

**Benefits Focus Group Minutes
(5/05/04)
(In attendance, alphabetically listed)**

<u>Regular Members</u>	<u>Alternate Members</u>	<u>Staff Advisors</u>	<u>Recorder</u>
John Agen	Joyce Dolan	Wendy Press (SHC)	Diane Vanderwest
Janice Cox	Nancy Meskimen	Linda McKinney	
John Glanden	William Tatum		
Pat Horan			
Casey Humpert		<u>Guest</u>	
Susan Merritt		City Mgr, Michael McNees	
Stacey Monroe			
Benita Saldutti		<u>Also attending</u>	
Andy St. John		Toni Welicki	
KayKae Thomas		Kim DeNais	
Louise Van Pelt			

Call to Order- Chairperson

John Agen called the meeting to order at 1:05 p.m., May 5, 2004.

Roll Call

Diane Vanderwest called the roll. City Manager, Michael McNees was a guest at this meeting.

Approval of Minutes

John Agen called for approval of the minutes from the last meeting, including a revised page 6. These minutes from the April 7th, 2004, meeting was approved unanimously.

John Agen asked that we set aside our scheduled agenda and allow City Manager McNees to speak to the group and after that do a question and answer time.

Mr. McNees attended today's meeting to answer some questions and make a few comments regarding some misunderstandings that occurred at the last Benefits Focus Group (BFG) meeting of April 7th.

Mr. McNees spoke of the root of the concern being the fact that the City did propose in PBA negotiations a 3-yr contract that would have in the 2nd yr an added premium for the healthcare for single coverage, of which all department heads knew. Offered with the premium was a salary increase to more than cover the premium. The point of that was to consider spreading out the share of the cost of the plan among as many people as possible. The share of the plan has moved onto fewer individuals. This was proposed to put the idea of a premium on the table, to have a conversation about an idea. This puts no new money in healthcare plan; but it would for new hires that are coming on board. The premium for a new employee becomes new money into the healthcare plan so that over time, we phase in some new money into the plan; spread out evenly among everybody without impacting any current employees, financially.

Mr. McNees advised that this was the logic behind that idea; but it triggered people saying we were promised free healthcare for single coverage and this is an understandable concern. But, because the PBA didn't want to accept that term for the contract, it came off the table and is not being considered. It was presented that over time this would create a more stable and predictable fund without impacting the pocket books of existing employees. This idea was overcome by fear or mistrust that if this were accepted at a given percentage now, then next year it would go up.

Mr. McNees said what we need to do is have a little faith in each other and that the administration and the city commission are working for everybody's best interest. It's not the intention to take things away from people, but rather to build a sustainable healthy plan that will be with us and will solve our health issues over time.

Reference (to the last minutes from April 7, bottom of P. 5) by Mr. McNees that he's quoted as saying there will be one plan, so if the PBA accepts it, automatically it goes to everybody else. Mr. McNees advised that we will work, whenever possible, to preserve one plan, because whenever something other than one plan is proposed, it's opposed. It was made very clear in early 2002 when benefits changes were discussed that one plan was what the employees, retirees, spouses, etc want. Mr. Hoverter is getting Mr. McNees to realize that there are more tiers (other than one plan now) and we do have EPO1, EPO2 and Varsity Health.

Mr. McNees said that as we go forward, to please understand first, then yell at us after. If a five-minute conversation like this had occurred, then things like Linda had to address at the last meeting wouldn't have happened. He would take questions and comments from the group.

John Agen spoke of the fear among retirees on a set income that heard that the procedure was in the thinking mode and that out of sunshine meeting was held on the same afternoon as the BFG on April 7th. Also, Agen said he felt it was some lack of communication on the staff's part in not reaching the focus group to quell rumors. Some things during PBA negotiations can't be shared, but some reassurance to the focus group may have helped in this case. If we don't have communication, then we have fear, especially among the retirees who want to keep up with events.

