

## PERSONNEL COMMITTEE MINUTES

**Monday August 26th, 2013**

The Personnel Committee for the City of Manitowoc met in the Second Floor Conference Room, 900 Quay Street, Manitowoc, Wisconsin on August 26<sup>th</sup>, 2013 at 4:00 p.m. Members present were Chair Alder Chris Able, Vice Chair Jill Hennessey, Alderpersons Al Schema, and Eric Sitkiewitz. Others present were Alderpersons Scott McMeans and Jason Sladky, Jeri Johnson, Steve Corbeille, Joe Holt with Auxiant, John Holt with Auxiant, Steve Hook with Modern Med, David Yeghiaian with HFM, Dr. Evelyn Sbar with HFM, Mike Stollfus, and Cathie Kocourek with Aurora.

1. Meeting was called to order at 4:00 p.m. by Chair Chris Able. Alder Schema was not present.
2. Alder Able announced that an audio tape of this meeting would be available to the public on the City's website.
3. Public Input: Cathie Kocourek President of Aurora Medical System and a private citizen as a member of the Manitowoc Community spoke that she was aware the City is considering a concierge medical plan. Cathie was surprised the Personnel Committee would not reach out to Aurora regarding health care programs regarding this decision. Aurora is one of the largest employers in the area and one of the highest quality, lowest cost facilities. Ms. Kocourek handed out a document to Personnel. She discussed how Aurora would expect the City would weigh all options and asked to defer the decision until Aurora has the chance to provide information.
4. Discussion regarding Concierge Medical Plan for the City. Jeri Johnson discussed her thoughts on tabling a concierge or bundled medical plan for this year stating the timing is not quite right. Mike Stollfus then presented his grid comparing ModernMed, Holy Family, and Aurora proposals. Alder Howe enters the meeting. Mike reviewed the Aurora plan first offering on site Quick Care Clinic during regular work hours. Care provided by a Physician's assistant at a cost of approximately \$200,000 annually. Mike then discussed the Holy Family Medical Home "Right Care" proposal at an annual cost of \$755,700 with a projected savings of \$300,000. Mike then discussed the ModernMed proposal at an annual cost of \$703,800 with an estimated savings of \$300,000 over what is paid for annual premiums. Alder Sitkiewitz inquired about the savings estimates and the utilization of Focus Health. There was discussion regarding differing opinions concerning Holy Family's utilization of the Focus Health program. There was discussion regarding how Holy Family may refer employees regarding Focus Health and MRIs. Alder Hennessey inquired about outpatient procedures and if Mike were including all other ancillary charges associated with that procedure. Mike replied yes and discussed the data pertaining to colonoscopy charges. Mike returned to the subject of ModernMed and the savings offered under that model. Alder McMeans made a comment concerning the cost of colonoscopy's varying per findings. Joe Holt discussed if you look back at the recent data, the Manitowoc Surgery center average cost for a colonoscopy was \$1800. If

you look at Holy Family, Their facility and physician charges are around \$1500 alone. They took an average of all the data to come to the average costs. Alder Hennessey circled back to discussing all three plans. Her thoughts are on the Aurora plan offering a Physician's Assistant and not a Physician; this would probably eliminate Aurora from consideration as it would not be comparable. If Aurora had remained at the meeting, they most likely would have inquired on their proposal regarding a PA instead of a Physician. Alder Hennessey discussed her reservations of the organization not being ready for a change like this yet. Alder Hennessey felt she would not be in a position to make a decision tonight. Alder Howe inquired whether this had been discussed with the employee's. Jeri Johnson responded no as it would cause too much confusion. Alder Howe discussed the difficulty of making this decision and accuracy of data. Alder Sitkiewitz discussed the possibility of some level of mis-trust between Mike and Holy Family on how the Focus Health referrals would get done. Mike felt Holy Family's responses were evasive and that the referrals were an important but small part of the picture. Mike referred to Steve Hook from ModernMed. Steve stated he didn't think anyone could guarantee the future but with the ModernMed proposal, they guarantee the financial outcome. Steve stated an independent physician would be more likely to follow the Focus Health recommendation. Joe Holt discussed if Holy Family would be willing to refer out outpatient services as if you look at the last 16 outpatient services, they all went to Holy Family. Joe felt that he was not convinced a Holy Family physician would refer to Aurora and felt it would be confusing to the employee. Mike responded that the City has hired professionals i.e. Human Resources and Finance.... ModernMed would be another professional hired by the City. Alder Able stated all along he has liked the idea of an independent physician. He faults no one in the process. Alder Able understands why some individuals would want to take some time and look at it. Time would allow providers to put together comprehensive responses. Alder Able did state through that he does have concern regarding the proposals that keep changing telling him that they are not complete plans.

