

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

**MINUTES
April 10, 2013**

I. Call to order

Vice-Chairman Dan Pentkowski called the City of Henderson Insurance Committee meeting to order at 10:04 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: Vice-Chairman Dan Pentkowski
 Sherri Lawson (for Connie Kershaw)
 Norm "Doc" Halliday
 Priscilla Howell
 Jayne Mazurkiewicz
 Tim O'Neill
 Jim Dunlap

ABSENT: Chairman Fred Horvath
 Connie Kershaw

STAFF: Bob Osip, Risk Manager
 Terri Williams, Assistant City Attorney III
 Alysa Neilson, Employee Benefits Coordinator
 Tedio Jackson, Minutes Clerk

ALSO PRESENT: Shawn Adkins, GBS
 Bill Bixler, The Loomis Company
 Pam Levy, Sierra Healthcare Options
 Lily Arslanian, HPN
 Tom Chiello, HPSA

III. Acceptance of Agenda

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

IV. Public Comment

There were no comments presented by the public.

V. Unfinished Business

A. Prescription drug plan options:

1. **Select Home Delivery – mandatory home delivery for maintenance drugs (For Possible Action)**
2. **Mandatory Generics-require members to pay cost difference if electing name brand drugs (For Possible Action)**
3. **Personal Medication Coach – program to assist members with chronic disease (For Possible Action)**
4. **Screen Rx – program to identify and assist members with prescription drug adherence obstacles (For Possible Action)**

Bob Osip, Risk Manager, suggested this item be deferred to a future meeting to allow staff to work with Gallagher Benefit Services (GBS) and Express Scripts, Inc. (ESI) to clarify various issues.

Vice-Chairman Pentkowski asked staff to provide options of incentives that can be used to drive positive behavior, such as waiving co-pays.

B. Agreement for plan consulting services (For Possible Action)

Shawn Adkins, Gallagher Benefit Services (GBS), stated that they are the current plan consultant for the City. He noted that they spend much time and additional resources on the Patient Protection and Affordability Care Act (PPACA), as well as performing normal consulting services. He reported that the proposed contract is for three and one-half years with a three-percent increase each year. A handout was distributed outlining the proposed contract.

Responding to a question by Vice-Chairman Pentkowski as to whether there have been any costs above what was not negotiated due to PPACA, Mr. Adkins said no. He noted that they are working a specific study researching hours for part time and seasonal employees.

- (Motion) Mr. O'Neill introduced a motion to accept the proposal from Gallagher Benefit Services, Inc. for consulting and actuarial services, and direct staff to prepare the contract; pending legal review and City Council approval. The motion was seconded by Ms. Howell and the vote favoring approval was unanimous. Vice-Chairman Pentkowski declared the motion carried.

C. Agreement for preferred provider network and utilization management services (For Possible Action)

Pam Levy, SHO, distributed and reviewed a spreadsheet outlining a proposed contract from Sierra Health-Care Options for preferred provider network and utilization management services.

Shawn Adkins, GBS, commented that these proposed rates are not out of line compared to other proposals.

Responding to a question regarding why the rate for case management increased, Ms. Levy said this rate is comparable to what other companies charge.

A brief discussion ensued regarding how case management and disease management are utilized. There was a consensus that disease management will be discussed at a future meeting.

- (Motion) Mr. O'Neill introduced a motion to accept the proposal from Sierra Health-Care Options for preferred network and utilization management services, pending legal review and City Council approval. The motion was seconded by Ms. Mazurkiewicz and the vote favoring approval was unanimous. Vice-Chairman Pentkowski declared the motion carried.

D. Agreement for claims administration services (For Possible Action)

Bob Osip, Risk Manager, reviewed a spreadsheet outlining a proposed contract from The Loomis Company for claims administration services.

Shawn Adkins, GBS, recommended the committee approve this agreement.

- (Motion) Mr. O'Neill introduced a motion to accept the proposal from The Loomis Company for claims administration services, pending legal review and City Council approval. The motion was seconded by Ms. Howell and the vote favoring approval was unanimous. Vice-Chairman Pentkowski declared the motion carried.

VI. New Business

**A. Approval of Minutes for the regular meeting of March 13, 2013
(For Possible Action)**

(Motion) Mr. O'Neill introduced a motion to approve the march 13, 2013, minutes as presented, seconded by Mr. Halliday. The vote favoring approval was unanimous. Vice-Chairman Pentkowski declared the motion carried.

**B. Presentation of the Plan's Financial Status Report as of
March 31, 2013**

Sherri Lawson, Accountant II, distributed and reviewed the Self-Funded Health Insurance Fund as of March 31, 2013. She noted that the increased rates had an impact and the overall all total claims were down 1.7 percent.

C. Loomis Monthly Claims Report

Bill Bixler, The Loomis Company, reviewed the monthly claims report. He noted that there was \$985,000.00 paid claims in March, including processing two new large claimants. There are also three large claims over \$40,000.00. He pointed out that 21 percent of the members are using out-of-network facilities.

