

Benefits Focus Group Minutes (7/2/03)

Committee members, alternates and staff advisors present:

John Agen
John Glanden
Robert Blinch-Edwards
Stacey Monroe
Gil Fernandez
Veda Mahadi
KayKae Thomas
Dolly Gamble
Joyce Dolan
Dick Minster
Ed Whitehead
Linsley Pietsch
Pat Horan
Kurt Hoverter
Andy St. John
Bill Tatum
Dolly Gamble
Marquett Becker
Casey Humpert
Linda McKinney
April Bryan

John Agen called the meeting to order at 1:00 p.m.,

Kurt Hoverter passed out the results of the special meeting of the Focus Group that was held on June 18. It included a summary of the brainstorming exercise, the initial breakdown of topics, and the actual decision matrix created by the Group. There are four areas to be addressed: 1) positive and negative incentives for wellness, 2) health screenings and health risk assessment, 3) prevention and 4) health awareness communication. He presented a draft of a plan for action for the group to use to address the issues. He stressed that this is a draft and if people have suggestions to please contribute them. He plans to fill in the information to make a complete proposal to give to the Group at the next meeting. Then the Group can decide exactly how and when they want to address each issue.

John Glanden expressed concern over making sure the wellness incentives were appropriate to the age groups especially as they affect the retirees. There was discussion about types of incentives and how they could apply to retirees that lived outside the state. Robert Blinch-Edwards said there are many ways that the incentives could be administered. All results of the testing that would affect incentives will be completely confidential.

Mr. Glanden asked what the time limit was for drafting out a proposed plan. Mr. Hoverter stated that he would like to bring back a proposed plan in outline form to the

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Group at the next meeting. Anything done will not take effect until January of 2004 at the earliest. Mr. Agen asked that there be approximate cost estimates associated with the different parts of the plan. Mr. Blinch-Edwards pointed out that the initial costs would be higher than the long-term costs, and savings benefits would not be realized for a few years.

Mr. Hoverter asked the Group to look at the page of the handout showing the breakdown of the membership of the City's plan. There is approximately 40% post retirement membership in the plan. This is an important consideration that will affect wellness and communication issues.

Mr. Agen extended an invitation to HR to attend the Retirees' meeting (SMREA) and give a presentation. The meeting will be held at the FOP Hall on July 27 at 2:00 p.m.

Next handout was a financial report of the health fund showing a year's comparison of revenues and expenditures reflecting that the balance of the fund continues to decrease as costs rise.

Mr. Hoverter passed out handouts showing suggested medical/Rx options for the 2004 plan year that would help to control costs. Savings are estimated to be approximately \$313,500 per year. Options include the following:

- a Spousal surcharge for employees whose working spouse has health coverage available at their place of employee and declines it
- implementation of a prescription co-insurance for formulary and non-formulary drugs
- creation of a pain management program to monitor use of pain drugs
- mandatory generic drug program; addition of 4th tier for Biotech drugs
- moving non-sedating antihistamines into 3rd tier (non-formulary) co pay
- continued education to increase wellness and healthcare consumer knowledge.

Following handouts were explained and discussed:

- Caremark Analysis showing comparison of drug costs for January 2001 thru May 2003
- Monthly Comparison showing running totals of medical costs for 2001 to 2003
- Paid medical claims with charges separated for Active, Cobra, Retired for plan years 2001 and 2002

Mr. Agen asked the Group to review the options before the next meeting. Mr. Hoverter will provide an update on the Wellness Program.

Ms. McKinney reminded everyone that Dr. Frank Burns would be at the next meeting to give a presentation.

Mr. Blinch-Edwards passed out a sample of the flyer on Skin Cancer that will go out with all paychecks to employees.

Meeting adjourned at 2:50 pm.

Next meeting is August 6, 2003, 1:00 p.m. in the City Commission Chambers.

Minutes Approved: _____

John Agen, Chairperson