

**CITY OF HENDERSON  
SELF-FUNDED INSURANCE COMMITTEE  
MINUTES  
SPECIAL MEETING  
September 21, 2015**

**I. Call to Order**

Vice Chairman Dan Pentkowski called the City of Henderson Insurance Committee Special meeting to order at 7:39 a.m., in the Tuscany Conference Room, 3<sup>rd</sup> Floor, City Hall, 240 Water Street, Henderson, Nevada.

**II. Confirmation of Posting and Roll Call**

Alysa Neilson, Employee Benefits Coordinator, confirmed the Insurance Committee meeting had been noticed in compliance with the Open Meeting Law by posting the Agenda three working days prior to the meeting at City Hall, the Multigenerational Center, the Whitney Ranch Recreation Center, Fire Station No. 86, the Nevada Public Notice Website, the City of Henderson Website, and by mailing a copy of the Agenda to everyone appearing thereon on the Agenda Master Mailing List.

PRESENT: Vice Chairman Dan Pentkowski

Barry Courtney

Jennifer Fennema (arrived at 7:52 a.m.)

Fred Horvath (for Courtney Lancaster)

Kenneth Kerby

Connie Kershaw

Tim O'Neill

Laura Shearin

ABSENT: Courtney Lancaster

STAFF:

Erin Flynn, Asst. City Attorney II

Kristina Gilmore, Asst. City Attorney II

Tedie Jackson, CCS Reporter

Alysa Neilson, Employee Benefits Coordinator

Bob Osip, Risk Manager

ALSO PRESENT: Shawn Adkins, Gallagher Benefit Services

Tom Chiello, HPSA

### **III. Acceptance of the Agenda (For Possible Action)**

(Motion) Mr. Horvath introduced a motion to accept the agenda as presented, seconded by Mr. O'Neill. 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. Medical Plan design change:**

Mr. Horvath reported that the City and union representatives reached a tentative agreement for a two-year deal subject to ratification and City Council approval. He reviewed proposed rates and distributed a handout entitled 2016 Funding Concept. He suggested the by-laws should be ratified at the November meeting.

Mr. Horvath also noted there is new language in the agreement that is consistent with the changes in the by-laws:

- There was a consensus on language that the city manager will make any decision on a tie vote
- Language was created to satisfy Bill 241 so the Committee members and alternates will be able to participate in meetings during City time
- Outlined all alternates and created a role for alternates
- Alternates for the City will be John Day and Fred Horvath

Shawn Adkins, GBS, distributed and reviewed a packet entitled "City of Henderson Plan Design Discussion." Topics of discussion included: Plan Design Options, ESI Adopt Advantage Plus UM Package, ESI Mandatory Generic program, Five-tier drug card, and Aligning benefits multi-generations.

A discussion ensued regarding several options.

#### **1. Impose restrictions on spousal coverage if other group coverage is available**

A discussion ensued regarding forcing spouses to take their own health insurance coverage if it is available. It was suggested that employees must show proof of spousal coverage if they elect to have secondary City of Henderson coverage.

Mr. Adkins will run a report in January to show how many spouses this change would affect.

(Motion)

Mr. Horvath introduced a motion to not allow an employee's spouse to enroll in the City Self-Funded Insurance Plan if the spouse has access to affordable insurance as defined under the Affordable Care Act. Spouses will be required to take employer-provided insurance before they could enroll as secondary on the City of Henderson plan; to be effective January 1, 2016. The motion was seconded by Vice Chairman Pentkowski. The vote favoring approval was unanimous.

It was noted that this change has a projected savings of approximately \$275,000.00

Staff will do outreach efforts with employees to explain this change.

**2. Increase member cost share:**  
**a. Deductible**

(Motion)

Mr. O'Neill introduced a motion to increase deductible to \$500/\$1,000; to be effective January 1, 2016, seconded by Ms. Kershaw. The vote favoring approval was unanimous.

Vice Chairman Pentkowski commented that he feels comfortable with the increase to ensure the solvency of the Plan.

**b. Co-insurance**

No changes were made to the co-insurance.

**c. Co-pay**

No changes were made to the co-pays.

**d. Out-of-Pocket maximum**

(Motion)

Mr. O'Neill introduced a motion to increase the out-of-pocket maximum to \$2,000.00 for single and \$4,000.00 for in-network benefit only, medical only, to be effective January 1, 2016. The vote was seconded by Mr. Horvath and approved unanimously.

It was noted that this change has a projected savings of \$165,000.00.

**B. Prescription drug plan design change:**

**1. Adopt Advantage Plus UM Package step therapy and pre-authorization program**

No changes were made to this item.

**2. Mandatory generic – member pays difference for brand name**

No changes were made to this item.

**3. Move from co-pay to co-pay/co-insurance model**

No changes were made to this item.

**4. Move from a four-tier to a five-tier prescription drug benefit structure**

No changes were made to this item.

Note: A break was taken from 9:52 a.m. to 9:59 a.m.

Following a brief discussion, there was a consensus to place all items under the prescription drug plan design change on the next agenda for possible action. It was also suggested that following items be placed on the next agenda for possible action: Retiree rates, Set employee contributions for year 2016; Ask Committee to endorse collectively-bargained rates for 2016.

The next meeting was scheduled for October 21, 2015, which would be after the ratification vote for the unions.

**C. Create a High Deductible/Health Savings Account option for members**

No action was taken on this item.

**D. Elimination of domestic partner coverage**

(Motion)

Vice Chairman Pentkowski introduced a motion to eliminate all domestic partners from the Self-Funded Insurance Plan, to be effective January 1, 2016, seconded by Mr. Horvath.

The roll call vote was: Those voting Aye: Courtney, Fenemma, Horvath, Pentkowski, and Shearin. Those voting Nay: Kerby and O'Neill. Those Absent: Kershaw. Those Abstaining: None. Chairman Pentkowski declared the motion carried.

It was noted that this change has a projected savings of \$54,000.00.

**E. Rate schedule for plan year 2015**

This item was continued to the next meeting, October 21, 2015.

**VI. Public Comment**

There were no public comments presented.

**VII. Chairman/Committee Member/Committee Staff Comment**

There were no comments presented.

**VIII. Set Next Meeting Date**

The next meeting was set for October 21, 2015, from 10:00 a.m. to 12:00 p.m.

**IX. Adjournment**

There being no further business to be discussed, Vice Chairman Pentkowski adjourned the meeting at 10:16 a.m.

Respectfully submitted,

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Tedie Jackson, CCS Reporter