

**Benefits Focus Group Minutes
(12/5/07)**

Note: BFG members who attended are listed; non-members may attend but are not always listed.

<u>Regular Members</u>	<u>Alternate Members</u>	<u>Staff Advisors</u>	<u>Recorder</u>
Al Woodle - Chairperson	none	Robert Blinch-Edwards - HCS	PJ Hahn
Janice Cox		Linda McKinney	
Susie Daniels		Kurt Hoverter	
Bill Gaines			
Dolly Gamble			
John Glanden			
Ed Whitehead			
Pat Horan			
Carol Karr			
Dick Minster			
Javier Vargas			
Benita Saldutti			
Sue Martin			
			Members and Advisors Present = 15

Call to Order - Chairperson

Al Woodle called the meeting to order at 1:00 pm. Wednesday, December 5, 2007.

Roll Call

PJ Hahn called the roll and recorded the meeting.

Approval of Minutes from 10/3/07

Al Woodle called for and received approval of the minutes from the previous meeting on 10/3/07.

Five Challenge Teams – Kurt Hoverter

Kurt discussed that the City is trying to get ahead of next year’s budget cycle. The senior team has suggested several ideas that led to the formation of five challenge teams as referenced in today’s agenda. We are trying to keep these teams to four or five members. Pension team options are split between one for the General and one for the Police both chaired by Benita Saldutti.

The expectation is that by January 9th the full senior staff will be informed of the problem definition, options that we brainstormed, and items to follow up on after January 9th. We are currently in the data collection mode. After the report on January 9th, we will go back to the challenge teams on all those issues. We are reviewing the benefit costs and what some of the options are without necessarily making decisions at this point.

Al Woodle has agreed to serve on the OPEB team with multiple meetings between now and the end of the year. There are “all hands” meetings next week scheduled by the City Manager. Presentation will last 20 to 30 minutes with 30 minutes of Q & A from the floor. Eight meetings are scheduled in many

areas; two are at 5 A.M. & 5 P.M. There are six other meetings that will be held in the commission chambers. We strongly encourage you to attend.

If we sit back and do nothing like we did last year, we cannot get ahead of the curve and manage costs proactively over the long haul. This is about long haul planning from 2009 to 2012. I believe in the next 5 years we will have about 22-25% pension eligible employees; it jumps to 45% in the next 10 years. If you manage this, it is not hard to do. If you let it manage you and you wait to the 11th hour, then you have no choice but to layoff as Tampa did. That is not where we want to go. We want to get ahead of this curve and try to do it on a planned approach by challenging everyone to look at how to more effectively run the City.

Ed Whitehead asked if anyone thought to help out by doing away with the downtown TIF district and doing full evaluation of the property downtown. Kurt stated he did not believe they can because it is locked in until 2016, but could not answer a question on local government. Dolly Gamble said to attend the meetings.

Kurt Hoverter said that is the kind of questions to pose. Everything should be evaluated because if we do not and get capped on revenue, some of these costs are running faster than the caps; then we have a problem. By charter, we have to pass a balanced budget. In the past, the commission could increase ad valorem taxes; but if they get their hands tied and cannot, then we will have inadequate revenue streams to cover our costs. This is really just advanced planning.

Linda McKinney stated that the Benefit Focus Group has always had a positive impact by looking at making changes and trying to balance the limited resources we have with the population we serve. Now, we have expanded the changes to all topics in the City and we all have a piece of the pie. We are asking for wider participation.

Kurt Hoverter stated that if we have to hire benefit experts or actuaries, we have to find the money to do that. We will bring the information back to the Benefit Focus Group after the January 9th meeting.

Question was asked on how we submit ideas. When you attend the “all hands” meeting, ask that question.

Because the BFG has been involved with the medical and to some extent with the OPEB , you would be a resource if the issues come up of why don't we do this or why don't we do that. You can be a resource to bring that back to those teams. I do not know what may happen beyond January 9th with those teams.

Given the challenges we face, I would rather use attrition than downsize the workforce. We have 300 employees who are retirement eligible in the next 10 years. Why not manage around those retiring rather than forced reductions. It is a long range approach.

Monthly Costs Update – Linda McKinney

Linda reviewed the monthly medical costs stating we ended the fiscal year with a positive funds balance in the group medical and dental of \$3.6 million and in the OPEB trust fund of \$3.4 million. Both of those figures are extraordinary when you consider the amount of lives and the number of claims we do file. Our total expenses for our active employees were \$6.5 million. For 2007, that was down from the \$10 million all time high we had in 2006 of expenditures that are not just claims and included retirees. Thru October of this year, our claims were up in the actives' area. They are not up to the same extent in the OPEB and we did make headway. Our ending balance for medical and dental is \$3.8 million and

OPEB is \$3.2 million. \$2.4 million of that \$3.2 million was the first \$2.4 million trust fund contribution. Basically, the net gain is about \$800,000. We did better on the active employee fund in terms of what happened in the last 12 months than we did in the OPEB fund, but we still had some positive movement in the OPEB fund.

