

**CITY OF HENDERSON
SELF-FUNDED INSURANCE COMMITTEE
MINUTES
REGULAR MEETING
September 9, 2015**

I. Call to Order

Vice Chairman Dan Pentkowski called the City of Henderson Insurance Committee meeting to order at 10:02 a.m., in the Westgate Conference Room, 1st Floor, City Hall, 240 Water Street, Henderson, Nevada.

II. Confirmation of Posting and Roll Call

Alysa Neilson, Employee Benefits Coordinator, 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: Vice Chairman Dan Pentkowski
Tom Chiello (for Tim O'Neill at 12:27 p.m.)
Barry Courtney
Kenneth Kerby
Connie Kershaw
Courtney Lancaster
Tim O'Neill (left at 12:27 p.m.)
Laura Shearin

ABSENT: Chairman Jennifer Fennema

STAFF: Erin Flynn, Asst. City Attorney II
Kristina Gilmore, Asst. City Attorney II
Tedio Jackson, CCS Reporter
Alysa Neilson, Employee Benefits Coordinator
Bob Osip, Risk Manager

ALSO PRESENT: Shawn Adkins, Gallagher Benefit Services
Lynn Brownlee, Gallagher Benefit Services
Bill Bixler, The Loomis Company
Amber Hubber, HPN
Pam Levy, Sierra Healthcare Options

III. Acceptance of the Agenda (For Possible Action)

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

IV. Public Comment

There were no public comments presented.

V. Unfinished Business

A. Insurance Committee By-Laws:

1. Consider changing the Committee structure to an advisory role

Bob Osip, Risk Manager, presented a history of this item.

Erin Flynn, Assistant City Attorney II, reported that the bylaws were adopted prior to the ordinance being revised. She reviewed a portion of the ordinance that gives the City Manager overarching authority, which is consistent language in line with the bylaws. She stated the bylaws should be amended to be consistent with the ordinance. Ms. Flynn reminded members that as a fiduciary on the committee, they are responsible for the stability of the Plan, not individual perspectives.

Ms. Flynn explained that there is the potential that making the Committee an advisory committee, it would no longer be subject to the Nevada Open Meeting Law. Concerns have been expressed regarding confidentiality issues. However, there could be opinions the Committee may still be subject to the Open Meeting Law.

From a financial perspective, the Committee would be advisory to the City Manager. The City Manager would still have to make decisions that comply with the collective bargaining agreements. The Committee could not make decisions if they moved to an advisory role. The current state is that the City Manager has delegated the authority to the committee to make decisions.

Mr. Horvath expressed concern that it is complicated to run a medical plan subject to the Open Meeting Law. He also noted that language missing from the bylaws is how to address a tie vote.

There was a consensus to defer this possible amendment to the bylaws until after contract negotiations.

2. Amending bylaws to permit nonvoting alternate members to be regular participating members of the Committee

Staff explained that this amendment would allow non-voting alternate members to have all powers of a member except for voting. Possible issues with this change is the potential of increasing meeting times if many alternate members attend meetings.

Mr. Horvath commented that this would be valuable for transition purposes, and it is important for alternate members to develop their knowledge of the insurance issues.

3. Change selection process and terms for Committee members (For Possible Action)

4. Establish process for selecting Committee alternates (For Possible Action)

A lengthy discussion ensued regarding amendments to the bylaws and the Committee members reviewed all the proposed amendments. The word “non-union” will be changed to “non-representative” throughout the bylaws.

Other amendments suggested include rotating the chairman and vice-chairman position every year between union and non-represented members. Minor revisions were suggested to the recording secretary and minutes.

Staff will present new amended bylaws at the next meeting for further discussion.

B. Medical Plan design change:

1. Impose restrictions on spousal coverage if other group coverage is available (For Possible Action)

2. Increase member cost share:

a. Deductible (For Possible Action)

b. Co-insurance (For Possible Action)

c. Co-pay (For Possible Action)

d. Out-of-Pocket maximum (For Possible Action)

A discussion ensued regarding potential plan design changes. It was suggested to hold this item until contract negotiations, as the City intends to propose changes.

