

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

**MINUTES
August 8, 2012**

I. Call to order

Chairman Fred Horvath called the City of Henderson Insurance Committee meeting to order at 9:06 a.m., in the Westgate Conference Room, 1st Floor, City Hall, 240 Water Street, Henderson, Nevada.

II. Confirmation of Posting and Roll Call

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.

PRESENT: Chairman Fred Horvath
Norm Halliday
Priscilla Howell
Jayne Mazurkiewicz
Tim O'Neill (via teleconference)
Dan Pentkowski
Sherri Lawson (for Connie Kershaw)

ABSENT: Connie Kershaw
Sean Simoneau

STAFF: Travis Buchanan, Assistant City Attorney
Robert Osip, Risk Manager
Alysa Neilson, Employee Benefits Coordinator
April Parra, Minutes Clerk

ALSO PRESENT: Shawn Adkins, Gallagher Benefit Services
Bill Bixler, The Loomis Company
Pam Levy, Sierra Healthcare Options Health Plan of Nev.
Judy Schulz, COH retiree

III. Acceptance of Agenda

(Motion) Mr. Halliday introduced a motion to accept the agenda as submitted, seconded by Mr. Pentkowski. The agenda was accepted as presented. Chairman Horvath declared the motion carried.

IV. Approval of Minutes for meeting of June 13, 2012

(Motion) Mr. Pentkowski introduced a motion to approve the June 13, 2012, Insurance Committee minutes as submitted, seconded by Mr. Halliday. The vote favoring approval was unanimous. Chairman Horvath declared the motion carried.

V. Staff Reports

A. Financial Report

Sherri Lawson, Finance, distributed and reviewed the financial report as of July 31, 2012. She noted the loss of \$500,000 and stated that claims are up. She informed the Committee that a rebate check was received from Express Scripts in the amount of \$54,000.

B. Loomis Monthly Claims Report

Bill Bixler, Loomis, detailed the claims for the month and noted there are 13 dental claims. He said he is not sure why there are so many claims this month; however, it is not something to be concerned about as it is just an increase in utilization.

Mr. Bixler noted there is a large out of network claim that has been submitted but has not yet been paid.

A lengthy discussion ensued regarding this claim and how similar cases can be avoided in the future. It was the consensus of the Committee that it is very important to educate the membership on how to save themselves and the plan money. Suggested methods of education included letters, emails, and postings on SharePoint.

A discussion ensued regarding increasing the out-of-pocket maximum. Pam Levy, Sierra Healthcare Options, said raising the out-of-pocket maximum will give her a better tool to negotiate with providers.

This item will be on next month's agenda for amendments to the plan.

It was the consensus of the Committee to continue to receive the report in its current format.

A discussion ensued regarding how the plan compares to other

jurisdictions nationally.

C. Sierra Healthcare Options Report

Ms. Levy distributed and reviewed the length-of-stay report and the quarterly provider report. She noted that specialists decreased slightly and stated there could be various reasons for this fluctuation.

D. Status Report – Gallagher Benefit Services (GBS)

Shawn Adkins, Gallagher Benefit Services, informed the Committee that Walgreens and Express Scripts have come to an agreement and Walgreens will now be in the network. He noted there will be no additional fees; however, discounts may be impacted. Mr. Adkins said Walgreens will be back on board as of September 15, 2012.

Chairman Horvath commented that he does not want Walgreens to send anything out to the membership.

E. Committee Staff Report

Bob Osip, Risk Manager, said they are preparing for open enrollment. He gave an update on the Mayo Clinic contract and informed the Committee that the Mayo Clinic said they are unwilling to change the contract.

Mr. Osip also informed the Committee that Principal has offered to renew their contract for two years without a rate increase. He added that he is meeting with them next week to see if any discounts are available.

VI. Public Comment

There were no comments presented by the public.

VII. Unfinished Business

A. Discussion and vote regarding coverage and aggregator services for post 65 Medicare retirees

A lengthy discussion ensued regarding the following issues:

1. The impact of the recent Supreme Court decision.
2. The impact of the retiree/Medicare exchange
3. A possible “portable” benefit for retirees

(Motion)

Chairman Horvath introduced a motion to implement the spinoff of Medicare-eligible retirees to Extend, including dental and vision, at the earliest possible date, with a life insurance benefit at no cost to the retiree. This item will return to the Committee

for ratification once the contract has been finalized. Seconded by Ms. Mazurkiewicz. The vote favoring approval was unanimous. Chairman Horvath declared the motion carried.

A lunch recess was taken from 12:20 p.m. to 12:53 p.m.

B. Discussion and vote on the Self-Insurance Health Plan Committee Bylaws

This item was continued to the next meeting.

C. Discussion and vote on retiree pricing

This item was continued to the next meeting.

D. Discussion and vote on contracting with the Hospital Coalition

Shawn Adkins, Gallagher Benefit Services, referencing a memorandum regarding hospital coalition pricing, stated that there appears to be some savings by moving from Sierra to the Coalition. He said he has some concerns regarding the Coalitions consistency.

A discussion ensued regarding the loss of access to certain facilities.

It was the consensus of the Committee to have Mr. Adkins continue to pursue this issue.

VIII. New Business

A. Discussion and vote on appeal to approve coverage for a pneumatic compressor

Alysa Neilson, Employee Benefits Coordinator, gave a brief summary of the appeal.

(Motion) Mr. O'Neill introduced a motion to deny the appeal, seconded by Mr. Halliday. The vote favoring approval of the motion for denial was unanimous. Chairman Horvath declared the motion carried.

B. Discussion and vote to determine the correct order of benefit determination for covered dependents with retiree and Medicare coverage

Ms. Neilson gave a brief explanation of how the current City of Henderson plan language reads and explained that it is unsupportable language and needs to be changed. She proposed that the language be changed to read: "Active plan pays first." Ms. Neilson added that

the Medicare exception language should also be incorporated.

It was the consensus of the Committee that Mr. Adkins would present new language at the next meeting.

C. Discussion regarding Supreme Court decision on the Affordable Care Act (ACA)

Shawn Adkins, Gallagher Benefit Services, stated that the recent Supreme Court decision on the Affordable Care Act (ACA) basically maintains the status quo.

Mr. Adkins briefly reviewed the upcoming issues and their affect on the plan and its members.

Bob Osip, Risk Manager, distributed a Summary of Benefits and Costs (SBC) for review by the Committee.

This item was continued to the next meeting.

D. GBS first six-month utilization and 2013 renewal report

Shawn Adkins, Gallagher Benefit Services, distributed the Financial Report Package and the Table of Contents for Renewal Report Package for plan year 2013.

There were no questions from the Committee.

E. Discussion and vote on rate schedule for plan year 2013

Shawn Adkins, Gallagher Benefit Services, recommended going to a standard four-tier. The recommended four tier would consist of Employee Only, Employee plus Spouse, Employee plus child(ren), and Family (spouse and children).

This item was continued to the next meeting.

IX. Staff Comment

There were no staff comments.

X. Set Next Meeting Date and Adjournment

A special meeting to discuss rates was set for September 5, 2012, in the Westgate Conference Room.

The next regular meeting is scheduled for September 12, 2012, in the Westgate Conference Room.

There being no further business to come before the Committee,
Chairman Horvath adjourned the meeting at 2:50 p.m.

Respectfully submitted,

April Parra, Minutes Clerk