

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

**MINUTES
August 29, 2013**

I. Call to order

Vice-Chairman Dan Pentkowski called the City of Henderson Insurance Committee Special meeting to order at 7:02 a.m., in the Westgate Conference Room, 1st 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: Vice-Chairman Dan Pentkowski
Connie Kershaw
Norm "Doc" Halliday
Priscilla Howell
Ken Kerby
Jayne Mazurkiewicz
Tim O'Neill

ABSENT: Chairman Fred Horvath

STAFF: Bob Osip, Risk Manager
Travis Buchanan, Senior Assistant City Attorney
Alysa Neilson, Employee Benefits Coordinator
Tedie Jackson, Minutes Clerk

ALSO PRESENT: Shawn Adkins, GBS (via teleconference)
Bill Bixler, The Loomis Company (via teleconference)
Amber Hubber, HPN (via teleconference)
Tom Chiello, HPSA

III. Acceptance of Agenda

(Motion) Mr. Halliday 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. Plan design changes

1. Change pharmacy benefit to deductible/co-insurance model

Bob Osip, Risk Manager, asked if there is any interest in making more changes to the pharmacy benefit.

No interest was expressed to make further changes to this benefit; however, this item will be continued to the next meeting.

2. Change pharmacy benefit co-pay amounts

No interest was expressed to make further changes to this benefit; however, this item will be continued to the next meeting.

3. Change emergency room-non-emergent

No interest was expressed to make further changes to this benefit; however, this item will be continued to the next meeting.

4. Increase co-pay for emergency room

No interest was expressed to make further changes to this benefit; however, this item will be continued to the next meeting..

5. Increase in-network specialist

No interest was expressed to make further changes to this benefit; however, this item will be continued to the next meeting.

6. Reduce or exclude coverage for non-network hospitals

Tom Chiello, Henderson Police Supervisor's Association, expressed concern that many members will be unhappy about the out-of-network changes to \$25,000.00 maximum that was voted on at the last meeting. He noted that many employees use out-of-network providers because they are better doctors. There is a lot of confusion regarding what the member will be responsible for.

Staff explained that the member will be responsible for a \$2,000.00 deductible, and as soon as that amount is paid, then the member will be responsible for 50 percent of bill.

Ms. Kershaw noted that she was absent at the last meeting and is also concerned about the approval to change the out-of-pocket maximums for out-of-network utilization to \$25,000.00.

Mr. Kerby commented that the HPOA does not want to revisit this issue.

Vice-Chairman Pentkowski pointed out that the unions have voted on these changes.

It was suggested that all of the plan design items be continued to the next meeting to discuss possible reconsideration.

B. Review plan design options for the Health Plan of Nevada HMO plan

Amber Hubber, HPN, via teleconference, reviewed a spreadsheet in the backup material regarding proposed changes to HPN benefits. She noted that the Emergency Room copayment increase from \$75.00 to \$150.00 is the lowest they will offer; however, the other recommended changes are adjustable.

Mr. Osip suggested that the in-patient hospital admission should be \$200.00 and the outpatient admission should be \$100.00. He also feels that the pharmacy co-payments should remain at \$25.00 and \$45.00. It was noted that the mental health will have to match.

Regarding questions as to whether a HMO must be offered to City employees, Ms. Hubber said the Sierra Healthcare Options contract has a requirement to offer an HMO if there is at least 20 percent participation. She noted that the City historically has lower participation than 20 percent.

Shawn Adkins, GBS, commented that the recommended changes will cause a disruption across the board due to incremental changes to a lot of copays. He noted that all the changes should be explained to members during open enrollment.

Responding to a question as to what it would cost to keep the same HPN benefits coverage, Ms. Hubber will provide that price at the next meeting and include changes mandated by PPACA. She estimated there will be a substantial increase.

Ms. Howell suggested leaving the specialist care office visit at \$10.00 because that is a common use.

It was noted that the PPO plan charges \$25.00 for a specialist care office visit. There was a consensus that the HPN specialist care office visit copayment should be reduced from \$20.00 to \$15.00.

This item will be continued to the next meeting for further discussion.

VI. New Business

A. Presentation of the Plan's Financial Status Report as of July 31, 2013

Connie Kershaw, Accounting Manager, distributed and reviewed the Self-Funded Health Insurance Fund as of July 31, 2013. She noted that the IBNR is for claims that are incurred but not reported.

A discussion ensued regarding an explanation of IBNR and the \$2 million reserve. Ms. Kershaw said the actual loss for the year is \$600,000.00 when you remove the projected IBNR amount.

It was suggested that going forward, the financial status report should show two different figures with and without the IBNR amount.

B. Gallagher Benefit Services Status Report

There was no information to report on this item.

C. Delta Dental renewal for Plan Year 2014

Shawn Adkins, GBS, reported that Delta Dental has lost money this past year due to many members utilizing their providers. He noted that Delta Dental is proposing a 12.24-percent increase renewal, which would cost the plan approximately \$30,000.00. The committee can also choose to remove Delta Dental from the Plan.

Ms. Kershaw commented that there was a slight amount of savings to the Plan when the City offered Delta Dental.

(Motion) Ms. Mazurkiewicz introduced a motion to approve the proposed rate increase renewal of 12.24 percent for Delta Dental, to be effective January 1, 2014, seconded by Mr. O'Neill. The vote favoring approval was unanimous. Vice-Chairman Pentkowski declared the motion carried.

D. Out-of-area plan design

Bob Osip, Risk Manager, clarified that the out-of-area and in-network plans will have the same benefit structure.

There were no questions or comments by committee members.

VII. Public Comment

There were no public comments presented.

VIII. Chairman/Committee Member/Committee Staff Comment

Ms. Neilson reported that Lifesigns will be a contracted provider with Sierra Healthcare Options (SHO) as of September 1, 2013. The direct contract with Lifesigns will be on the next agenda for removal since they are now a preferred provider with Sierra.

Mr. Osip said Express Scripts, Inc. (ESI) is changing their formulary in January and removing 48 drugs from the preferred list. This issue will be discussed at the next meeting.

IX. Set Next Meeting Date

The next meeting was set for September 11, 2013, from 10:00 a.m. to 2:00 p.m.

Note: Subsequent to this meeting, the September 11, 2013, meeting was rescheduled to September 18, 2013.

X. Adjournment

There being no further business to come before the Committee, Vice-Chairman Pentkowski adjourned the meeting at 8:25 a.m.

Respectfully submitted,

Tedie Jackson, Minutes Clerk