

**MINUTES
CITY OF ORMOND BEACH
CITY COMMISSION
HEALTHCARE WORKSHOP**

November 5, 2019

5:30 p.m.

City Commission Conference Room

I. CALL TO ORDER

Mayor Bill Partington called the meeting to order at 5:31 p.m.

Present were Mayor Bill Partington, Commissioners Dwight Selby, Troy Kent, Susan Persis, and Rob Littleton, City Manager Joyce Shanahan, Assistant City Manager Claire Whitley, City Attorney Randy Hayes, Human Resources Manager Heather Kidd, and Brown & Brown Insurance Senior Vice President Jessica Scott.

Ms. Claire Whitley, Assistant City Manager, explained the workshop was intended to provide an update to the Commission on the health insurance claims made throughout 2019 and to review the options for insurance renewal. She introduced Brown & Brown Insurance Senior Vice President Jessica Scott to the Commission.

II. 2019 UTILIZATION REVIEW

Ms. Jessica Scott, Brown & Brown Insurance (Brown & Brown) displayed a PowerPoint that reviewed the utilization review, plan considerations, and renewal results for 2019. Ms. Scott presented the data for the combined monthly utilization overview. She noted in 2015 the combined loss ratio was at 112 percent and had decreased over the following years. She stated at the current time the city was leveling off as they had hoped, and noted for 2019 through August the current loss ratio was at 71 percent.

Ms. Scott reviewed the large claims summary report and compared the amount of claims from 2015 to 2019. She stated there were currently 13 claims for 2019, which was a higher amount than the previous year, but noted the total amount paid towards large claims had decreased over the years since the claims were not as severe as they were in prior years.

Ms. Scott discussed the medication program that was implemented to offer zero dollar copays for chronic conditions. She showed the current cost for the program year to date and stated the city was looking to trend with prior years at approximately \$8,000. She noted the average cost per prescription was showing at eight dollars for 2019, but was expected to increase to ten dollars by the end of the year. She noted Florida Health Care Plans (FHCP) negotiates their medications throughout the year in an attempt to lower the overall cost. She reviewed details of the various drug classes involved in the \$0 copay medication program, which included blood pressure, blood thinners, anti-diabetic, and cholesterol medications.

Ms. Scott stated the results for emergency room utilization in the current and prior years. She noted 2019 was on trend to follow 2018's numbers with an average of 42 visits. She stated the numbers had decreased from 2015 and were going in the right direction.

Ms. Scott reviewed the office visit utilization and discussed the numbers for total office visits throughout the years with 719 visits in 2017, 758 visits in 2018, and 575 in 2019 through August. She noted based on the utilization plan, the total amount by the end of the year was expected to be higher than the 758 from 2018. She explained the city would prefer to see higher numbers in office utilization than in other categories such as hospital or emergency room visits. She discussed the Doctor on Demand program available to employees through FHCP and stated the program received an average of 11 utilizations per year.

Ms. Scott discussed the personal health assessment overview and noted 67 percent of the city's employee population was enrolled in the program. She stated that typically most assessments were not tied to dollars and received only 20 to 30 percent participation.

Ms. Joyce Shanahan, City Manager, noted even if employees chose not to receive an annual physical each year, they were still benefiting from the personal health assessments. She thanked the Commission for dedicating a portion of the Health Savings Account (HSA) dollars to the assessment.

Ms. Scott discussed results from the personal health assessment and noted numbers had dropped in cholesterol and blood pressure from 2017 to 2019; but weight, body mass index (BMI), and nutrition issues had risen a small percentage from prior years.

Ms. Scott reviewed the skin cancer screening overview, noting there were 59 participants so far in 2019. She explained there was a delay in reporting from FHCP and stated she would provide a more accurate number later in the presentation that Human Resources Director Heather Kidd had received. She explained she expected the numbers to continue to grow. She stated on the large claims report there were no claims for skin cancer, whereas in the prior years skin cancer had been an issue. She listed the results from the skin cancer screening from 2019: five patients had a prior cancer diagnosis, nine patients received a biopsy, and two received a cancer diagnosis after screening.

Ms. Scott reviewed the wellness incentives and HSA funding in detail. She noted employees had the opportunity to get \$450 in wellness incentives. She stated the participation for each program within the wellness incentives: 215 participants in the personal health assessment, 102 participants underwent skin cancer screening, 201 participants in the tobacco free incentive, 59 participants that completed two wellness incentives, and 19 participants that completed one wellness incentive. She stated the program received a total of 531 participants with 31 receiving the full \$450.

Ms. Scott stated the individual deductible for single coverage was \$1,600 with a \$3,200 out-of-pocket maximum. She stated out of 232 utilizing subscribers, 40 employees met that deductible and nine met the out-of-pocket maximum. She noted the family deductible was \$3,200 with an out-of-pocket maximum of \$6,400. She stated out of 96 families, 16 had met the deductible and one had met the out-of-pocket maximum.

