

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

**MINUTES  
May 13, 2013**

**I. Call to order**

Chairman Fred Horvath called the City of Henderson Insurance Committee meeting to order at 10:08 a.m., in the Council Chambers 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  
          Priscilla Howell  
          Ken Kerby  
          Jayne Mazurkiewicz  
          Tim O'Neill  
          Dan Pentkowski

ABSENT:           None

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

ALSO PRESENT:  Shawn Adkins, GBS  
                  Pam Levy, Sierra Healthcare Options  
                  Amber Hubber, HPN  
                  Tom Chiello, HPSA

**III. Acceptance of Agenda**

(Motion) Mr. Halliday introduced a motion to accept the agenda as submitted, seconded by Mr. Pentkowski. The vote favoring approval was unanimous. Chairman Horvath 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)**
5. **Select Step Therapy-program to manage drug cost within specific therapy classes (For Possible Action)**
6. **Incentive Programs-Reduce copays for select drug classes (For Possible Action)**

Bob Osip, Risk Manager, reported that staff had a conference call with Express Scripts, Inc. (ESI) to review the topics; however, staff would ask this item be continued because the reports are not completed.

There was a consensus to continue this item to the next meeting.

**VI. New Business**

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

(Motion) Mr. Pentkowski introduced a motion to approve the minutes of February 13, 2013, as presented, seconded by Ms. Mazurkiewicz. The vote favoring approval was unanimous. Chairman Horvath declared the motion carried.

**B. Approval of Minutes for the regular meeting of April 10, 2013  
(For Possible Action)**

Mr. Adkins referred to page 6, first paragraph, and suggested a note be added 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. He also confirmed that HPN does the same thing.

(Motion) Mr. Pentkowski introduced a motion to approve the minutes of April 10, 2013, as amended, seconded by Mr. Halliday. The vote favoring approval was unanimous.

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

Connie Kershaw, distributed and reviewed the Self-Funded Health Insurance Fund as of April 30, 2013. She noted that the fund is just under \$241,000.00 loss year to date. The increase in revenues is attributable to the increase in rates.

**D. Loomis Monthly Claims Report**

Shawn Adkins, Gallagher Benefit Services, reviewed the monthly claims report. He noted that April had high claims, there are two claimants over \$100,000.00, and three members are over \$40,000.00.

Chairman Horvath suggested that Mr. Bixler does not need to attend every meeting and Mr. Adkins could continue giving the report. Staff will coordinate with Mr. Adkins and Mr. Bixler to discuss this, or possibly have Mr. Bixler attend via teleconference call.

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

Pam Levy, SHO, distributed and reviewed the monthly average length of stay report, which was 2.11 days.

Shawn Adkins, GBS, questioned whether HPN or Sierra has experienced issues relating to infusion therapy suite solutions in this market. He explained that the facility coordinates with ESI to send the drugs directly so the price cannot be marked up by the doctors.

Ms. Levy replied that the providers are not allowed to do infusion treatments in their office, with the exception of oncology. She said most of these Intravenous treatments are done at home.

Amber Hubber, HPN, reported that they went live with paperless member documents. Members will no longer receive a booklet in the mail; they can access information online.

**F. Gallagher Benefit Services Status Report**

Shawn Adkins, GBS, reported that the Patient Protection and Affordability Care Act (PPACA) mandates that in 2014, all plans must have maximum out-of-pocket absolute cost. This means that everything must accumulate towards one pool of money. The City gets a transition year because we have two separate vendors: ESI and Loomis. Mr. Adkins said GBS is working with carriers to figure out if they can embed separate maximum out-of-pocket costs. He pointed out that the Self-Funded Plan has an RX out-of-pocket cost of \$2,000.00 and the Self-Funded Medical Plan is \$2,500.00, which must be combined towards one pool of money. He suggested this issue be discussed at a later meeting.

