



REMIF Self-Insurance Committee Minutes

Date: February 28, 2019

Time: 2:00 p.m.

Telephonic Committee Meeting

Dial In: (646) 664-4400/ Conference ID: 17171#

AGENDA

- I. ROLL CALL – Call to order 2:05 p.m.
 - A. Present:
 - i. Amy Northam, REMIF
 - ii. Danette DeMello, Arcata
 - iii. Kelly Buendia, Lakeport
 - iv. Stephanie Garabrant-Sierra, Willits
 - B. Also in attendance:
 - i. Pat O’Brien, RealCare
 - ii. Royann Franchini, RealCare
 - C. Absent:
 - i. James Leon, Town of Windsor
 - ii. Sheri Mannion, Ukiah
- II. APPROVAL OF MINUTES
 - A. Meeting of January 10, 2019 and February 7, 2019. Willits motioned to approve the minutes; Lakeport seconded and the motion passed unanimously.
- III. ITEMS FOR DISCUSSION
 - A. **RFP for TPA – Action Item**
 - a. As a matter of normal business practice, we went out for an RFP for our TPA services.
 - b. The RFP Committee recommended that HealthComp be continued as the TPA services
 - c. The Health committee recommends a 3 year contract. If HealthComp fails to perform, we would shorten the contract period with the proper notice to HealthComp.

Willits motioned to recommend to the Board that HealthComp TPA services be extended for a 3 year period commencing 7-1-19. Arcata seconded and the motion passed unanimously.

B. **EnvisionRx – Coordination of Benefits - Action Item**

- a. Currently, there is no Coordination of Benefits on the EnvisionRx plan. That means that the person with the double coverage can choose which medical plan under which to file. If we institute COB, then the primary medical plan would be required to pay first.

- i. With costs of specialty drugs rising (53% of total spend is on specialty as of 3rd quarter or \$288,000), we don't want the REMIF plan to pay first if the person has other primary coverage?
- b. As of the January 2019 census data pull, we have identified 199 members with having other insurance. This data does not reflect primary or secondary status of members with other insurance.
- c. Health Committee recommends we institute COB on the Rx plan.
- d. RealCare to check to see if during the implementation, there was any discussion on COB for Rx

Arcata motioned to recommend to the Board that we add Coordination of Benefits to the EnvisionRx plan at the 7-1-19 renewal. Lakeport seconded and the motion passed unanimously.

C. VSP Renewal – Action Item

- a. Renewal offer is for a rate pass for 3 years for the Administrative Services Only (ASO) fees.
- b. Health Committee recommends we accept VSP renewal
- c. VSP will be adding full coverage for Standard Progressive lenses. Premium and Custom lenses would still have an allowance.
- d. Amy Northam reports that the reserves are starting to go down for the claims funding. NFP Actuaries are looking to see if adjustments need to be made. The findings will be presented at a future meeting.

Willits motioned to recommend to the Board that the VSP ASO renewal be accepted with the 3 year rate guarantee. Arcata seconded and the motion passed unanimously.

D. Lincoln Financial renewal – Action Item

- a. RFP's were sent to 16 companies. 15 declined to quote. The 1 company that did quote was 45% higher than current. This response reflects similar results when previously going out to the market place.
- b. Lincoln Financial offered a 3 year rate guarantee. There is a rate pass for all but one entity. That entity will see an increase to their life insurance rate and is due to the high percentage of retirees covered. That increase would be guaranteed for 3 years.

Lakeport motioned to recommend to the Board that the Lincoln Financial Life, AD&D, Voluntary Life, STD and LTD plans be accepted effective 7-1-19 with a term of 3 years. Willits seconded and the motion passed unanimously.

E. Anthem/Sutter negotiations update – Informational

- a. Negotiations continue between Anthem and Sutter. Negotiations are contentious. Although the contract has officially terminated, claims will continue to be paid at the in-network level until June 1, 2019.
- b. Blue Shield sent an unsolicited quote for network services.
 - i. Wants to be the network if Sutter doesn't renew with Anthem. They are the closest network to what we have with Anthem. But there are pockets of concern in the network, particularly in Lake, Mendocino and Humboldt Counties. In addition, Blue Shield's Sutter contract is up on 12-1-19. Because provider discounts are not as

deep with Blue Shield, it would be more expensive for the plan to have the Blue Shield network.

