

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

**MINUTES
June 12, 2013**

I. Call to order

Chairman Fred Horvath called the City of Henderson Insurance Committee meeting to order at 10:08 a.m., in the Westgate Conference Room, 1st Floor, City Hall, 240 Water Street, Henderson, Nevada.

II. Confirmation of Posting and Roll Call

Ms. 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: Chairman Fred Horvath
Norm Halliday (left at 2:10 p.m.)
Priscilla Howell
Connie Kershaw
Kenneth Kerby
Jayne Mazurkiewicz (arrived at 10:11 a.m.)
Tim O'Neill
Dan Pentkowski

ABSENT: None

STAFF: Dave Hintzman, Assistant City Attorney (arrived at 10:10 a.m.)
Robert Osip, Risk Manager
Alysa Neilson, Employee Benefits Coordinator
April Parra, Minutes Clerk

ALSO PRESENT: Shawn Adkins, Gallagher Benefit Services
Bill Bixler, Loomis
Tom Chiello, HPSA
Pam Levy, Sierra Healthcare
Amber Hubber, HPN

III. Acceptance of Agenda

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

IV. Public Comment

Connie Kershaw, Finance, reminded those that have a flex spending account that they can receive their funds via direct deposit.

V. Unfinished Business

A. Prescription Drug Plan Options

Shawn Adkins, Gallagher Benefit Services, distributed the City of Henderson Summary of ESI Clinical Programs and gave an overview. Areas of discussion included: Select Home Delivery, Mandatory Generics, Personal Medication Coach, Screen Rx, Select Step Therapy, and Incentive Programs.

1. Select Home Delivery – Mandatory Home Delivery for Maintenance Drugs

Mr. Adkins gave a brief summary of this program and discussed the “opting out” option.

Responding to concerns regarding temperature-sensitive medications sitting in mailboxes, Chairman Horvath commented that people have the ability to “opt out” of the program if they choose.

Additional discussion took place regarding incentives and the current level of use by City of Henderson members.

2. Mandatory Generics – Require Members to Pay Cost Difference if Electing Certain Name Brand Drugs

Mr. Adkins reviewed the Mandatory Generic Drug program.

There were no questions from the Committee.

3. Personal Medication Coach – Program to Assist Members with Chronic Disease

Mr. Adkins reviewed the Personal Medication Coach program.

There were no questions from the Committee.

4. Screen Rx – Program to Identify and Assist Members with Prescription Drug Adherence Obstacles

Mr. Adkins reviewed the Screen Rx program.

Mr. Chiello commented that this program seems very intrusive.

5. Select Step Therapy – Program to Manage Drug Cost Within Specific Therapy Classes

Mr. Adkins reviewed the Select Step Therapy program.

There were no questions from the Committee.

6. Incentive Programs – Reduce Co-pays for Select Drug Classes

Mr. Adkins reviewed the Incentive Programs.

There were no questions from the Committee.

Chairman Horvath requested that Mr. Adkins report out next month on What changes would have to be made to co-pays to the prescription drug plan to recapture approximately \$150,000.

It was the consensus of the Committee that this item be continued to the July meeting.

VI. New Business

A. Approval of Minutes for the meeting of May 13, 2013

(Motion) Mr. Pentkowski introduced a motion to approve the May 13, 2013, minutes as submitted. The vote favoring approval was unanimous. Chairman Horvath declared the motion carried.

B. Presentation of the Plan's Financial Status Report as of May 31, 2013

Ms. Kershaw distributed the financial reports and gave a brief summary. She noted that Delta Dental is saving the Plan approximately \$50,000; however, the Plan is still on target for a \$1 million loss.

C. Loomis Monthly Claims Report

Bill Bixler, Loomis, reviewed the Monthly Claims Report. He noted that claims in April and May were high and there are eight claims over \$40,000 for the year.

There were no questions from the Committee.

Mr. Bixler also noted that the new website is up and running and phone apps will be available in July.

D. Sierra Healthcare Options Monthly Report – Hospital Length of Stay and Provider Network Update

Pam Levy, Sierra Healthcare Options, reviewed the monthly report and stated the average length of stay was 3.36 days.

There were no questions by the Committee.

E. Gallagher Benefit Services Status Report

Mr. Adkins, Gallagher Benefit Services (GBS), reviewed the GBS Estimated Accrual Plan Status Report. He noted that Medical is running at a slight deficit and Dental and Vision are running at a surplus.

Mr. Adkins noted that the issue of foster children will need to be revisited to discuss the impacts of the Patient Protection and Affordable Care Act (PPACA). He said he is currently waiting for additional guidance on this issue, which will probably be addressed in the next two to three months.

Note: A lunch break was taken from 11:21 a.m. to 11:50 a.m.

F. Presentation on the Impact of the Patient Protection and Affordable Care Act

Mr. Adkins distributed and reviewed the Healthcare Reform Impact Report. Areas of discussion included: The Timeline; Impact of Changes Made to Date; Impact of Future Changes; Evaluation of Part-Time, Hourly, and Seasonal Employees – Background; Evaluation of Part-Time, Hourly, and Seasonal Employees – Highlights; Evaluation of Part-Time, Hourly, and Seasonal Employees – Stratification; Evaluation of Part-Time, Hourly, and Seasonal Employees – Analysis; Evaluation of Part-Time, Hourly, and Seasonal Employees – Unknowns; Shared Responsibility; State Changes – Background; Shared Responsibility – Analysis; Shared Responsibility – Pay or Play; Workforce Planning

Considerations; Taxes and Assessments; Future Taxes and Assessments; Future Plan Design Changes; Unknowns; and Summary of the Total Costs of HCR.

A lengthy discussion ensued regarding who will be impacted by the additional costs as well as various ways that the costs could be offset.

G. Discussion Regarding Combined Out-of-Pocket Maximum Accumulation

This item was continued to the next meeting.

H. Revision to the Plan Document to Allow Employees to Waive Coverage

This item was continued to the next meeting.

I. Lifesigns Contract for Primary Care Services

This item was continued to the next meeting.

J. Establishment of Funding Rates for Plan Years 2014 and 2015

This item was heard immediately following Item F.

Chairman Horvath distributed the report entitled "Needed Funding – Medical, Rx, and Dental (GBS Suggested Rates) for Plan Years 2013-2015, and Mr. Adkins gave a summary.

Chairman Horvath gave an update on discussions that have been taking place with the various unions and the City Council regarding the increase in rates.

Chairman Horvath distributed various rate-change options that would help meet the rising costs of the self-funded plan and suggested that it might be time to have more than one plan available for employees to choose from.

A discussion ensued regarding various options and ideas to make changes to the plan. Mr. Adkins said he will return next month with some suggestions to plan design/rate changes.

It was the consensus of the Committee that this item would be continued to the next meeting to allow members to review the information that was distributed regarding rates and return next month to discuss.

VII. Public Comment

There were no comments presented by the public.

VIII. Chairman/Committee Member/Committee Staff Comment

There were no comments presented.

IX. Set Next Meeting Date

The next meeting was set for July 10, 2013.

X. Adjournment

There being no further business to come before the Committee, Chairman Horvath adjourned the meeting at 2:37 p.m.

Respectfully submitted,

April Parra, Minutes Clerk