

**Benefits Focus Group Minutes  
(5/15/02)**

Committee members, alternates and staff advisors present:

John Agen  
Benita Saldutti  
Ed Whitehead  
Dick Minster  
John Glanden  
Gil Fernandez  
Casey Humpert  
Janice Cox  
Linda McKinney  
Robert Blinch-Edwards  
Joyce Dolan  
Veda Mahadi  
Dolly Gamble  
Andy St. John  
Kevin Stiff  
Pat Horan  
KayKae Thomas  
Rick Winters  
Karen Lusk  
April Bryan

John Agen called meeting to order at 1:15 p.m., May 15, 2002, in the City Commission Chambers, City Hall. Roll was called.

Minutes of 4/24/02 and 5/1/02 were approved. With following correction, page 2, paragraph 4, pays 120% not 125% of in-network costs.

Suzy Milburn asked about the list of recommendations to date. Linda McKinney handed out that information. She stated that the list was just a starting point and further items can be added. This list does not mean that it is all the recommendations that will be covered. Next week the Group will fine-tune the list.

Ms. McKinney told the Group that the minutes of the Group's meeting are currently posted on the City's web site through 4/17/02. Minutes approved at today's meeting will be posted as soon as possible.

John Agen asked Ms. McKinney the status of firefighter's fund. Fund is \$800,000, established at time of consolidation of City and County departments, for the purpose of deferring the cost of the firefighters' health care as they retire. There are approximately 125 retired, and 73 who have not retired at this time. Ms. McKinney did a rough draft proposal for Mr. Mitchell's review. The proposed way to allocate funds is to recreate the fund and figure out what percentage of the fund should have been transferred at the time each person retired. It is a complicated process but should be an accurate

reflection of what should be transferred to the current medical fund. When the City's budget process is over, the Finance Department will work on that. The time frame is not known at this time. Mr. Agen asked if Mr. Mitchell could make a conservative estimate of an amount that could be included in the June recommendation from the Group. The Group would like to know ahead of time what is going to be presented to Mr. McNees. It was decided that the amount would be automatically added to the Group's recommendations no matter what it is.

Next item of discussion was approval of contract with Kurt Gehring. He will be advising the Group again. Ms. McKinney contacted Mr. Gehring and asked him to price out the proposal the Group will be talking about today. He would like to meet with the Group and said he would be willing to come at no charge to answer any questions after he has the costing done. His goal is to have the numbers available by May 22. Ms. McKinney has asked him to cost out the numbers in proposal passed out today, although the Group has not agreed to those changes yet. At least it will give an idea of the cost impact so a decision can be made.

Discussion turned toward the proposed plan changes for 2003. Each item was read. Clarification of co-pay for lab work – would be \$15 per visit. John Glanden asked how the copay would affect those under Medicare. Robert Blinch-Edwards said he would check on that. Copays will not apply to wellness benefit. Question was asked about routinely scheduled lab work. For instance, someone who has to have blood work every month like those on blood thinning or cholesterol medications. Would they be subject to \$15 copay each time? Mr. Blinch-Edwards will look into that also. He suggested that these items be investigated and the recommendation rewritten and resubmitted to the Group.

Discussion of disease management – is \$500 for lifetime or annual benefit? The intent of this recommendation is to aid employees with serious diseases that have attendance at these programs prescribed by their doctor. The programs (usually about 6 weeks long) are to help the individual survive in a less threatening manner - live with their disease and become more educated about their disease. The only way they can participate is through a prescription from their doctor. It is not like a wellness program per se; it is prescribed by the doctor. It costs around \$500 each. It sometimes stops the need for dramatic intervention. The City's current plans do not cover. This is a cost increase initially, but in the long run will save major medical procedures being performed. This is not a voluntary participation, it is usually a critical situation where the doctor feels like intervention must be done, quite often for the survival of the patient.

Ms. McKinney said that dental is currently costing 5% of medical. She proposed breaking out charges for dental showing \$7 for single + one and \$9 for family coverage. Currently everything is bundled as one amount.

Benita Saldutti asked about the charge for Single PPO. She stated she will never vote for a plan that will charge employees for coverage. Ms. McKinney's argument was that if the goal is trying to get people to move away from PPO, then provide them with an option for those who live outside the 6 county area. Charging for single PPO coverage is a way to get them to consider other options and move to EPO2. The other option is

to drop the PPO, but would probably not do that until most, if not all, have moved to other plans.

The EPO2 addresses problem of having family members living out of area. Ms. Saldutti suggested raising the copays on PPO to be higher than those on EPO. To make the difference come from those who use the service rather than charge employees or retirees.

Ms. McKinney said that the dental charges will be separated from an administrative point of view, no matter what the cost is.

Mr. Blinch-Edwards stated that a lot of people who choose the PPO are women and parents with children who can't get coverage with the EPO for their gynecologists and pediatricians because they are not in the network. The PPO is a very important product.

Mr. Agen asked the Group to remember that at this point every item is only in the discussion phase. Any decision will be made by the Group and will only be a recommendation. He asked the Group to keep an open mind so when it comes time to make a decision, all available options can be considered.

Ms. Saldutti asked if Ms. McKinney was going to come back with some amendments to recommendations for next meeting. The deductibles and the out of pocket, but the per office visit and that sort of thing is not addressed. Ms. McKinney said she did not touch those things at this time. Ms. Saldutti asked if she was anticipating changes in those areas. Ms. McKinney said because she recognized that introducing the concept of a \$7.00 premium was going to be volatile so she didn't addresses anything besides the deductible and out of pocket. The increased deductible would put us in step with what the County charges at this time and would get us close to what their out of pocket is. Ms. McKinney said the reason to compare to the County is that they are also self-funded and do not have a fund problem. Pat Horan suggested doing away with copays for PPO because the County does not have them and go back to a percentage of coverage after the deductible is paid. Ms. Saldutti said she would like to see that in the proposal and instead of a \$7.00 charge, increase the cost of office visits – the usage charges. Ms. McKinney will have Mr. Gehring cost out doubling all the physician's services charges and also going back to deductible and 80% in network. She will also have him cost out 75%.

Dick Minster said he wanted to make it clear that the Retiree's Association and he will never go along with charging any retiree or active employee for their insurance premium. This should be made clear to the staff and administration. John Agen suggested instead of approving individual items, to get the list of recommendations together and have numbers attached to them by Mr. Gehring.

The exact revisions:

Physician's services under PPO raise deductible to \$300 and 80% in network. If Ms. McKinney thinks it is reasonable to make any adjustments in any of the copays, go ahead and then the Group will look at them next week.

No cost for PPO single. Dental will be costed out the way it is listed and then Group can go back and look at it. They can see what the impact is.

Next meeting is in the Commission Chambers on May 22. The Group would like Mr. Gehring to attend meeting only if he has the numbers requested.

Public Input:

Joyce Dolan asked again about the cost of a wellness program. Mr. Blinch-Edwards said there is generally a 3 to 1 return on dollars invested. Can only determine the cost when the particulars of the program are known. Gil Fernandez asked if Mr. Blinch-Edwards could get the numbers from the County Wellness Program for the Group to look at. Ms. Saldutti suggested that since the wellness program will not be in the proposal for the 2003 plan year that the discussion be set aside.

Charles Senf said that for about 4 weeks or longer he has been asking for list of recommendations. He feels that the Chair needs to direct staff that if information is available, it needs to get out to the people so they can keep abreast of what Group is doing.

Next meeting is May 22, 2002, at 1:00 p.m., in the City Commission Chambers

Meeting adjourned at 2:45 p.m.

Minutes Approved: August 7, 2002

John Agen, Chairperson