Review EOP2 Plan – Susie Daniels

Lori Rivers requested a discussion to allow employees residing in North Port (Sarasota County portion) to utilize the EOP2 Plan; thereby, granting access to the Evolution Network of Doctors outside the county with the benefits of an EPO type plan. North Port is divided between the Sarasota & Charlotte County lines. Lori lives just inside the Sarasota County line, but is closer to Charlotte County and has to travel a distance to get into a Gulf Coast Provider doctor for her children. Charlotte County is not a participant in the Gulf Coast Network and Sarasota County is.

Benita Saldutti inquired why would someone who is in Charlotte County be allowed to be in EPO2 and someone in Sarasota County is not? Linda McKinney said Charlotte County is not a participant in the network and Sarasota County is. The delineation is if you live in Sarasota County you do not have EPO2 coverage available to the active employee who lives in Sarasota County. The decision was made to make some kind of boundaries.

PPO has access to the Gulf Coast Provider Network and the Evolution Network and those claims are paid as in network claims as a higher pay out by the City. If they choose not to go to a doctor in PPO that is either Gulf Coast Provider or Evolution, than there is a much lower payout on the part of the City for those claims. The cost could be higher because we do not have negotiated pre-costs.

Lori is a block and a half outside Charlotte County so it would be really difficult to sort out who would be allowed in and not, and hard to police. The 5 counties as they stand are probably the best way to manage it. The issue affects other employees who are on many county lines.

Ed Whitehead asked if there is any additional cost to the City to allow employees to be in EPO2. Robert Blinch-Edwards said there is not as much. It is not as lucrative as the contract we have with Gulf Coast Provider Network. We receive a much bigger discount with them. Ed Whitehead asked, where do you stop the waivers – it is difficult to define or police. I think the county lines are clear as you can make them. Sue Martin said medical coverage is a benefit not an entitlement and we are fortunate that the City offers these benefits and we have to work within certain guidelines.

However, all retirees or anyone who does not live close by in Sarasota and desires full flexibility, the PPO plan would serve that purpose.

Benita Saldutti made a motion to uphold the boundaries that are currently in place for all participants. It was seconded and motion carried.

Other Business

Robert Blinch-Edwards introduced John Davis and Joe LaFrazia representing the new vendor OptiCare starting January 1st. John expressed thanks for allowing OptiCare to attend the annual health fair and stated that they would like to participate in any type of pro-active healthcare management that the City sponsors during the year. Susan Sloan who previously elected not to be a provider has been added as a provider. Any doctors not a provider with OptiCare and desire to be, OptiCare can send them a contract if you let them know who they are. Mr. Davis discussed the plan benefits that are outlined in their brochure and on the website at myvisionplan.com.

Al Woodle had Evolution questions. There is not a phone number for Evolution on the medical card. How difficult would it be to place it on the card? When doctors phone WEBTPA who are not providers, they are just told they are not in the network. There is no reference to the Evolution network.

Susie Daniels stated WEBTPA is not allowed to give network advice. Just as the network is not allowed to give coverage advice. They are two exclusive systems. WEBTPA will refer someone to whatever network they are suppose to be contacting if it is a question whether a doctor is in the network. They do not have access to the lists.

Al Woodle said doctors contact WEBTPA and they receive no referrals to Evolution. Susie Daniels believes that was a one time occurrence because she has received several referrals from WEBTPA from the doctor offices stating they were referred to her and how do they contact the network to get involved in one of your networks. If there is a member who has a doctor who is interested in joining one of the networks, they may contact Susie.

Linda McKinney discussed that Kurt Hoverter, Robert Blinch-Edwards and Susie Daniels are in negotiations to return to Beechstreet in 2009. We will have one more year of Evolution. Hopefully, when the negotiations are completed, we will be able to reintroduce Beechstreet.

Al Woodle -- Our retirees group will have our annual meeting January 23rd at 2:00 P.M. at the FOP Hall. Could a medical management overview be presented to our retirees clarifying wellness changes or any other topics? We have asked Benita Saldutti to appear at the meeting.

Robert Blinch-Edwards -- Procedure for the Health Risk Assessment will negate the need to have a physical and because it will be included in the Health Risk Assessment. Those who do not have a physical may go to a designated lab. These lab results will be sent directly to your Health Risk Assessment and you will have access through the Health Risk Assessment to those lab results. Susie Daniels asked Robert Blinch-Edwards if he could confirm that the reps from Health Risk Strategies can attend the retirees' meeting to discuss the assessment, pre-cert changes and review the generic medications at Wal-Mart.

Dick Minster asked if a brief oral presentation be given to retirees on the issues that are occurring in the City in obtaining ideas. Kurt will be asked if he make a presentation or someone will be there if Kurt has a conflict to attend on January 23rd. As of publication of these minutes, Mr. Hoverter will be attending.

Adjournment and Next Meeting

Al Woodle adjourned the meeting at 1:50 p.m. The next regular BFG meeting is scheduled to be **Wednesday, February 6, 2008**, 1:00-3:00 p.m. in Room #100 of the Federal Building.

/pjh