

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

**MINUTES
February 11, 2015**

I. Call to order

Vice Chairman Dan Pentkowski called the City of Henderson Insurance Committee meeting to order at 9:05 a.m., in the Council Chambers 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 (arrived at 9:14 a.m.)
Connie Kershaw (arrived at 9:40 a.m.)
Courtney Lancaster
Ken Kerby
Tim O'Neill

ABSENT: None

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

ALSO PRESENT: Shawn Adkins, Gallagher
Bill Bixler, Loomis
Tom Chiello, HPSA
Amber Hubber, HPN
Pam Levy, Sierra Healthcare Options
Lynn Brownlee, GBS
Dave Vorce, 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. Approval of Minutes for the meeting of November 12, 2014

Kristina Gilmore, Assistant City Attorney II, noted that the minutes should reflect that the Committee went into a closed session to discuss HIPAA sensitive personal medical information and that no decisions were made during the closed session.

(Motion) Mr. Kerby introduced a motion to approve the November 12, 2014, minutes as amended. The vote favoring approval was unanimous. Vice Chairman Pentkowski declared the motion carried.

V. Public Comment

There were no comments presented by the public.

VI. New Business

A. HIPAA Training

A HIPAA Training video was displayed for the Committee. Areas of discussion included: Transactions; Privacy; Definitions; Protected Health Information; Treatment, Payment, and Operations; Notice of Privacy Practices; Individual Rights; and Communication.

A discussion ensued regarding various circumstances that involve HIPAA violations and FMLA concerns.

B. Staff Reports

Financial Report

Note: This item was heard immediately following the Loomis Monthly Claims Report.

Connie Kershaw reviewed the financials as of January 2015 and noted that prescriptions are up 68 percent which is substantial.

Loomis Monthly Claims Report

Bill Bixler, Loomis, reviewed the City of Henderson Claims Analysis Report for the entire year of 2014 and noted the stop-loss

reimbursement numbers. He also reviewed the Large Claim Summary paid for 2014.

Gallagher Benefit Services Status Report

This item was heard with the Compliance Update. Please see the discussion under that item.

Sierra Healthcare Options Monthly Report

Pam Levy, Sierra Healthcare Options, reviewed the 2014 and 2015 Length of Stay reports as well as the Provider Report for the fourth quarter of 2014. She said there was nothing of significance to note.

Health Plan of Nevada Status Report

Amber Hubber, Health Plan of Nevada, stated that they are working on their access issues and noted that “shared visits” are increasing.

C. Compliance Update – Gallagher Benefit Services

Shawn Adkins, Gallagher Benefit Services, reviewed the Compliance Update. Areas of discussion included: IRS Reporting; Requirements for Large Self-Funded Plans; Sample 1095-C; 1141 Certification; Preventive Benefit; Supreme Court Update; Mental Healthy Parity; and Wellness-EEOC Challenge.

D. Overview of Current Claims Administration Process

Pharmacy

Mr. Adkins gave a PowerPoint presentation entitled Pharmacy Benefit Manager. Areas of discussion included: What is a PBM (Pharmacy Benefit Manager), Claims Processing Flow Chart, Network Management, How Does the PBM Make Money, High-Level Utilization Metrics, and City of Henderson Care Management Programs.

Health Claims Administration

Mr. Bixler gave a brief presentation on Health Claims Administration.

Responding to a question regarding the number of electronic claims, Mr. Bixler stated that approximately 60-70 percent of claims are electronic.

Provider Network, Utilization and Case Management

Ms. Levy distributed a handout entitled “Welcome to Sierra Health-

Care Options.” Areas of discussion included: Self-Funded Plans, Third Party Administrators (TPA), Preferred Provider Organization (PPO), Utilization Management (UM), PPO v. HMO Comparison, Self-Funded Plan Summary, Sierra Health-Care Options (PPO), SHO Products and Services, Networks Offered by SHO, SHO Utilization Management, and Bill Negotiation Services (BNS).

Responding to a question by Mr. Horvath regarding if United has a self-funded product, Ms. Hubber said yes.

Responding to a question by Mr. Osip regarding if Sierra has looked into an Exclusive Provider Organization (EPO) plan, Ms. Levy stated they have looked into it; however, it is a direct or select plan.

Health Maintenance Organization

Ms. Hubber gave a brief presentation on Health Maintenance Organization.

Note: A brief recess was taken from 11:35 a.m. to 11:50 a.m.

