

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

**MINUTES  
October 21, 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 Council Chambers Conference Room, 1<sup>st</sup> 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, Fire Station No. 86, the Nevada Public Notice website, and the City of Henderson website.

PRESENT: Chairman Jennifer Fennema (arrived at 10:30 a.m.)  
Vice Chairman Dan Pentkowski  
Tim O'Neill  
Barry Courtney  
Connie Kershaw  
Ken Kerby  
Courtney Lancaster  
Fred Horvath (for Laura Shearin)

ABSENT: Laura Shearin

STAFF: Erin Flynn, Assistant City Attorney II  
Kristina Gilmore, Assistant City Attorney II  
Alysa Neilson, Employee Benefits Coordinator  
Bob Osip, Risk Manager  
April Parra, Council and Commission Services Reporter

ALSO PRESENT: Shawn Adkins, Gallagher  
Bill Bixler, Loomis  
John Day, Finance  
Amber Hubber, HPN  
Pam Levy, Sierra Healthcare Options  
Tom Chiello, HPSA  
Marian Gamboa, Finance

### **III. Acceptance of Agenda**

(Motion) Mr. Kerby introduced a motion to accept the agenda as submitted. The vote favoring approval was unanimous. Vice Chairman Pentkowski declared the motion carried.

### **IV. Public Comment**

None.

### **V. Unfinished Business**

All members introduced themselves to new members and guests.

#### **A. Prescription Drug Plan Design Change**

Bob Osip, Risk Manager, gave a brief introduction to the proposed item and displayed the plan design options on the overhead. At the last meeting, the members requested that the options be brought back for additional consideration.

- 1. Advantage Plus Utilization Management Package step therapy and pre-authorization program.**
- 2. Mandatory Generic – Member pays difference for brand name.**

Shawn Adkins, Gallagher, gave a brief explanation of the option and how it would function for the members and explained that this is a “forced generic” program. He explained that the member will have to tell the pharmacist they want the name brand drug.

Mr. Osip noted that this option could be a consideration for next year.

Ms. Kershaw recommended starting at DAW2 and then going to DAW1 and letting members know that it could be changing soon.

Mr. O’Neill suggested continuing this because changes have already been made. He said would like to wait and see how the changes that have already been made turn out. He does not want such huge changes to be made all at once.

Vice Chairman Pentkowski Dan agreed with Mr. O’Neill and said he would like to see how the changes that they have already made turn out. He said he would like to defer numbers 1-4 to a later time to see how the savings turn out.

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

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

It was the consensus of the Committee that no action would be taken on Items 1 through 4.

**VI. New Business**

**A. Approval of Minutes for the meeting of September 9, 2015 and special meeting of September 21, 2015**

(Motion) Mr. O'Neill introduced a motion to approve the September 9, 2015, minutes as submitted. The vote favoring approval was unanimous. Vice Chairman Pentkowski declared the motion carried.

(Motion) Mr. O'Neill introduced a motion to approve the September 21, 2015, minutes as submitted. The vote favoring approval was unanimous. Chairman Fennema declared the motion carried.

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

Ms. Kershaw distributed the monthly financial report, gave a brief summary, and noted that there have been no substantial changes. She said revenues are up approximately five percent due to the recent premium increase.

**C. Loomis Monthly Claims Report**

Bill Bixler, Loomis, reviewed the City of Henderson Claims Analysis Report and noted that currently there are no large claims that are pending and have not been paid.

Responding to a question by Mr. Horvath regarding stop-loss claims, Mr. Bixler said there have been no claims in the last two months.

**D. Sierra Healthcare Options Monthly Report**

Pam Levy, Sierra Healthcare Options, reviewed the September Length of Stay Report and noted that the average length of stay has increased due to one member's extended stay.

Ms. Levy reviewed the Provider Report for the third quarter of 2015. She noted the new providers that have been added and said there have been no drastic changes.

A discussion ensued regarding urgent cares that are under contract.

**E. Health Plan of Nevada Status Report**

Amber Hubber, Health Plan of Nevada, said the HPN website has been revamped and gave a brief summary of some of the changes. She said the website is easier to use and non-members can access the providers.

**F. Gallagher Benefit Services Status Report and 2015 Third Quarter Report**

Shawn Adkins, Gallagher, gave an update on Anthem and Cigna. He also reviewed the claims report through September 30, 2015. He discussed the large claims and said it has been a very light year in terms of large claims, which is manifesting into a good surplus for the fund.