Shawn Adkins, GBS, noted that early retirees are hurting the plan. He reviewed the claim analysis report.

Note: A lunch break was taken at 11:48 a.m. to 12:08 p.m.

Mr. Adkins reviewed possible Plan design changes, and suggested the Committee increase the max out-of-pocket amount.

There was a consensus to set a special meeting on September 21, 2015, from 7:30 a.m. to 10:30 a.m., to discuss plan design changes.

C. Prescription drug plan design change:

- 1. Adopt Advantage Plus UM Package step therapy and pre-authorization program (For Possible Action)**
- 2. Mandatory generic – member pays difference for brand name (For Possible Action)**
- 3. Move from co-pay to co-pay/co-insurance model (For Possible Action)**
- 4. Move from a four tier to a five tier prescription drug benefit structure (For Possible Action)**

This item was deferred to the special meeting on September 21, 2015.

D. Create a High Deductible/Health Savings Account option for members (For Possible Action)

This item was deferred to the special meeting on September 21, 2015.

VI. New Business

A. Approval of Minutes for the regular meeting of July 8, 2015 (For Possible Action)

(Motion) Mr. Kerby introduced a motion to approve the minutes of July 8, 2015, seconded by Ms. Lancanster. The vote favoring approval was unanimous. Vice Chairman Pentkowski declared the motion carried.

B. Self-Funded Health Plan's Monthly Financial Report

Connie Kershaw, Accounting Manager, distributed and reviewed the Self-Funded Health Insurance Fund as of August 31, 2015; and the retiree subsidy and Stop Loss Restricted Cash report.

C. Loomis Monthly Claims Report

Bill Bixler, The Loomis Company, reviewed the monthly claims analysis report for August, and noted they currently have 836 claims in inventory.

D. Sierra Healthcare Options Monthly Report

Pam Levy, Sierra Healthcare Options, distributed and reviewed the 2015 Monthly Average Length of Stay report and 2015 Provider report for the second quarter.

E. Health Plan of Nevada Status Report

Amber Hubber, Health Plan of Nevada, reported that a drive-through flu shot clinic is scheduled for September 19, 2015, from 8:00 a.m. to 12:00 p.m. on the east side of the valley; and September 26, 2015, on the west side. This is available for self-funded members and HPN members.

F. Gallagher Benefit Services Status and 2016 Renewal Report

Shawn Adkins, GBS, reported on tax reporting for City employees and expected changes in the Cadillac Tax. He also reviewed the status of the medical, vision, and dental plans. Mr. Adkins reviewed claim projections for 2016 and a contributions analysis.

G. Rate schedule for plan year 2016 (For Possible Action)

This item was deferred to the special meeting on September 21, 2015.

H. Elimination of domestic partner coverage

It was noted that the Teamsters plan dropped this coverage. The Self-Funded Plan currently has 30 people with domestic partner coverage.

A brief discussion ensued regarding how many insurance plans are dropping this coverage because gay marriage is now legal. This item will be placed on the special meeting agenda for further discussion.

I. Direct contract options for mental health and substance abuse facilities

Mr. Osip said staff receives occasional complaints about treatment for substance abuse in a non-local area. He asked if the Committee is interested developing a contract with out-of-area providers for this treatment.

Mr. Adkins commented that mental health issues are increasing. One option is to develop an excluded contract on a non-network basis.

Following a brief discussion, there was a consensus to defer this item to a future strategic planning meeting.

VII. Public Comment

There were no public comments presented.

VIII. Chairman/Committee Member/Committee Staff Comment

Mr. Osip reported on transgender information.

IX. Set Next Meeting Date

A special meeting was scheduled for Monday, September 21, 2015, from 7:30 a.m. to 10:30 p.m. The location of the meeting is to be determined.

X. Adjournment

There being no further business to be discussed, Vice Chairman Pentkowski adjourned the meeting at 1:56 p.m.

Respectfully submitted,

Tedie Jackson, CCS Reporter