Responding to questions, Mr. Adkins noted that dental and vision are separate and do not have to be included. He said the pediatric dental will be considered as medical instead of dental. Mr. Adkins also pointed out that the actuarial value of the Self-Funded Plan is 87.93 percent and HPN is 95.72 percent. As long as the value is above 60 percent, the plans are safe.

Mr. Adkins distributed and reviewed a handout entitled “Employer Shared Responsibility.” He explained the definitions of full-time employee, part-time employee, new variable employee, and seasonal versus short-term employees. GBS is working to strategize regarding whether fewer contributions or benefits can be provided to part-time employees.

A discussion ensued regarding several hundred City of Henderson part-time and seasonal employees who will be impacted by these changes. Mr. Adkins will prepare a presentation for the next meeting to discuss various options on this topic. It was noted that the committee will need to make policy decisions.

Mr. Adkins reviewed the quarterly report and plan status report. He noted that there are approximately 80 employees that are eligible for benefits and could be potentially covered until 65. Mr. Adkins also reviewed the large claims report, dental claims, and vision claims.

**G. Revision to eligibility language regarding continuing coverage for surviving spouse and dependents of active employees (For Possible Action)**

Bob Osip, Risk Manager, read the proposed amendment that reflects what is currently being done for continuing coverage for surviving spouse and dependents of active employees. “If a covered spouse and eligible dependents elect to continue coverage through COBRA, the Plan will pay the required premiums for the first six months of the COBRA continuation period. After six months, any continuation of COBRA coverage shall revert to a self-pay basis.”

It was noted that this language was previously approved by the Committee.

(Motion) Mr. Pentkowski introduced a motion to adopt the amended language to be in the Summary Plan Description, seconded by Mr. Halldiay. The vote favoring approval was unanimous. Chairman Horvath declared the motion carried.

## **VII. Public Comment**

There were no public comments presented.

## **VIII. Chairman/Committee Member/Committee Staff Comment**

It was suggested that the next meeting time be extended due to much detailed information to be discussed.

Responding to a question by Chairman Horvath about tracking the post 65 retirees for life insurance, Ms. Neilson explained that she provided those retirees going to Extend Health with a life insurance policy certificate and sent them a letter. She intends to do this annually.

Chairman Horvath expressed his appreciation to Mr. Hintzman for working on the Open Meeting Law complaint and the successful resolution to that complaint.

Responding to a question by Chairman Horvath as to whether the coordination efforts between Express Scripts (ESI) and Loomis will impact the decision about moving to the coalition, Mr. Adkins said GBS is working with ESI to do the data transfer for various carriers they are working with. He believes this is an internal problem for all the third party administrators and carries.

Chairman Horvath referred to the handout for extension of coverage for the family of a fallen police officer or fire fighter and asked if “killed in the line of duty” is a definition in the state statute. He said there is a new definition in the federal statute. He asked what the definition is and whether there is some coordination between federal and state law. Mr. Osip and Mr. Hintzman will look into this issue and report back to the committee.

Ms. Neilson reported that out of 50 eligible people, 46 enrolled in Extend Health and four people did not go through a policy with Extend Health. She noted that Extend Health was good to work and their website was very helpful.

Responding to a question by Mr. Adkins as to whether we need to do a GASB 45 evaluation, Ms. Kershaw said the cost is not worth the effort.

Mr. Osip reported that he attended the ESI Outcome Conference in Orlando, Florida. They cover 101 million people in the United States. They predicted that the trend for specialty drugs will increase in the future and provided statistics on several topics. He noted that he does not believe it is worthwhile to attend this conference.

Ms. Levy commented that she will be visiting Loomis Headquarters in Pennsylvania this week.

**IX. Set Next Meeting Date**

The next meeting was set for June 12, 2013, from 10:00 a.m. to 2:00 p.m.

**X. Adjournment**

There being no further business to come before the Committee, Chairman Horvath adjourned the meeting at 12:05 a.m.

Respectfully submitted,

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Tedie Jackson, Minutes Clerk