benefit plan review.

This was discussed following New Business Item B.

Jo Franko and Cyndi Olivarez, representing Express Scripts, Inc. (ESI), distributed and reviewed two reports entitled Costs and Trends Detail and Top Drugs in Top Indications. It was noted that Walgreens has purchased their own PBM so they will be direct competitors with ESI. They reported that the City of Henderson plan is performing below their other books of business. They also suggested that the Committee utilize the select per days drug quantity management program, address women's wellness, and develop a uniform glossary of benefits. They will draft a summary page of recommendations for the committee to consider.

There was a consensus that the committee will discuss the following issues at the next meeting: fraud, waste, and abuse program, specialty step therapy, and specialty step therapy on special RX.

B. Gallagher Benefit Services annual report for plan year 2011.

Note: This item was discussed immediately following Unfinished Business

Via PowerPoint, Shawn Adkins, Gallagher Benefit Services (GBS), reviewed the GBS annual report and executive summary.

C. Discussion and vote on aggregator services for EERP filing.

Shawn Adkins, GBS, reported that Ingenics agreed to be the data aggregator, but there is no guarantee of any money because the money is spoken for. Ingenics will get the submittal in queue at a cost of \$10,000.00 to \$15,000.00.

Chairman Horvath commented that he is not sure he would support spending this money without guarantee of any return.

(Motion) Chairman Horvath introduced a motion to table this item until there is additional appropriation, second by Ms. Mazurkiewicz. The vote favoring approval was unanimous. Chairman Horvath declared the motion carried.

D. Discussion regarding prophylactic surgical procedures.

Bob Osip, Risk Manager, explained that a member elected to have a double mastectomy due to family history and genetic testing; however, there was no diagnosis. Sierra deemed the surgery medically necessary and the procedure was covered under the Plan.

Shawn Adkins, GBS, noted that some plans exclude these procedures. He commented that PPACA may demand these procedures be covered in the future. He suggested not making any changes to the Plan at this time and wait to see what happens with the federal law.

There was a consensus that the committee not take any action at this time.

E. Discussion and vote on conducting a RFP for network and claim administration services.

This item was continued to next meeting.

F. Discussion regarding plan coverage for multiple surgical procedures.

This item was continued to next meeting.

G. Discussion regarding the 2012 International Foundation Benefits Conference.

This item was continued to next meeting.

IX. Staff Comment

There was no public comment.

X. Set Next Meeting Date and Adjournment

The next meeting was scheduled for April 11, 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 12:20 p.m.

Respectfully submitted,

Tedie Jackson, Minutes Clerk