

**Benefits Focus Group Minutes  
(7-17-09)**

**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		Linda McKinney	PJ Hahn
Susie Daniels		Kurt Hoverter	
Darlene Mayes		April Bryan	
Dolly Gamble			
John Glanden		<b><u>Other Attendees</u></b>	
Sue Martin		Bill Hallisey	
Joyce Dolan		David Smith	
Cindy Maszak		Del Borgsdorf	
Ed Whitehead		Mel Klein	
Janice Cox		Pete Schneider	
Bill Gaines		Marlon Brown	
Stacey Monroe		Anna Maria Studley	
		Tim Litchet	<b>Members and Advisors Present = 15</b>

**Call to Order - Chairperson**

Al Woodle called the meeting to order at 1:00 pm. Friday, July 17, 2009.

**Roll Call**

PJ Hahn recorded the roll and the meeting.

**Gehring Group – Anna Maria Studley**

- Reviewed revised Gehring Group schedule:
  - The Review Committee for the RFP responses will meet on July 20<sup>th</sup> to review and select top carriers.
    - ❖ Members of Review Committee are Kurt Hoverter, Linda McKinney, April Bryan, Dolly Gamble and Doug Jeffcoat.
    - ❖ Review Committee will evaluate not solely on cost, but strengths, discount programs, type of plan changes, claims processing, access of providers and customer service. The City may maintain self-insured plan or convert to a fully-insured plan if the carrier is very aggressive.
  - The second Benefits Focus Group special meeting on August 13<sup>th</sup> (now August 28th) will review RFP recommendations that will be presented to the City Commission.
- Seven vendors responded to the RFP.

- Anna Maria presented plan design considerations for 2010 with Group discussion and recommendations:
  - Reduce 4 plans to 2 plans with a local and national network plan.
  - Retain 3 tier structure of single, single + 1, and single + family coverage.
  - Increase deductibles and implement buy down deductibles by measuring wellness standards with less aggressive target first year and up to national standards the second year.
    - ❖ Setting higher deductibles on higher cost items (surgery, MRI, outpatient, etc.).
      - Concern expressed in setting the deductibles so high the retirees cannot afford the cost.
  - Maximum out of pocket (MOOP) (after deductible has been satisfied)
    - ❖ Two tiers in the following ranges:
      - Single: \$1,500-\$2,000
      - Employee + Family: \$4,000-\$5,000
  - Onsite clinic would be a viable option to achieve lower costs now and guarantee plan would be viable in the future.
  - Co-payment changes acceptable.
  - Prescription drug increases will adversely impact some retirees.
    - ❖ Mail order remains at 90 days supply.
  - Five options presented at the Sarasota Municipal Retired Employees Association on July 15<sup>th</sup> on plan funding consideration:
    - 1) Pre-1993 retirees pay fee for single coverage at active rate of \$624 yearly.
    - 2) Tie single coverage costs to a percent of pension. Cost linked to ability to pay.
    - 3) Establish single retiree medical contribution philosophy as a percent of actual plan costs. Dependent coverage costs mirror active employee dependent coverage costs. Contribution target 15% of single coverage costs spread over 3 years to the target (5% of plan cost in 2010, 10% in 2011 and 15% in 2012).
    - 4) Link future (Pre-1993) retiree costs to an age and service table at the time of retirement. Encourages longer careers and fewer years on City coverage before Medicare becomes primary.
    - 5) Offer retirees a fixed subsidy tied to a formula (like FRS): years of service x \$/month = subsidy. This would remove the City from the OPEB obligation.
  - Group pleased with and desires to continue with the self-insured plan because City participants make the decisions.

### **Monthly Costs Update – Linda McKinney**

- Retiree claims are up 22% YTD.

### **Approval of Minutes from 6/30/09**

Al Woodle called for and received approval of the minutes from the previous meeting on 6/30/09.

### **Adjournment and Next Meeting**

- Al Woodle adjourned the meeting at 3:27 p.m. The next scheduled BFG meeting is **Thursday, August 13, 2009 (now August 28<sup>th</sup>)**, 1:00-3:00 p.m. in Room #100 of the Federal Building.