III. DISCUSSION

Ms. Scott explained the proposed renewal had no plan changes in the current year, with the exception of an embedded deductible previously at \$2,700 that was mandated by the Internal Revenue Services (IRS) to be raised to \$2,800. She noted there was a three

percent decrease on premiums and explained the decrease would be saving the city \$66,500. She noted employees buying dependent coverage would see a savings in their premiums as well. She stated the recommendation for the HSA funding was to continue on the path of funding the base at \$1,350 while continuing to offer the incentives at \$450.

Ms. Shanahan stated the proposed amount for the HSA was what the Commission had budgeted and would remain the same.

Commissioner Persis questioned if the \$100 wellness team activity included gym visits; whereby, Ms. Scott confirmed that was correct.

Commissioner Persis proposed to provide employees with the option to visit the gym multiple times a year and receive additional funds for more frequent visits.

Ms. Joyce Shanahan explained the current process required employees to achieve two gym visits as a minimum to count towards one out of two required activities for the incentive. She noted only 31 participants had accomplished all the incentives in the current year.

Ms. Whitley questioned if Commissioner Persis intended to have the gym visits count as two activities throughout the year instead of one; whereby, Commissioner Persis confirmed that was correct and believed it would encourage more participants to visit the gym more frequently.

Ms. Heather Kidd, Human Resources Director, asked if Commissioner Persis wished to increase the \$100 incentive; whereby, Commissioner Persis stated she wished to increase the amount of the incentive and provide the opportunity for employees to turn in gym visits multiple times a year, promoting usage of the gym more frequently.

Ms. Whitley explained that staff could adjust the flexibility of the program if preferred to allow the activity to be submitted two times in a year and count as both required wellness action team activities to achieve the full \$100 for that category.

Commissioner Persis stated she believed it would encourage employees to attend the gym more frequently if they were receiving additional funds to the \$100.

Ms. Whitley noted if it was the will of the Commission, staff could add additional funds to the HSA funding.

Commissioner Littleton questioned if it was the first year the two new wellness incentives were being implemented; whereby, Ms. Whitley stated it was the second year.

Ms. Whitley noted in the first year of the program the city implemented additional funding and in the current year they provided more programming and flexibility. She stated the HSA funding was still in its early stages.

Ms. Shanahan stated by August of 2019 only 59 employees had completed the two wellness activities which totaled under \$6,000. She explained if the Commission decided to add the additional funds through an extra incentive, it would cost at least double that amount.

Commissioner Persis stated employees would have to participate in order for it to cost the city more. She noted she was surprised at how few employees had participated.

Ms. Shanahan explained the city began offering various educational learning opportunities so that employees could have other options for learning about health, rather than just exercise.

Commissioner Littleton stated he was okay with continuing with the plan as proposed for another year and reconsidering the additional HSA incentives the following year.

Ms. Shanahan clarified the direction of the Commission was to keep the plan as proposed.

Mayor Partington stated he was not overwhelmed with the number of participants. He questioned the purpose of increasing the incentive; whereby, Commissioner Persis explained if more employees went to the gym more frequently it would ultimately promote a healthier lifestyle and overall better health. She noted she did not know how much it would cost the city since she did not know how many members would participate.

Ms. Shanahan explained the main reason staff had the personal health assessment incentivized was to have the health of the employees checked. She believed getting an annual physical and having employees visit the doctor once a year were extremely important goals.

Mayor Partington presented the idea of providing \$650 to be available to employees in wellness incentives and proposed taking gym visits out of the wellness action activity and making it its own category titled "physical activity" with a \$200 incentive to engage employees to become more active throughout the entire year.

Ms. Shanahan mentioned FHCP was sponsoring discounted Fitbits for employees as an incentive as well and also offered free access to gyms.

Commissioner Kent questioned how much the City of Ormond Beach or FHCP paid local gyms for one employee visiting their facility; whereby, Ms. Scott explained FHCP had contracts with the included gyms and it varied by contract. She stated she did not know the exact amount, but believed it was a reasonable rate.

Mayor Partington noted if there was no interest in approving of the additional incentives and funds at the current time, staff could gather opinions from employees on what a positive incentive would be and present their ideas next year.

Ms. Scott stated in 2018 the average annual number of gym visits per member was 33. She stated a small percentage of the employees were using the gym frequently and the numbers had been steady since 2016.

IV. **Renewal Results**

Ms. Scott explained that short term disability, long term disability, vision, and voluntary life insurance had no increases to their plans. She noted the city's dental insurance through Standard Insurance had called for a 22 percent increase, which was negotiated down to a five percent increase; and the city's life insurance through Standard Insurance

called for a 24 percent increase, which was negotiated down to an 8.7 percent increase. She noted out of the 8.7 percent increase, 2.8 percent was for active employees and the remaining portion included retirees.

Ms. Scott stated in summary she would be requesting to renew the current Florida Health Care Medical insurance plans, dental insurance, life insurance, and long term disability, as well as maintaining the current HSA funding.

Ms. Whitley stated the item would be brought back to the Commission for formal approval at the November 19, 2019, City Commission Meeting. She confirmed the Commission's consensus and thanked them for their time.

V. ADJOURNMENT

The meeting was adjourned at 5:58 p.m.

Transcribed by: Cassidi Ritz