Mr. Adkins then reviewed the 2015 Third Quarter Report.

Note: Items G-M (except H) will be heard simultaneously.

**G. Increase Prescription Drug Co-pays**

Mr. Osip briefly reviewed the plan design options that were displayed on the overhead projector. A discussion ensued regarding the pros and the cons of the proposed recommended change.

(Motion) Mr. O'Neill introduced a motion to increase the drug copays in each tier by \$5, and leave generic as is. The vote favoring approval was unanimous. Chairman Fennema declared the motion carried.

**H. Hometown Health Renewal for Plan Years 2016-2018**

Mr. Osip gave a brief summary of the Hometown Health Renewal for Plan Years 2016-2018. Mr. Adkins said after negotiations with them they agreed to a cost of \$1.63 Per Employee Per Month.

(Motion) Mr. Horvath introduced a motion to approve the Hometown Health Renewal for Plan Years 2016-2018, as presented. The vote favoring approval was unanimous. Chairman Fennema declared the motion carried.

**I. Stop Loss Renewal for Plan Year 2016**

Mr. Adkins reported that this is a preliminary quote and noted they are negotiating with the company regarding the transplant that is no longer taking place.

Discussion ensued regarding taking the stop loss out to bid and what that would entail. Mr. Adkins said he does not feel that they will get much of a better rate than they have now.

Mr. Adkins reviewed the report entitled Renewal Options (Attachment A). He said he doesn't feel it needs to be increased from the \$500,000 amount as claims this size do occur, however, not very often. Mr. Adkins added that an increase in the deductible is not necessary at this time.

Discussion ensued regarding the options available to the Committee.

(Motion) Mr. Horvath introduced a motion to allow the consultant to negotiate the best price possible with a cap of \$525,000 stop loss and execute only if the current laser is removed. The vote favoring approval was unanimous. Chairman Fennema declared the motion carried.

**J. Establishing Employee Funding Rates for Plan Years 2016 & 2017**

Mr. Osip gave a summary of the Employee Funding Rates for Plan Years 2016 & 2017 and distributed the Self-Funded Health Plan Funding History which included proposed rates for 2016.

(Motion) Mr. O'Neill introduced a motion to approve the 2016 rates as presented by staff. The vote favoring approval was unanimous. Chairman Fennema declared the motion carried.

**K. Establish Retiree Funding Rates for Plan Year 2016**

Mr. Osip distributed a report entitled City Self-Funded & HPN – Early Retiree Rates and Post 65 Retirees Not Eligible for Medicare and a discussion ensued.

(Motion) Mr. O'Neill introduced a motion to approve the PPO & SHO Dental and the PPO & Delta Dental as presented in the report. The vote favoring approval was unanimous. Chairman Fennema declared the motion carried.

Items L and M were discussed together.

**L. Impose Restriction on Spousal Coverage if Other Group Coverage is Available – Health Plan of Nevada, Vision and Dental Plans, Effective January 1, 2016.**

Discussion ensued regarding concerns that Mr. Pentkowski presented from his members.

Clarification was made that both restrictions apply to both plans (City Self-Funded and Health Plan of Nevada).

(Motion) Mr. Horvath introduced a motion to impose restrictions on spousal coverage if other group coverage is available, effective January 1, 2016. The vote favoring approval was unanimous. Chairman Fennema declared the motion carried.

**M. Eliminate Domestic Partner Coverage – Health Plan of Nevada, Vision and Dental Plans, Effective January 1, 2016**

Note: See discussion under Item L.

(Motion) Mr. Horvath introduced a motion to eliminate domestic partner coverage, effective January 1, 2016. The vote favoring approval was unanimous. Chairman Fennema declared the motion carried.

**VII. Public Comment**

There were no comments presented by the public.

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

It was noted that no comments have been received on the bi-laws. Staff will meet with the City Attorney's office to make revisions.

**IX. Set Next Meeting Date**

The next meeting was scheduled for December 9, 2015.

**X. Adjournment**

There being no further business to come before the Committee, Chairman Fennema adjourned the meeting at 12:06 p.m.

Respectfully submitted,

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April Parra,  
Council and Commission  
Services Reporter