Mr. McNees commented on the retiree issue and the out of sunshine saying it's illegal to sit out of the sunshine and discuss how to handle retiree health benefits (as documented in the last BFG minutes). He said he can't promise that every thought or rumor or misinterpretation will get to the group here first, but said anything of substance or importance is typically heard here first.

Benita Saldutti said the BFG did not hear about the proposal that was on the table to the PBA.

Linda McKinney advised that back in the February minutes Kurt mentioned that there were going to be proposals that would cause a lot of discussion and he did mention to this group and that at negotiations there would be topics that would be controversial (believed to be the 3-yr contract) and made certain references to it as much as he could at the time, without getting into specifics.

Mr. McNees said he understands the anxiety, particularly among the retirees, but he can't remove the uncertainty that everybody in America who is on a fixed income or even working people a lot of cases have today as far as healthcare benefits and how this affects them over time. Fear and anxiety was targeted back to the city as the benefit provider when the city was trying to help solve it.

John Glanden asked if another basic method or plan had been developed to present to the PBA. The answer was no. John Glanden said he's aware through the news media that courts have determined that the boss (the City) has the ability to implement change without doing anything except through a labor agreement (which retirees don't have) and asked if anything would be implemented to those of us without a labor agreement.

Mr. McNees advised that since it (another idea) hasn't been talked about yet, then that's not an idea and that the court ruling has no bearing at all on our conduct here in the City.

John Glanden said he called the insurance commission when he heard of this headline and they stated that they have nothing to do with the City at all since the City is self-insured. John addressed Benita and said that any article presented at the table is public at that time and that any negotiation is open (to the public) to any of you, anytime they have them, but you have to know where and when. You can sit in, but cannot participate. Mr. McNees advised that these meetings, although a useful process are usually long and at a minimum 3 to 4 hours, sometimes all day with maybe 5 minutes of conversation and a lot of strategy sessions in between.

There was a question concerning the upcoming summer workshop (for benefits) and if this group would be included. (An email was distributed to all employees on April 12th just after the last BFG meeting with a copy attached to the last minutes.) Mr. McNees advised that it is not just for insurance. The Commission has agreed to a workshop to address a strategic look at pay and benefits, not just from year to year, but a look over the bigger picture and to ask what are the philosophies as an employer. They will ask what do they want to be as an employer. An example would be a former company's philosophy to have the salary for all jobs to be market rate + 5% and have that philosophy to be a part of their pay system. Mr. McNees said the City Commission needs to talk about that sort of thing, competitive issues, how often we can update our pay plan, benefit strategies, what to work for, long term, in benefit strategies, a cafeteria plan to pick and choose what employee prefers, or stick to one plan for all. These conversations need to take place when we're not trying to solve a particular problem. It may be that what we are seeking is over the next 5 yrs, gradually adjusting as we go.

Mr. McNees said he'd like everybody to participate, maybe not all will speak, workshops don't work that way, but anyone can attend. He would like to have some representatives of this group in some way participating in the workshop than just the city commissioners and wants everybody to know what's going on in that, when it's scheduled. Mr. McNees said what he doesn't want to happen be that ideas are squelched and conversations avoided by limiting it to individual benefit issues. The broader picture is what needs to be addressed.

Toni Welicki (Toni works in the City Manager/Commission office) wanted to add about workshops. She said a workshop is usually just attended by the commissioners and the charter officials. The public is not allowed to speak or question the commissioners in any way and as an employee we would be considered the public so there would have to be an adjustment to those rules if we wanted to have a representative or 3 or 4 representatives of the employee groups at this workshop. Unless they are a presenter in a workshop, no one is usually allowed to speak.

Mr. McNees disagreed with that statement because as an employee you are not just the public; you are city employees also (includes retirees). You are City staff and we can work it out. You are we and we are you. We all will prepare together to figure out what we are trying to accomplish and that's the balance.

Toni asked if the City was going to increase co-pays this year for x-rays, labs, doctor visits, prescriptions, etc instead, since that door is already open?

