

Reviewing claims costs year to date, costs have increased 10% to 12% for first 8 months. Fund balances remain healthy because of City contributions.

Dolly Gamble stated the first retiree drug subsidy check in the amount of \$155,000 for the year 2006 was received. There is a possible infusion from Medicare in the amount of \$155,000 that we also will be seeing. This will go into the OPEBS revenue in the fund balance because the large claim came out of this expense.

Linda McKinney stated we have one retiree that is in the stop loss already this year and was last year, but the deductible will not be at the same level.

Budget – Linda McKinney

Human Resources in conjunction with Finance prepared the medical budget to go into the budget process. In the past, it had been prepared by Finance solely. Because of what is happening in Tallahassee, we recommended that the nurse not be replaced and that we take those monies and use it for funding of the medical management program that the group had discussed before. The medical management program was approved by Mr. Schneider at the first cut of the budget; however, we do not know the impact the decisions in Tallahassee will have. Possibly, many things could change in our budget including the benefits profile. The medical management program is still in the budget at this time.

John Glanden inquired if the cafeteria plan on the medical coverage is still under consideration. Linda McKinney said it is under consideration, but not part of proposed budget. Susie is working with Bryan Baacke for some options for retirees for 65 & older. This year we need to know exactly what the impact of the budget is before we make any proposal. The City has said that 7% cuts will be a given and all budgets reflect those 7% cuts. We have discussed cuts as deep as 22% in total....15% extra beyond that 7%. Until we have a better picture of what we have to manage with, it would be imprudent of us to consider any additional choices at this time until we know exactly what our funding options are.

John Glanden inquired if they researched this issue to determine if there would be any savings or would be a wash. Hospitals are looking at an increase next year. Linda McKinney stated that WEBTPA's contract is up and they will be looking for an increase also. Employee costs and individual retire costs have been flat for 20 - 25 years. The cost for spouses and families has risen over the years and they have not increased at the rate that our costs have. John Glanden mentioned that we need to get some definite ideas of what we are looking at.

Al Woodle suggested that at the next meeting an update on the budget be added to the agenda. The topic would be an overview of what is occurring and what happens if the City has a 22% reduction and how to reduce that much. Linda stated once we know if it will be a 7 or 22% reduction in the next 2 weeks, then we will know the impact on the City. Preliminary estimates have been done. If we need a special meeting, Linda McKinney will inform the committee if it appears a special meeting is required before our next meeting in August.

Dolly Gamble said our budget is final in September, but there will be meetings in July. Nothing concrete at this time for our medical benefits reference any reduction.

Other Business

Impact of Nurse Vacancy - Linda McKinney stated the City has an agreement with the County and they will administer the vaccine shots for the Police Dept. The cost of serum plus \$10 per shot will be the charge. All our officers are up-to-date at this time. All new officers will start the regimen. Lt. Jackson will be working with us and taking their files back.

John Glanden inquired if that will affect our flu shots. No decision until the budget issue is resolved, if we will use Dr. Tobias or the County. John Glanden suggested possibly the EMS could handle it at a lesser cost instead of through a doctor and maybe have a better response.

Weight Watchers at Work - Linda McKinney presented that 15 participants are required for Weight Watchers to organize here at the City. We only have 13 at this time. The 12 weeks will start on June 15th, members sign up and maintain the same standards as the WW program previously; however, they will attend Weight Watchers locations on their own time. They will have to validate attendance by signing in and being weighed. The City will pay half the cost, if the participant is successful in the program. The cost to the City and the standards are the same, just not on City property. If later in the 12 weeks, 15 are participating, we will continue as before. This has been very successful with 1352 lbs lost by 110 participants.

Al Woodle recommended this committee approve Weight Watchers on a trial basis if we are not violating any confidentially laws. This program provides less of a liability to the City because of a reduction in medical weight issues.

Motion passed to recommend on trial basis.

Stress Relief – Robert Blinch-Edwards had a successful education program on stress, mood changes and nutrition at the hospital. It was a three hour program with 25 participants. The feedback score of 4.83 out of a maximum of 5 is a fantastic score. A comment was, “this will change my life forever”. Life style and eating habits are 70% of healthcare costs. It can affect the bottom line quite seriously. HCSRQ is willing to sponsor a program for the City and will provide handouts for review for PJ Hahn to circulate to the BFG. Thirty participants is a good number because it is very proactive with people placed into small groups.

Problems with healthcare are stress and nutrition. When combined, it benefits all forms of healthcare and chronic diseases we have today -- especially diabetes. This could help continue the Wellness Program. Once you review the material and have some idea when the City would want to start the program, invite your employees and dependents because there is only room for 30 people.

Linda McKinney indicated the need for stress education because of anxiety in the departments. We would consider the program once we receive the information and by August, the City should have a clear vision on what the City is doing with the budget. This could be excellent timing for that type of program.

Wellness Program - Al Woodle suggested that Robert Blinch-Edward could review if there are any other areas in our Wellness Program that require a re-visit and could save us money in the long run. For example, the ads in the paper for all inclusive tests for the different scans for \$100. These are some things on the cutting edge to prevent huge problems and change our plan in the next year or so to get people on more of a wellness issue than waiting for it to happen and pay huge dollars. Linda, Susie and Kurt are already researching for the new plan year with regards to medical management that is the health risk assessment and is in the City’s budget for next year.

Should health risk assessments be mandatory? Linda McKinney said it does give profile and participation as a employee in our medical management that you do go through a health risk assessment. This insures that the wellness programs have some type of feedback over a period of time. The City does a mandatory physical for the Police Department because there is a definite correlation between their jobs and health. We provide for all employees by having the wellness feature and annual physicals are available. It is not mandatory.

Robert Blinch-Edwards stated that 1% of the employee population costs the City 33% of their medical bills.

John Glanden discussed blood pressure can be a very serious issue and to prevent any healthcare costs from this condition would be beneficial.

The blood pressure machine at City Hall in the break room is used often. Dolly Gamble and John Glanden stated there are complaints that everyone's reading is high that uses it. Request HCSRQ check machine for accuracy. Mr. Blinch-Edwards stated that the user should be calm about 10 minutes before checking pressure. Follow up – the machine will be repaired.

Adjournment and Next Meeting

Al Woodle adjourned the meeting at approximately 2:00 p.m. The next regular BFG meeting is scheduled to be **Wednesday, August 1, 2007**, 1:00-3:00 p.m. in Room #100 of the Federal Building.

/pjh