**D. Sierra Healthcare Options Monthly Report – hospital length of
stay and provider network update**

Pam Levy, SHO, distributed and reviewed the first quarter provider report and the monthly average length of stay report. She noted that the length of stay report was higher than normal in March due to a 30-day confinement, an 11-day admit at John Hopkins, and a seven-day admit at St. Rose.

E. Gallagher Benefit Services Status Report

Shawn Adkins, GBS, provided a compliance update and noted that new regulations on Health Insurance Portability and Accountability Act (HIPAA) will require -committee members to obtain new training.

Regarding the Patient Protection and Affordable Care Act (PPACA), Mr. Adkins reported that the employer responsibility portion of PPACA does not contain a definition for seasonal employees; however, there is an indication that employers may not have to provide health insurance for full-time, but short term employees if the term of employment is tied to a specific climate, or other easily defined “season”, and the employee’s work period is not more than six months. In contrast, year round but variable-hour employees will be subject to coverage if they average 30 hours a week.

F. Ratify contract for Extend health aggregator services for post-65 retirees (For Possible Action)

Bob Osip, Risk Manager, provided a background history on this item and noted that the committee was supposed to vote for ratification when the contract was finalized.

Responding to a question as to how long it will take for the Open Meeting Law issue to be resolved, Mr. Osip was unsure as it could take weeks or months.

(Motion) Ms. Howell introduced a motion to ratify the contract for Extend Health aggregator services for post-65 retirees, seconded by Mr. O’Neill. The vote favoring approval was unanimous. Vice-Chairman Pentkowski declared the motion carried.

G. Ratify change in implementation date for Extend Health aggregator services for post-65 retirees to May 1, 2013 (For Possible Action)

Bob Osip, Risk Manager, provided a background history on this item and stated that that the implementation was supposed to be March 1, 2013; however, that date was pushed to May 1, 2013, due to contract review. To maintain an accurate record, a new motion needs to be made for the effective date to be May 1, 2013.

(Motion) Mr. O’Neill introduced a motion to ratify the implementation date for Extend health aggregator services for post-65 retirees to May 1, 2013, seconded by Ms. Mazurkiewicz. The vote favoring approval was unanimous. Vice-Chairman Pentkowski declared the motion carried.

- H. Adopt eligibility language to clarify eligibility for:**
- 1. foster children (For Possible Action)**
 - 2. legal guardianship (For Possible Action)**
 - 3. surviving spouse of active employee (For Possible Action)**
 - 4. child of domestic partner (For Possible Action)**

Alysa Neilson, Employee Benefits Coordinator, reviewed proposed changes outlined on one page in the packet entitled Dependent Eligibility. She noted that she is not aware of any foster children covered by the City.

Lily Arslanian, HPN, noted that HPN does not cover foster children.

Mr. Adkins explained that foster children are typically eligible for Medicaid; however, that depends on the financial status of the child. He noted that foster children would be covered provided legal guardianship is established through a court order or if they met the financial dependency rules under Section 152. The committee can choose to cover foster children or remove foster children.

Discussion ensued regarding this issue and it was noted that foster children are usually a temporary situation, covering foster children creates an administrative challenge for staff, and this is a unique situation to be addressed on a case-by-case basis.

- (Motion) Mr. O'Neill introduced a motion to accept the language in the first bullet point of the amended language to allow any dependent child, including legally adopted children, children legally placed for adoption, legal guardianship documented by appointment from a court of competent jurisdiction, stepchildren, and children of domestic partners to remain covered under the plan up to the end of the month in which they turn age 26, regardless of tax dependency; and remove the language regarding foster child altogether; to be effective July 1, 2013. The motion was seconded by Mr. Halliday. The vote favoring approval was unanimous. Vice-Chairman Pentkowski declared the motion carried.

Regarding Item 3, surviving spouse of active employee, Mr. Osip asked to defer this item to the next meeting to change the agenda item to read "surviving spouse and dependents of active employee."

- I. Adopt language on coverage for nutritionist or dietician services with disease diagnosis (For Possible Action)**

Shawn Adkins, GBS, commented that this language was adopted and ratified when the City lost its grandfather status.

A brief discussed ensued on this item and it was determined that no action is needed by the committee.

VII. Public Comment

There were no public comments presented.

VIII. Chairman/Committee Member/Committee Staff Comment

Mr. Adkins said there are articles regarding PPACA coming out. Many companies have indicated they are not going to offer health insurance anymore, but this has not been the indication from government municipalities. He said The Exchange will publish rates when they become available, and it has been suggested that rates will increase 130 to 170 percent.

Ms. Neilson commented that there has been 81 percent enrollment with Extend Health.

Mr. Osip thanked Ms. Neilson for all her hard work regarding the contract for Extend Health.

IX. Set Next Meeting Date

The next meeting was set for May 13, 2013, from 10:00 a.m. to 12:00 p.m.

X. Adjournment

There being no further business to come before the Committee, Vice-Chairman Pentkowski adjourned the meeting at 11:38 a.m.

Respectfully submitted,

Tedie Jackson, Minutes Clerk