McNees advised that what is on the table for the PBA at this moment is the same plan everybody else has. Toni advised that didn't answer her question. Mr. McNees said he couldn't answer that because he hasn't had any conversation with Kurt as to where the plan is going. Mr. McNees also advised Toni (in answer to her question on spousal surcharge on Caremark) that nothing has been accepted as we are at an impasse now.

Toni asked Mr. McNees if he meant that we would get what they (PBA) accept.

In answer to that Mr. McNees said no, it was the other way around. He said what we already have is what we are trying to get them to accept. It's you, then them (PBA), not them then you. The PBA contract is still for this budget year 2003-2004 that goes back to Oct 1st 2003. No changes have been proposed for the 04-05 contract. We can't get this one out of the way yet.

John Agen advised that the most important thing is the communication, which helps prevent fear and the reactionary mode. Mr. McNees said he would try even harder to communicate the issues and know that Kurt and Linda will accept that challenge as well, adding, the group should have some faith in them also.

John Glanden asked when the workshop would take place. It was determined to be sometime well into the summer, probably after the City Commission reviews budgets, which isn't until July. Date not yet determined.

A question, that could not be directly answered due to privileged healthcare information concerned if the City Commission is covered under our medical plan; however, they are entitled to be covered, since they are considered city employees.

A question concerning a possibility to consider lowering the co-pays on prescription drugs was presented. Mr. McNees advised that HR works those things basically everyday (to determine trends) but none set at this time.

Kim DeNais wants to make a statement about Caremark, wanting Mr. McNees to also hear her concerns. This will be allowed after Mr. McNees is finished and following regular agenda items.

John Glanden asked Mr. McNees if it was his intent to recommend any changes in the healthcare plan at this time. Mr. McNees advised that he didn't have an intent, because he and Kurt haven't even discussed where we might go next year and what the current state is and what change might be, but did say with fairly good certainty, some change is almost imperative. Mr. McNees said he's not sure we would want to leave some people bearing the amount of the cost, but he personally doesn't have any intent, except to make the plan financially sustainable and to make it as fair as possible and if that means keeping it the way it is, that's fine and if some things need to be tweaked, then we will do that. However, we are still negotiating 03-04 benefits.

Toni brought up the fact that if the City budget will be determined in July for next year, then how will funds be able to be changed to accommodate items brought up in the workshop if the workshop occurs after July? For example, if they wanted to put more money towards City benefits and compensation instead of towards the Van Wezel, Ed Smith, the Airport, the cultural district or other areas.

Mr. McNees pointed out that Toni was describing the difference between a tactical and a strategic conversation. The tactical conversation is: how much can we afford to pay this year? That's the budget question and we will have that conversation as we review the budgets in July. The conversation we need to have (at the workshop) is about their philosophy as an employer, a multi-year, bigger picture conversation. It's not about how much pay raise can we have this year. It's about how we will want to position ourselves as an employer, how we want to build our systems and how we want to improve those systems.

Toni said since the budget would be finalized in July for 04-05, then there would be no way to adjust the budget after the fact, to have money go into solving this problem.

In answer to this, Mr. McNees said whenever this workshop happens, we are constrained by the FY 05 numbers, but there are ways to deal with issues of more money, is something comes out of the workshop later. We want this to be a look not just of one year's worth of budget. It's to be more of a philosophical discussion about their position. You could take the dollars out of it, because we want them to talk about their policies and philosophies not necessarily about how much they are willing to spend.

Toni asked if the, relief could be a couple years away?

Mr. McNees wanted to clear up any misunderstanding about the point of this workshop in that it's not to talk about more or less money in everybody's paycheck. That's a budget fight over the summer. Last year was a brutal budget year for the City; this year is a little better. This year we are not subsidizing the Van Wezel and we didn't subsidize them in FY 03 and probably not in FY 05.

The point of the workshop isn't to make more money available for FY 05. It's to make it more predictable year in and year out so we don't have to have a new battle every summer - more predictability.