5. Discussion regarding the VSP Vision Program. Jeri Johnson discussed. Probably a weaker part of the plan would be the provider network but the number of providers is smaller anyway. Alder Able supported this being offered to part time individuals as well since it is employee paid.
6. Discussion regarding dental plan change recommendations. Jeri Johnson discussed separating off the dental from the medical allowing more flexibility. Those on the medical plan can elect or decline and those not on the medical plan can elect or decline. Also individuals will be able to enroll or drop enhanced dental during open enrollment period.
7. Discussion of Outpatient Procedure coverage: Jeri Johnson discussed changing Outpatient procedure coverage from 100% to 100% for a preferred provider, deductible and co-insurance of 90-10 for in network non preferred provider and deductible co-insurance of 50-50 for out of network provider. Jeri discussed possible savings of utilizing our Preferred Providers for outpatient procedures.

8. Discussion of possible Pharmacy Benefit Manager Changes: Jeri Johnson discussed Mike had researched and we had ultimately decided to stay with Serve-You as our PBM. There was a brief discussion on possible savings.
9. Discussion regarding implementation of Health Reimbursement Accounts. Jeri Johnson discussed that instead of having different deductible and co-pay levels, we would implement an HRA that an employee would use to fund the back end of their deductible. It is suggested if an employee participates in the Health Risk Assessment, they would receive \$150 for single or \$300 for family applied to their HRA. There was some discussion regarding how an HRA would work. Alder Able inquired with Steve about is this sustainable for the City and the exposure. Steve felt it was sustainable. Joe Holt discussed the City exposure being limited with the proposed \$200 annual rollover.
10. Discussion regarding cash incentives: Jeri Johnson discussed the City would forgo the colonoscopy incentive for 2014 due to difficulties getting consistent data. Instead we would continue to focus on the MRI \$300 cash incentive. Alder Howe discussed the effectiveness of the incentive and employee education.
11. Discussion regarding smoking surcharge: Jeri Johnson discussed the recommended announcement of a smoking surcharge effective January 1<sup>st</sup>, 2015. There was discussion regarding the additional costs smokers incur for employers. There was discussion regarding smoking cessation for the employees. Alder Hennessey inquired on the annual cost of Chantix. Mike Stollfus said he would advise. Alder Hennessey discussed this not being an unusual plan as other organizations have already pursued this. Alder Sladky was concerned with what would be next? Alder Howe discussed his agreement with Alder Hennessey's thoughts and possibly incentives to give up smoking? Alder Able's thoughts were when we have a concierge health plan, we would be working on obesity. Alder Sitkiewitz felt we needed to take a look at the mandatory/voluntary component of our Health Risk Assessments.
12. Discussion and possible action regarding 2014 Benefits Recommendation. This was seconded by Alder Hennessey. This motion was approved with a 5 – 0 vote. Alder Hennessey moves to approve the benefits recommendation including the smoking cessation and excluding any concierge medical plan. Alder Sitkiewitz seconds the motion. There was discussion on the prior motion which was clarified. That vote being 5 – 0 with no one opposed.
13. Motion to Adjourn: Alder Sitkiewitz moved to adjourn which was seconded by Alder Schema. The meeting adjourned.

Respectfully submitted

Jeri Johnson, SPHR  
Human Resources Generalist