E. Revise prior authorization guidelines to match Cigna

Bob Osip gave a brief summary and reviewed the Treatment Pre-Notification Requirements

Mr. Bixler stated they did not want to expose the plan to additional costs. He said the objective was to eliminate red tape for the members and get rid of some of the dollar amounts.

A discussion ensued regarding members not being familiar with unlisted procedures and this causing confusion. Mr. Bixler said he would get clarification on this.

A discussion ensued regarding the precertification/preauthorization process.

(Motion) Ms. Kershaw introduced a motion to approve the revised Treatment Pre-Notification Requirements, with the understanding that Mr. Bixler will provide clarification of the unlisted procedures, seconded by Mr. Horvath. The vote favoring approval was unanimous. Vice Chairman Pentkowski declared the motion carried.

F. Stop Loss Insurance

After a brief discussion, it was the consensus of the Committee to

continue this item and hold a special meeting to vote on this item

G. Presentation on Private Insurance Exchanges

Mr. Adkins gave a PowerPoint presentation. Areas of discussion included: What is a Private Exchange?; Why is Everyone talking about them?; What is Defined Contribution?; How do my employees make decisions?; What happens to my experience?; Is this all about shifting risk?; What is the difference between private exchanges?; What does a private exchange cost?; Who should be considering a private exchange?; When should I make the move to a private exchange?

H. Discussion of Future Committee Initiatives:

Spouse/Domestic Partner Eligibility Limitations

Mr. Osip commented on this item and stated that this item is on the agenda so the Committee can brainstorm on ways to cut costs.

Mr. Adkins gave a PowerPoint presentation on PPO Plan Benchmarking. Areas of discussion included: Average PPO Cost Per Active Employee, Median Deductibles, Cost Sharing Requirements, Individual Out-of-Pocket Maximums, Prescription Copay Requirements, Employee Contributions.

Mr. Bixler said he will bring in some information next month for the Committee to review.

Conduct Dependent Audit

Mr. Adkins gave a brief summary of this item and stated that a major issue is ex-spouses who are still on the plan.

A discussion ensued on ways to conduct an audit including a stern (amnesty) letter, electronic dependent eligibility audit, documentation process (tax returns, marriage cert) or random sample. Costs range from \$35k - 75k.

Vice Chairman Pentkowski recommended a letter of amnesty be sent out.

Mr. Horvath suggested that this item be revisited at a future meeting.

Increase Member Cost Share

Mr. Horvath said he would like to see some numbers for the Committee to consider at the May meeting.

Review High Deductible Plans with a Health Savings Account Options

Mr. Osip briefly explained what this plan entails and asked if anyone on the Committee was interested in hearing more about these plans.

Mr. Adkins said he would like to bring back some options that would coincide with some other benefit adjustments.

Wellness Program Options

Mr. Osip said this is an option that will not help save money for the plan now, but will save Medicare dollars.

Mr. Adkins commented that it is a lot of work that does not create much saving as well as it does not change behaviors.

Disease Management Options

Mr. Adkins said most of his groups have a disease management program (diabetes, COPD, etc.) that are optional and not mandatory.

Mr. Bixler said he does not see much of a return on the costs.

Ms. Hubber said they have programs, but people really need to be incentivized in order to participate.

I. Rate Discussion for Plan Year 2016

The committee reviewed the city/employee contribution analysis for plan years 2014-2016.
A lengthy discussion ensued.

It was determined that staff will bring back the number of employees (employee + family) that fall into each tier.

Mr. Adkins said the children do not cost a lot of money; it's the spouses that increase cost to the plan. He said he will run some additional numbers and bring them back for the Committee to review.

Ms. Neilson noted that we need to set rates preferably by September or October at the latest.

Mr. O'Neill commented that we need to consider how much of the \$1.8 million is going to come out of reserves and how much will be covered by increases to the employees.

Mr. Chiello asked if a copy of the spread sheet could be sent to all the

members so that they can experiment with the numbers.

VII. Public Comment

There were no comments presented by the public.

VIII. Chairman/Committee Member/Committee Staff Comment

Mr. Osip commented that the conference is in Hawaii in November.

Ms. Neilson informed the Committee that 11 lives were added to the plan during the open enrollment period.

IX. Set Next Meeting Date

The next meeting was scheduled for March 11, 2015.

X. Adjournment

There being no further business to come before the Committee, Vice Chairman Pentkowski adjourned the meeting at 3:06 p.m.

Respectfully submitted,

April Parra,
Council and Commission
Services Reporter