John Agen thanked Mr. McNees for answering our concerns. Linda McKinney advised that when approached to come to today's meeting, Mr. McNees did not hesitate.

Agenda Item, Health Screenings -Further Update

Linda McKinney introduced Wendy Prell of Healthcare Sarasota. She works with Robert Blinch-Edwards (not attending today) and addressed the group on the screening updates and the doctor's checklist.

Wendy handed out a 3-page summary of the Healthcare Sarasota health Screening Health Risk Assessments. The actual findings generated a thick report. A copy was given to Linda McKinney.

The handout was reviewed. The significant findings follow. Most participants were 40+. Of the 3 major health risks, 87.1% of the participants had a low or ideal score for the diabetes risk; however, 64.5% of the participants had a moderate or high risk score for heart disease and 73.1% of the participants had a moderate or high risk score for cancer risk.

Several behavioral factors were listed as inadequate (overall fitness-covering exercise, strength training and stretching and overall nutrition-covering snacking and eating fruits and vegetables). 93.5% of the participants indicate eating less than recommended amounts of fruits and vegetables.

Health topic interest in order were: weight management 31.2%; cholesterol 30.1%, nutrition 26.9%, coronary risk 23.7%, fitness 21.5% and cancer risk 21.5%.

Of the body fat analysis of men, 31.8% were overweight with 45.5% at high risk. Of the body fat analysis of women, 16.7% were overweight with 58.3% at high risk. Of the blood pressure percentages 37.6% indicated elevated levels and 37.6% indicated high levels.

A final Checklist for Your Doctor's Visit was distributed to the group. The tri-fold brochure will be distributed to all in the near future and the front cover will be in color.

Toni asked what percentage of city employees/retirees took advantage of this healthcare-screening event. Wendy indicated she didn't have exact percentages as not all retirees call themselves retirees. Some of them call themselves police so the amount of current and retirees, separately is not known. But of the 1100 possible, about 132 participated – about 10%. Since participation was low, a question was brought up if it would be discontinued for cost effectiveness. Linda McKinney advised that it is cost effective by participation.

Mr. McNees added that screenings could save lives as a preventative value when high risks are discovered.

Toni asked if our plan requires an annual physical. The Varsity Health plan does require an annual physical.

John Glanden thought perhaps an annual physical should be a requirement for all participants as they are for police and firefighters. But, because other positions are not in health safety related positions, as they are for police and firefighters, there is no business reason to require it be done and it would be challenged. We offer and encourage the benefit and make it easier with the healthcare screenings.

If there are any questions with the screenings or results, please give Wendy a call.

A suggestion was given to put the results of the screenings in the next Sarasota Spirit newsletter. Linda McKinney will advise Maggie.

John Glanden said we should look at the findings to determine numbers and not just percentages due to the fact that there was only 10% of employee participation.

Open Discussion

Kim DeNais shared an experience she had concerning Caremark and the changing of her high blood pressure medication. Caremark had faxed her doctor's office and someone (unaware of Kim's medical history and possible interaction) in her doctor's office approved the change while her doctor was on vacation. Caremark then sent Kim the new medication (without first advising Kim). When Kim called Caremark to return the new medication, she was told she had to keep it and pay the \$63 or not get future prescriptions.

Kim called KayKae and Wendy who took care of the problem with one phone call. Caremark then called Kim and advised that they have a Switchback Program that is available to her and it would be no problem. Kim's concern was she wasn't made aware of this program a month ago when she made unresolved phone calls to correct the problem. She was put her through a lot of stress due to the medication being switched and Caremark did not advise her of this until she received the prescription in the mail. Also, when Kim was put back on her usual prescription (as recommended by her doctor) the price increased from \$45 to \$86 and Kim feels penalized for not taking the medication that Caremark felt she should be taking.

John Agen advised that similar situations were brought up in previous meetings. They usually get resolved through KayKae or Robert. Caremark was given an education process a couple months ago.