- c. Start letter writing campaign
 - i. If negotiations appear to have stalled, RealCare recommends we can start a letter writing campaign to include Employers and Employees.

We should have more information at the next Committee meeting. The potential change in network for 2019/20 plan year would be voted on at the April Board meeting.

F. Transamerica/ESI – Open Enrollment – Discussion

- a. Hartford never allowed for Open Enrollment unless the member moved out of a service area.
- b. Transamerica/ESI will allow anyone to change at Open Enrollment.
- c. This would only affect cities who offer Kaiser.
- d. For cities that offer Kaiser and pay all or a portion of the premium, costs would go up if the Kaiser member changed to the Transamerica/ESI plan.
- e. After much discussion, there was no clear consensus.
There was no motion to make a change. We will keep the policy as it was with the Hartford. No Open Enrollment unless the member moves out of the service area.

G. Clarification on Domestic Partner Coverage – Discussion

- a. The language on the Domestic Partner Comparison chart reads in part: “only legally registered same sex couples when both partners are age 18 or more, and opposite sex couples, when one partner is age 62 or more.” Due to a discrepancy in the language, it is recommended this language be changed to: “**only legally registered domestic partners, as defined in Family Code 297.**” The employee/subscriber must verify the status of the domestic partnership by providing a copy of a valid Declaration of Domestic Partnership filed with the Secretary of State pursuant to Section 298 of the Family Code. This does not expand coverage.
- b. Change definition to “legally registered domestic partners as defined in Family Code 297”.

Arcata motioned to recommend to the Board that the definition criteria will be based upon “legally registered domestic partners as defined in Family Code 297”. Willits seconded and the motion passed unanimously.

H. EPO can now be offered out of state – Discussion only

- a. Do we want to eliminate the Blue Card plan and force those members to the EPO 250 plan?
- b. RealCare to check with HC to see if they can administer.
- c. ID cards would have to indicate to file with the home plan if out of state.
- d. NFP Actuary looking at cost implications, if any.

The Committee discussed the following concerns:

- We need more information related to the cost implications
- Continue to explore option
- Would MOUs need to be changed?
- How much are we paying for out of network plan claims?

No recommendation at this time to move Blue Card people to the EPO.

- I. **SUMMARY PLAN DESCRIPTION (SPD) for PLAN YEAR 7-1-19/20 – Informational only**
 - a. Changes have been drafted for a change to the 2018/19 SPD.
 - i. Another Eligible Class definition will be added to the SPD Eligibility Section effective 3-1-19. “Any person deemed eligible based on a court order or legal settlement entered into by a participating agency if such coverage or equivalent coverage is available at the time of the court order or agreement.
 - b. A list of proposed changes for the 2019/20 SPD, if any, will be given and discussed at a future meeting.

- J. **MHN update – Update on transitioning back to Aetna – Informational only**
 - a. Once the AETNA contracts are received, RealCare will go out with an email blast to all cities to announce the 4-1-19 change.
 - b. RealCare is gathering electronic informational flyers, wallet cards, etc., so that they can be pushed out to the entities prior to 4-1-19.
 - c. MHN refusing to honor any remaining authorized visits beyond the 4-1-19 termination date.

- K. **Income and Expense Report update**

Next Meeting: March 14, 2019; 2:00 p.m.

Meeting adjourned: 3:35 p.m.

Health Insurance Committee Members:

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Sheri Mannion – City of Ukiah – 300 Seminary Drive, Ukiah, CA 95482; 707-463-6244; smannion@cityofukiah.com

Stephanie Garrabrant-Sierra – City of Willits – 111 E. Commercial, Willits, CA 95490; 707-459-4601; -sgsierra@cityofwillits.org