

Employee Health Advisory Committee meeting held on March 28, 2007.

Present at the meeting:

Committee Members:

Vondale Salem, Finance/AFSCME
Doug Cubberley, City Council
Wayne Stenis, Non-Union
Patrick Copeland, Non-Union
Henry Baskeyfield, Animal Control/AFSCME

Robert Post, Police/FOP
Stephen A. Lucas, Police/FOP
Butch Crawford, Fire/IAFF

Staff Members:

Anthony Francisco, Facilitator
Becky Masters, Finance
Judi Price, Human Resources

Discussion

Anthony opened the meeting by stating that our consultant's, Gallagher Benefit Services (GBS), projections are on line with the City's projections and the cash reports. GBS project our plan to be approximately 1.2 million in the hole this fiscal year and the City was projecting about 1.1 million. Employees did have a 9% increase in premiums which the advisory committee had recommended with an effective date of February 1, 2007. The City's contribution also increased 9% as of February 1, 2007. All employees participating in the health plan had a benefit change to a 90/10 plan which was effective January 1, 2007.

Butch Crawford expressed his desire to keep the advisory committee intact which makes him aware of the intricacies of the money so he can go back to his union and explain it. He said his group is still interested in the consumer-driven plan. Henry Baskeyfield expressed a concern whether the consumer-driven plan would solve the issue of saving the money needed to be in the black when there would be several high-dollar claims.

Butch also questioned the substantial increase in the administrative fees between the projected amount and the actual amount. Anthony suspected it was the stop/loss premium increasing and Doug Cubberley interjected it could be the increase in claim handling.

There was a query about the negotiation with Norman Regional Hospital for a larger discount. The numbers do show the percentage of employees who utilize Norman Regional Hospital versus any other hospital is a shocking number in the lower 40 percentile rather than the 95% which was the perception. The City of Norman is not in the top five of the largest groups which utilizes Norman Regional Hospital. These facts may affect the negotiation of a larger discount for our employees.

The committee members discussed the reasons why the recommendation for the Trust is not being made. Anthony stated the main two reasons there has not been an agreement on the trust is: 1. Can the Union membership of this committee vote for any Trust document that has not first been negotiated and he heard the answer at the last Trust meeting was clearly "no". 2) The Trust would not be bailed out by the City. If the Trust lost a considerable amount of money due to changes that were made by the administrative body of the Trust, the City would not have to be contractually bound to make up that money. Butch requested the latest draft of the Trust so it could be discussed with Jim Moore, Attorney, to decide what direction needs to be taken. All the committee members requested a copy of the latest Trust document. Mr. Cubberley requested Jerry review the numbers and gives a recommendation.