

**CITY OF HENDERSON
SELF-FUNDED INSURANCE COMMITTEE
Special Meeting
MINUTES
February 26, 2015**

I. Call to order

Vice Chairman Dan Pentkowski called the City of Henderson Insurance Committee meeting to order at 10:07 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
Barry Courtney
Jennifer Fennema
Fred Horvath
Courtney Lancaster (arrived at 10:17 a.m.)
Kenneth Kerby
Connie Kershaw
Tim O'Neill

ABSENT: None

STAFF: Kristina Gilmore, Assistant City Attorney II
Robert Osip, Risk Manager
Alysa Neilson, Employee Benefits Coordinator
Tedio Jackson, Council and Commission Services Reporter

ALSO PRESENT: Shawn Adkins, GBS (via teleconference until 10:58 a.m.)

III. Acceptance of Agenda

(Motion) Mr. Horvath introduced a motion to accept the agenda as submitted, seconded by Mr. Kerby. 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. Stop Loss Insurance
1. Adjust deductible

Bob Osip, Risk Manager, referred to the Retroactive Stop-Loss Renewal Analysis for Plan Year January 1, 2015, through December 31, 2015. It was noted that the current retention is \$175,000.00, and the Committee needs to consider whether or not to increase the deductible.

A discussion ensued regarding whether to create a subaccount and increase the stoploss deductible. It was suggested that the subaccount exhibit be included as an attachment to the minutes each month.

Ms. Kershaw explained that a subaccount would consist of two cash lines, but the funds would technically be in one account.

Kristina Gilmore, Assistant City Attorney II, pointed out the agenda item is to adjust the deductible for stop loss insurance. The discussion regarding the subaccount relates to this item; however, the motion cannot include structuring a subaccount. Any action regarding a subaccount must be placed on a future meeting for discussion and possible action.

Responding to a question regarding the savings, it was noted that the premium savings would be approximately \$390,000.00.

(Motion) Mr. Horvath introduced a motion to purchase \$500,000.00 deductible stop loss coverage for approximately \$222,000.00; recognize there is one active claim that is outside of the stop loss coverage for 2015; and that treatment of the premium savings will be discussed and voted on in a future meeting. The motion was seconded by Mr. O'Neill.

Mr. Kerby expressed concern that one catastrophic claim could do a lot of damage, and there are many unknowns to consider, such as PPACA and changes in legislation. He commented that this discussion is to make sure the Plan remains solvent.

Mr. Horvath commented that he believes this is an intelligent business risk to

start saving substantial payment.

The vote favoring approval of the motion was unanimous.
Vice Chairman Pentkowski declared the motion carried.

B. Establish effective date for previously approved prior authorization guidelines

Bob Osip, Risk Manager, said the Committee needs to give notice on this as a substantial plan change and establish an effective date.

(Motion) Mr. Horvath introduced a motion that June 1, 2015, be the effective date for previously approved prior authorization guidelines, seconded by Mr. Kerby. The vote favoring approval was unanimous. Vice Chairman Pentkowski declared the motion carried.

VI. New Business

A. Appeal of medical necessity denial for Cranial Remodeling Orthosis

- **If identifying medical information related to the physical or mental health of an individual must be discussed, then the discussion will be held in Closed Session pursuant to NRS 241.030. If and when any final action is taken, the action must be conducted in open session.**

Alysa Neilson, Employee Benefits Coordinator, reviewed the appeal summary and stated that this is a covered benefit; however, it was deemed not medically necessary by Sierra Healthcare Options. She explained that the treatment started August 20, 2014, but the denial letter was provided on August 29, 2014. The doctor's office billed the member directly for \$1,400.00. She noted that the process has been completed and there will not be any recurring charges.

Responding to a question regarding whether the insurance discount would be affected if this process is covered, staff noted that under this provider, the entire amount would be considered with no discount. The Plan would have to pay \$3,150.00.

(Motion) Mr. O'Neill introduced a motion to deny the appeal, seconded by Mr. Horvath. The vote favoring approval of the motion for denial was unanimous. Vice Chairman Pentkowski declared the motion carried.

VII. Public Comment

No comments were presented by the public.

VIII. Chairman/Committee Member/Committee Staff Comment

Responding to a question as to whether the March meeting is necessary, there was a consensus to cancel the March meeting and extend the April meeting to four hours.

IX. Set Next Meeting Date

The next meeting was scheduled for April 8, 2015, from 10:00 a.m. to 2:00 p.m.

X. Adjournment

There being no further business to come before the Committee, Vice Chairman Pentkowski adjourned the meeting at 11:09 p.m.

Respectfully submitted,

Tedie Jackson, Council and
Commission Services Reporter