

**Benefits Focus Group Minutes
(4/3/02)**

Committee members, alternates and staff advisors present:

Benita Saldutti
Ed Whitehead
Andy St. John
Pat Horan
Neal Elliott
Dick Minster
Linda McKinney
KayKae Thomas
Stacey Monroe
Joyce Dolan
Suzy Milburn
John Glanden
Gil Fernandez
Karen Lusk
Janice Cox
Dolly Gamble
Rick Winters
Robert Blinch-Edwards
April Bryan

Benita Saldutti called meeting to order at 1:05 p.m., April 3, 2002, in the City Commission Chambers. Roll was called.

Minutes of March 1, March 5, and March 11, 2002 were approved without corrections.

Linda McKinney handed out information about the City's current Wellness Activities.

Robert Blinch-Edwards distributed several handouts: "A Heart Health Appraisal", Healthcare Sarasota Wellness Series Summary, Wellness Series Survey, Stress Management, Sarasota County's Wellness Incentive Program Rules and Procedures (draft). These handouts are to provide information on items to be considered and incorporated into a wellness program. Mr. Blinch-Edwards asked that the Wellness Series Summary be distributed to all employees so they indicate what programs they would be interested in. The survey form is more detailed and asks for level of interest in each subject.

Ms. McKinney said she would like the Group to review this information before the next meeting. There was some discussion about the cost of certain wellness programs and how people could be identified for participation and then encouraged to do so. Neal

Elliott suggested that there be some type of incentives and/or rewards to encourage participation.

Ms. McKinney reported that during the recent signup over 65 employees made a change. Of the active employees (including Police) there are 155 in PPO (46 changed from PPO), 511 in EPO (increased by 44), 25 in TeamHealth (almost double original participation). It appears that out of the retiree population of over 400, 90 do not live in the six-county area that is served by the EPO. There have been a few inquiries from retirees about the EPO.

Ms. McKinney asked that the Group formalize their recommendation that retirees sign up for their next plan year in January at the same time as the active employees. John Agen asked Ms. McKinney to tell the group that it was his intention to send a letter to all SMREA participants regarding the benefit signup – what benefits would be and when they would start. Neal Elliott made the motion that the Group make the recommendation that retirees have their signup on January 1, 2003 at the same time as the active employees and become part of the same plan. Second by Suzy Milburn. Motion passed unanimously.

Dick Minster asked when the Group's next recommendation was due? Recommendations for the next plan year are due by June 15, before Budget Workshops start.

Ms. Saldutti asked Mr. Blinch-Edwards if he was going to discuss catastrophic care. He said he had only just received a copy of the school board's plan that was being offered to their employees through Blue Cross/Blue Shield and had not had a chance to review it completely. After he does that, he will prepare a draft for the Group. He gave a brief description of what a catastrophic plan is. It usually has a very high deductible - the higher the deductible, the lower the premium. After deductible is paid, the health plan begins and covers 80/20, 90/10 or 100 percent. The premiums are based on the amount chosen.

There was a discussion about encouraging people to take advantage of the wellness benefit physical as a way to identify problems early. This benefit is for those with chronic illnesses as well as those who are healthy, but the purpose of a physical is to be able to detect a medical problem before it becomes serious. Hopefully, a disease management program will be developed to deal with people with diabetes and serious heart conditions, as well as ongoing programs for chronic illnesses.

Ms. McKinney reported that through November of last year, the health plan costs are running about 1% above the previous year, which is extremely good, when you consider that costs are going up 19-20% some places. However, the City is still incurring large costs on retail drugs. For some reason, the requirement to use the mail order prescription plan after two prescriptions was removed. Ms. McKinney suggested that the Group recommend that on all plans there can only be two retail prescriptions filled and then all refills need to be done by mail order (for maintenance drugs). On retail

prescriptions, there is a 15% reduction on the cost of drugs plus a processing fee of \$3.00/script. On mail order, there is a 20% reduction in the drug cost and a processing fee of \$0.50/script. Education is needed to make people feel comfortable with the process and the savings to them.

Ms. McKinney said that another initiative that was stopped had to do with generic drugs. When a generic drug was available, and the script did not have "as written" on it, the pharmacist would give the generic equivalent or call the physician to see if giving the generic was okay. She suggested that this be reinstated through a recommendation from the group. The question was asked if the Physician's Health Organization (PHO) could require doctors to write generic prescriptions whenever available? Mr. Blinch-Edwards said that is their function and then the Pharmacy Benefit Manager (PBM) has the job of writing letters to the physicians reminding them that generics are available. This could also be part of the education process – to make employees aware of generic equivalents and formulary drugs.

The consensus was to make a long-term recommendation that prescription maintenance drugs be mandatory mail in and generic drugs used unless specifically noted otherwise by the physician. Dick Minster asked if a dollar amount could be calculated and assigned to each of those recommendations to show annual savings. Mr. Blinch-Edwards will try to get that information from Caremark.

There was a discussion about situations where people are on PPO only because they have children out of state. Ms. McKinney is still researching possibilities and to see if there is something that can be done for those unique situations.

Some discussion followed about defined contribution plans/medical spending accounts. It is a fairly new concept to large companies. There is not a lot of data available to show how successful it is. The IRS has not yet come out with a decision on how to tax that money. The money that is rolled over from one year is used to fund the deductible for the next year - which causes the employer to have to fund the deductible. The money that is rolled over was previously used to pay for catastrophic care. This places a burden on the plan and the employer.

The City's wellness plan needs to be drafted so that chronically ill can also benefit from the program - not just the healthy. They need to be provided the same opportunity.

Mr. Blinch-Edwards and Ms. McKinney will try to have a draft of wellness program by next meeting. They would like the group to review information that was handed out and be familiar with it. The survey will be sent out after specific feedback is received from the group.

There was more discussion about how to identify people for participation in certain wellness programs such as managing diabetes and cardiovascular disease - what is appropriate as far as informing them what classes are available, how they may benefit from them, and who should make that contact. Possibly a letter could be sent from

