

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

**MINUTES  
April 8, 2015**

**I. Call to order**

Acting Chairman Bob Osip called the City of Henderson Insurance Committee meeting to order at 9:05 a.m., in the Westgate 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, and Fire Station No. 86.

PRESENT: Acting Chairman Bob Osip (for Fred Horvath)  
Barry Courtney  
Vice Chairman Dan Pentkowski (arrived at 10:22 p.m.)  
Jennifer Fennema  
Kenneth Kerby  
Connie Kershaw  
Courtney Lancaster  
Tim O'Neill

ABSENT: Chairman Fred Horvath

STAFF: Bristol Ellington, Assistant City Manager (left at 12:10 p.m.)  
Kristina Gilmore, Assistant City Attorney II (left at 12:14 p.m.)  
Alysa Neilson, Employee Benefits Coordinator  
Tedi Jackson, Council and Commission Services Reporter

ALSO PRESENT: Shawn Adkins, Gallagher Benefit Services  
Tom Chiello, HPSA  
Amber Hubber, HPN  
Pam Levy, Sierra Healthcare Options  
Ray Pepin, Express Scripts  
Harris Zeyae, Express Scripts

**III. Acceptance of Agenda**

(Motion) Mr. O'Neill introduced a motion to accept the agenda as submitted, seconded by Mr. Kerby. The vote favoring approval was unanimous. Acting Chairman Osip declared the motion carried.

**IV. Public Comment**

There were no comments presented by the public.

**V. New Business**

**A. Approval of Minutes for the strategic planning meeting of February 11, 2015 and special meeting of February 26, 2015**

(Motion) Mr. O'Neill introduced a motion recommending approval of the February 11, 2015, and February 26, 2015, minutes as submitted, seconded by Ms. Lancaster. The vote favoring approval was unanimous. Acting Chairman Osip declared the motion carried.

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

Connie Kershaw, Accounting Manager, distributed and reviewed the Self-Funded health Insurance Fund as of March 31, 2015. She noted that the City received an \$85,000.00 rebate from Express Scripts through an audit. She also pointed out that we currently have \$633,902.00 in the retiree insurance subsidy fund.

**C. Loomis Monthly Claims Report**

Bill Bixler, The Loomis Company, reviewed the monthly paid claims analysis report, and noted that the City received \$350,000.00 in stoploss reimbursements.

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

Pam Levy, Sierra Healthcare Options, reviewed the Hospital Length of Stay and the 2015 Inpatient Utilization Provider report.

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

Amber Hubber, Health Plan of Nevada, reported that the 2016 renewal will be presented to the Committee in May.

**F. Gallagher Benefit Services Status Report**

Shawn Adkins, GBS, reported on a compounding issue regarding Express Scripts, Inc. (ESI), and noted that GBS has been working with ESI to reprocess claims and issue a \$50,000 credit back to the Plan. He stated that no members will be impacted through this process.

Mr. Adkins stated that due to new compliance issues, all employees next year will get an additional tax form 1095C or 1094B. He noted that GBS is researching all the nuances of this issue and will provide updates to the Committee.

Mr. Adkins commented that many drugs are awaiting approval by the Federal Drug Administration. There may be a need for the Committee to discuss plan design changes regarding some of these drugs.

**G. Express Scripts Presentation**

Ray Pepin, Account Executive, ESI; and Harris Zeyae, Pharmacist, ESI, distributed and reviewed a packet from Express Scripts entitled: "Your Collaborative Planning Guide." They highlighted the following topics: Service Excellence; Industry Insights; Unsustainable Price Hikes; Advocating for You; Key Metrics by Quarter; Top Line Performance Metrics; Top Line Performance Metrics; Key Statistics: Specialty Detailed; Generic Fill Rate Opportunity; Top 10 Indications; Top 25 Drugs; Top Specialty Indications; Top 25 Specialty Drugs; Upcoming Patent Expirations; PCSK9 Spend Model; Clinical Savings; Utilization Management; Recommended Advantage Plus UM Package; Patient Stratification; Channel Management: Specialty; and Channel Management: Home Delivery.

It was noted that Express Scripts can build a design that meets members' needs. The recommendation for step therapy is to send members a notification in advance, and they do not recommend grandfathering pre-authorizations.

Mr. Zeyae also discussed therapeutic resource centers and care management that is available to all members at no cost. Staff asked that communication pieces and brochures be made available to employees so they know these services are available.

In response to questions regarding new FDA drugs requiring genetic testing, Mr. Zeyae explained about genetic testing processes, and noted that genetic testing will only be recommended when medically necessary. He clarified that the physician will provide genetic testing, not ESI.

Regarding compounding marijuana in drugs, Mr. Pepin said they are working to address this issue. He noted that using marijuana as a filler will not be covered.

Mr. Pepin and Mr. Zeyae also explained the Fraud, Waste, and Abuse program that is available to all City employees.

**H. Gallagher Benefit Services 2014 Annual Report**

Note: Item H was heard before Item G

Shawn Adkins, GBS, reviewed the 2014 Annual Report and highlighted the following topics: Financial information; Medical, Dental, Vision Programs and Claims; and Utilization. He noted that the early retiree population is growing, which is concerning because the early retirees represent a \$576,000.00 budget deficit.

Note: A break was taken from 11:18 a.m. to 11:25 a.m.

**I. Review of Committee By-Laws**

Bob Osip, Risk Manager, referred to the Self-Insurance Health Plan Committee By-Laws in the packet and suggested the by-laws be updated. According to the by-laws the Human Resources Director is the defacto chair of the committee. He questioned whether the Chair and vice-chair positions should be changed to an election process.

Following a brief discussion, there was a consensus to place an item on the next agenda to revise the by-laws, for discussion and possible action. A suggestion was also made to establish a process regarding committee member alternates in the by-laws. An agenda item for the next meeting will be to vote for a vice-chair position.

**J. International Foundation of Employee Benefit Programs (IFEBP) Annual Conference**

Mr. Kerby, Ms. Kershaw, Mr. O'Neill, and Ms. Neilson will be attending the IFEBP Annual Conference from November 8-11, 2015, in Honolulu, Hawaii. The 2016 conference will be located in Orlando, Florida.

Mr. Adkins commented that the State and Local Government Benefits Association (SALGBA) Conference may also benefit Committee members. The 2015 conference will be held from May 3-6, 2015, in Bonita Springs, Florida.

**K. Establish procedures for creating and maintaining a stop-loss account**

- Establish upper and lower deductible levels for calculating premium savings
- Create financial savings goal before returning a portion of premium savings to the Plan's operating budget
- Establish procedure to fund premium savings deficit years

Following a brief discussion, there was a consensus that Mr. Adkins bring in different models for Committee members to review at the next meeting.

Ms. Kershaw proposed to have a separate stop loss line item and a stop loss self-insured item for tracking purposes. She will add stop loss line items to the Monthly Financial Report.

This item was continued to the next meeting for further discussion and a possible vote.

**VI. Public Comment**

Pam Levy, Sierra Healthcare Options, commented that Valley Health Systems is opening a hospital in Union Village. Although the hospital has not yet been built, they have a contract with SHO.

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

Mr. O'Neill asked Mr. Adkins to mail him information regarding the State and Local Government Benefits Association (SALGBA) information.

**VIII. Set Next Meeting Date**

The next meeting was scheduled for May 13, 2015, from 10:00 a.m. to 2:00 p.m.

**X. Adjournment**

There being no further business to come before the Committee, Acting Chairman Osip adjourned the meeting at 12:33 p.m.

Respectfully submitted,

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Tedie Jackson, Council and  
Commission Services Reporter