Wendy advised that Caremark does contact the doctor's office, usually through a fax and the on-call (fill-in in regular doctor is unavailable) signs of and the change is made that way. The patient finds out when they receive the new medication in the mail, usually accompanied with a letter.

Linda McKinney advised that part of our plan is to have Caremark check with our doctors if they think there are some questions about the drug or if they think it can be substituted with a generic. It's a cost issue. In Kim's case, they did contact Kim's doctor's office (doctor was on vacation) so the attending physician signed off, as they normally would do, making that determination and taking that responsibility. It's how we've asked Caremark, in the broader scope, to manage. Kim felt they should have contacted her doctor only (due to having knowledge of Kim's medical history).

John Glanden added that if you have your doctor put to be filled as written, it would not be substituted for future prescriptions. Communication is important.

Kim advised that this situation was extremely upsetting for her and she would not want anyone else in the City to go through what she went through concerning this Caremark problem.

Linda McKinney advised that the minutes from the last meeting contained information concerning the meeting with Caremark and problems that were discussed. (See minutes of April 7th, p. 4 –5). We may have to tweak it more.

John Agen made a suggestion to put some ideas in the newsletter about offsetting this type of situation with Caremark.

Stacy Monroe mentioned a situation she had where she called her doctor from the pharmacy to get something less expensive after specifically asking for a generic. Stacy advised that she felt Caremark should contact the patient first and the patient could work the change in prescription out with the doctor. Kim said it would have solved her problem because her doctor would have said no. No one contacted Kim (and her doctor was on vacation.)

Linda felt that it would be difficult to contact patients during normal business days and the doctors that are on-call when your doctor is out has the expertise to do so.

Mr. McNees said for the system to work, everyone in it has to work correctly. We need to continue to contact Caremark and make sure they understand how this is working for us. Prescription management, really new for everybody, is trying to deal with some of the marketing driven demand for drugs and some of the things that cause the cost to go out of control. We can talk to Caremark and HCS people will work with Caremark to pass along these concerns so they understand the impacts. The doctors have to do their part. If your doctor has concern that someone else in their office might have signed off on a change in your medication without your approval, then they need to hear about that. A concern about Kim's problem today was that all this happened without Kim knowing until the prescriptions arrived at the door.

Toni said she received a new prescription that came without a letter and an email to Caremark went unanswered for 10 days until Toni finally called them about the new medication. She advised that to help in her case with this issue, Toni sent a letter to her doctor to be placed in her file that gave all the code words that you need to get your prescription filled the way you want it (as needed, and no substitutes, fill as

written) to write the prescription correctly and in the letter she advises the doctor not to answer any faxes requesting a change in it before speaking to Toni.

Joyce Dolan mentioned another situation concerning getting a letter to change to a generic medication for her husband (who does not belong to this Caremark plan). For those that are allergic to a generic medication, the change could be life threatening. Joyce felt that the Caremark concerns are nationwide.

Mr. McNees said we are trying to encourage the move from the brand name to a generic of the same drug whenever possible.

Linda McKinney reviewed the part of the minutes from the last meeting of April 7th at the bottom of page 4 and the top of page 5, reference to Caremark concerns. We did meet with Caremark and advised them that they should no longer be making prescription changes without contacting the physician – this was reinforced. The quantity of drugs should no longer be changed without contacting the physician. Caremark should also contact the patient with a letter if a change is made to the prescription so there are no surprises.

John Agen advised that we are working on the problem. Linda McKinney advised that we would discuss that again with Caremark.

Nancy Meskimen said she would have the minutes posted for Public Works review when Andy St. John mentioned it used to be posted in the past.

Adjournment and Next Meeting

John Agen adjourned the meeting at 2:20 p.m.

The next meeting is 1:00 p.m. Wednesday, June 2nd, 2004, in Room #100 of the Federal Building.

/dv

Minutes Approved: _____

John Agen, Chairperson, or
Benita Saldutti, Acting Chairperson