

Benefits Focus Group Minutes
(5/22/02)

Committee members, alternates and staff advisors present:

John Agen
Benita Saldutti
Ed Whitehead
Dick Minster
John Glanden
Janice Cox
Linda McKinney
Robert Blinch-Edwards
Veda Mahadi
Dolly Gamble
Andy St. John
Kevin Stiff
Pat Horan
Rick Winters
Karen Lusk
Joe Munyak
Mark Trefethen
Gib Mitchell
Stacey Monroe
Suzy Milburn
April Bryan
Kurt Gehring

John Agen called meeting to order at 1:10 p.m., May 22, 2002, in the City Commission Chambers, City Hall. Roll was called. John Glanden will replace Neal Elliott as the SMREA representative to the Group. The alternate member is Bill Tatum.

John Agen began by asking those with comments to wait to be recognized by the Chair before speaking. He would appreciate it if the audience and alternates would hold their comments until the public input section of meeting.

Kurt Gehring passed out handouts showing paid claims from 5/2001 through 12/2001 and a letter to EMI requesting information and percent of credits and \$ credits for certain proposed plan changes.

Linda McKinney handed out a list of proposed changes to date, and proposed plan changes (for discussion purposes only) along with a spreadsheet showing current plans.

Ms. McKinney stated that she has asked Mr. Gehring to cost out the savings of the proposed changes presented to the Group last meeting. Also would like Mr. Gehring to give the Group an estimate of the ongoing funding requirements based on the ongoing

experience of the plan itself. Today Mr. Gehring will discuss what impact the changes will have to the fund – what the cost savings will be. Next week, he will give the Group the funding information so they can see the impact of the fund based on experience at this point.

Mr. Gehring stated that the information he is providing shows credits based on the information available. Also stated that he is not charging for his time today. Plan Report - Paid Claim report: shows PPO claims, EPO claims Pharmacy Claims (combined) and Dental. Retirees are not broken out as far as figuring the cost to the plan for them. He is trying to develop a report that will show month by month the overall funding and compare that to total expenses. That would show a surplus or deficit month by month. He is currently gathering information for that.

Mr. Gehring said he has requested information in order to give more accurate numbers on the handout that shows credit amounts for plan changes. He will revise the report with projections based on the noted requested information. He will also add any additional changes requested by the Group.

Ms. Saldutti suggested that the Group might want to step up the meeting schedule since they are nearing the deadline. Ms. McKinney said that originally the Group had talked about 6/14 as a deadline to present recommendations to Mr. McNees. Group consensus was to try to meet two times per week until deadline.

Ms. Saldutti mentioned that the Group had never come to a consensus on breaking out the dental charges and copay amount for lab charges. She suggested that they agree on those before asking Mr. Gehring to provide a cost for them.

Discussion about separating dental from medical charges. Dolly Gamble asked what the Commission and/or City Manager expectations were of the Group. Ms. McKinney said that her perception of what the City Manager expected was that he would like to see increased participation by the employees. There is currently no dollar amount that is expected. Ms. McKinney stated that if the dental charges were not broken out and charged for separately, then an additional amount would need to be added to the charge for medical because revenue needs to be generated in order to replenish the fund. Ms. Saldutti said she would rather see the copays be increased to make the users pay more than have everyone pay more for premiums. Ms. McKinney said that increasing the copays would not generate any revenue for the fund. Costs are going up and everyone is going to have to realize that they will need to pay more. Her goal is to present a reasonable plan that reflects reasonable plan design at a cost that is reasonable going forward, and to lay the groundwork that costs are going to continue to go up. It is not a responsible expectation that the employees and retirees will not share the additional costs. Separating the plans will give dependents the option of taking one or the other coverage or both.

No consensus was reached. Discussion of separating dental charges from medical will be continued at next meeting.

Mr. Gehring will provide cost information at meeting of June 3. Ms. McKinney will check to find out the exact date the proposal is due to the City Manager.

Public Input:

Charles Senf pointed out that on Mr. Gehring's handout, the percentages shown need to be consistent in order to show a true picture of costs and savings. Some are shown as a percentage of total plan cost and some are shown as percentage of dental cost.

Next meeting is May 29, 2002, at 1:00 p.m., at Public Works Department. Meeting adjourned at 3:30 p.m.

Minutes Approved: August 7, 2002

John Agen, Chairperson