

**Benefits Focus Group Minutes
(8/04/04)**

(In attendance, alphabetically listed)

note: names listed are BFG members, others may attend but are not always listed.

<u>Regular Members</u>	<u>Alternate Members</u>	<u>Staff Advisors</u>	<u>Recorder</u>
John Agen	Joyce Dolan	Robert Blinch-Edwards	Diane Vanderwest
Janice Cox	Jim Godshall	Kurt Hoverter	
Dolly Gamble	Nancy Meskimen	Linda McKinney	
John Glanden	William Tatum		
Pat Horan	Kevin Wells for Susan Merritt		
Dick Minster		<u>Guest</u>	
Benita Saldutti		C/M Michael McNees	
Andy St. John		Stacy Bryan, Navigator Plan	
Kevin Stiff		Al Woodle	
KayKae Thomas			
Louise Van Pelt			
Ed Whitehead			

Call to Order- Chairperson

John Agen called the meeting to order at 1:00 p.m., August 4, 2004.

Roll Call

Linda McKinney called the roll and was advised if an alternate member would be voting on the options presented at today's meeting. Regular members voted, unless alternates filled in. Alternate Nancy Meskimen was present and advised she would vote in place of Gil Fernandez and Kevin Wells filled in and voted in place of Susan Merritt. Note: C/M Mike McNees was a non-voting guest.

Approval of Minutes

John Agen called for approval of the minutes from the last two meetings. The minutes from the July 7th and July 14th, 2004, meetings were approved unanimously.

Voting of Chairperson and Vice-Chair-

The group nominated John Agen and Benita Saldutti to retain their current positions as Chair and Vice-Chair for the BFG. They both accepted and were congratulated.

Benefit Plan Design Alternatives for 2005 – Linda McKinney and Kurt Hoverter

Linda updated the group on the medical costs through the month of April including the total costs chart, monthly comparison, pharmacy cost chart and costs by fiscal year.

Medical plan options were presented through handouts and displayed on the wall for dot method voting. A member (or voting alternate member) used a "vote dot" to select the option and to designate the selection as effecting "active" or "actives and retirees." The option cost quotes are for active employees only and do not

include the additional funds should retirees be included. From the last meeting, Options 1A and 2A have the costs that would apply to retirees.

One of the original plans (original Option #4 from the last meeting) was not included, as this was no longer an option from which to choose. This option was for a lower GWI percent increase with no change in the medical plan.

The BFG had five plans from which to vote to make their recommendation to Mr. McNees.

Option 1 - Fund the necessary increases from E+1 and E+F coverage increases, with \$0 for single coverage, generating \$187,000 additional funds.

Option 2 - Every employee will pay \$5 per week with increases to E+1 and E+F lower than Option 1, generating \$185,180 additional funds.

Option 3 - Percentage increase based on coverage selection proposing .75% of salary increase for single coverage, 1% increase for E+1 and 1.25% increase for E+F coverage. The example included retirees, generating \$371,177. Without including retirees, this generates \$275,786 additional funds.

Option 4 - Charges .75% of the base salary increase for each employee plus the current contribution for E+1 and E+F, generating \$218,37 additional funds.

Option 4 also introduced a new plan called the Navigator Plan that would ultimately replace Varsity Health. The Navigator Plan is a restrictive plan, not serving outside the Sarasota area, except for emergencies, which would continue a \$0 contribution for single employees, \$25 per week for E+1 or \$35 per week for E+F coverage (cost estimates). Information was distributed to the BFG with comparisons and restrictions of the Navigator Plan to current PPO and EPO plans.

Option 5 - Different percentage increase based on coverage and added to current costs resulting in .4 % for single, .7% + current costs for E+1 and 1% + current costs for E+ F coverage. This option included future pre-1993 retirees contributions based on the following scale: normal retirement with 25 years or more will be 0% contribution for single coverage; 20-25 years of service will be the employee rate divided by 2; and under 20 years of service the rate would be the active employee rate.

Item #6- Add-on

The BFG members decided to make the Navigator Plan an “add-on” to whatever option selected through the vote instead of having it built in to Option #4.

Item #7- Add-on

The group also decided to have the information adding future pre-93 retirees contribution scale taken out of Option #5 and also placed for voting as an “add-on”.

Some components of one option may be carried over to another option in the final outcome, depending on what the BFG members conclude. This does not preclude HR for having the responsibility for making its own recommendations for the plan to Mr. McNees. One vote went to one of the five options presented and the member had a choice of either or both of the two add-ons.

Prior to voting, Linda McKinney introduced Stacy Bryan, from Sarasota Memorial Hospital who provided an introductory overview of the Navigator Plan.

The Navigator Plan is an improved Varsity Health, placing more responsibility on the member. This plan would still offer a \$0 premium for single coverage. EPO and PPO are also available. The plan has strict authorization requirements or referrals and out of pocket costs are higher. Mandatory education and initial meeting orientation is required to be a member of the Navigator Plan. Local medical case management makes it cost effective with selected physicians. An annual maximum pharmacy benefit has yet to be determined. The small pharmacy network includes Davidson's, Target and Walgreen's. An on-site pharmacy case manager is on staff. This plan would use a different third party administrator than the current EMI. The physicians that participate in the Navigator Plan are required to have Internet access. All of their referrals and authorizations are done online on SMH web server and go directly to the claims administrator. There is no paper, no faxing or phone calls.

Before open enrollment, all employees would be educated on the Navigator Plan more thoroughly on how it works specifically. A defined list of additional high-risk activity participation, which is not covered by the Navigator Plan, would be provided.

John Glanden read a letter from the Retired City Firefighters Association, dated August 2, 2004. John Agen advised that the purpose of the BFG was to make recommendations to the City Manager. A copy of this letter is available in the HR Dept.

Voluntary voting took place. Thirteen members voted. Kevin Stiff and Andy St. John abstained from voting.

Linda McKinney certified the voting dots totals. Option #2 (active employees only) was the vote majority. Option #2 (active and retirees) received the next highest count.

For Item #6, the majority voted to have the Navigator Plan introduced.

For Item #7, due to setting up a separate tier effect for current retirees and future retirees (those after January 1, 2005), a clarification vote was made by the members. Twice as many voted to have Option #2 for active employees only, as opposed to active and retirees. Current retirees would be exempt from Option #2 as the recommendation. Future retirees, after January 1, 2005, would start participating according to the scale, based on years of service, for single coverage only. Members agreed that additional costs for E+1 and E+F would be passed on to current retirees.

Linda advised that a final document would be sent out to BFG members with the costing out numbers, based on current enrollment for review for your acceptance as accurately represented as the recommendation prior to the next meeting.

Other Business

There will be a Commission Workshop Monday, August 30th, 2004, from 3:00-6:00 p.m. This meeting will set the foundation or level in terms of a picture of the City, based on active employees, retirees, wages, benefits, demographics, etc. The next, second workshop will be to pose the question for the long-range strategic plan – the long-range look at wages, benefits and employment at the City. The direction of subsequent workshops will develop based on full information of what the City looks like.

Linda and Kurt thanked the BFG for a great job in dealing with tough issues.

Information from the August 30th Benefits Workshop will be reported back to this group.

Adjournment and Next Meeting

John Agen adjourned the meeting at 2:50 p.m. The next meeting will be Wednesday, September 1st, 2004, in Room #100 of the Federal Building.

/dv

Minutes Approved: _____

John Agen, Chairperson, or
Benita Saldutti, Vice-Chairperson