

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

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**October 2, 2018**

**5:30 p.m.**

**City Commission Conference Room**

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**I. CALL TO ORDER**

Mayor Bill Partington called the meeting to order at 5:30 p.m.

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

Ms. Joyce Shanahan, City Manager, stated the health care workshops started a few years prior when rates increased significantly. She noted a benefit of being with Florida Health Care Plans (FHCP) was the ability to meet quarterly with the CEO. She explained that staff would be looking for some general direction from the City Commission, noting the Commission could not vote in a workshop.

**II. PLAN UTILIZATION OVERVIEW**

Ms. Claire Whitley, Acting Assistant City Manager and Human Resources Director, stated the city was going into the fourth plan year with the high deductible health plan and Health Savings Account (HSA) format. She noted that Ms. Heather Kidd oversaw all benefits and wellness programs internally.

Ms. Jessica Scott, Senior Vice President, Brown & Brown Insurance, stated the combined monthly utilization overview looked at a rolling 12-month period, noting the data was available through June 2018. She explained the data was compared to the data from the previous rolling 12-month period from 2017. She stated the total loss ratio for the 2015 plan year was 112 percent, but had decreased from there.

Mr. Brandon Savage, Risk Manager, Brown & Brown Insurance, stated the loss ratio amount is the most important number. He noted that year-to-date the loss ratio was at 81 percent and positive overall.

Mr. Savage noted the Point of Service (POS) plan had minimum involvement; whereby, Ms. Scott confirmed there was no one left on that plan and they would stop receiving premiums, but claims were still being paid out.

Ms. Scott reviewed the large claims summary from 2015 through June 2018, noting the total paid had decreased from \$1.2 million for nine claimants in 2015 to \$330,803 for four claimants in 2018.

Mayor Partington asked what was considered a large claim; whereby, Ms. Scott noted that large claims were paid claims exceeding \$50,000.

Commissioner Kent asked if the total paid was the contracted amount that was paid between the insurance company and the provider, not the billable amount; whereby, Ms. Scott stated that was correct.

Ms. Scott stated the \$0 copay medication program was in the second year of implementation. She noted the idea behind the program was to offer free medication for chronic conditions to ensure employees were compliant and assist with the high costs involved. She explained the total amount of prescriptions filled for 2017 was 513 with a cost to the city of \$4,957, while January through August 2018 was 442 with a cost to the city of \$5,678.

Ms. Scott 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 noted that emergency room visits had decreased over the years, from 104 visits in 2015, to 49 visits in 2016, to 47 visits in 2017, and to 17 visits through June 2018. She anticipated that 2018's final number would be similar to 2016 and 2017. She explained that claim amounts would be impacted as those visits were re-routed, when appropriate, to urgent care centers with the \$0 copay.

Ms. Shanahan stated that Florida Workforce Wellness is open six days a week, from approximately 7:00 a.m. to 7:00 p.m. Monday through Friday and 8:00 a.m. to 5:00 p.m. on Saturdays. She thought it was a benefit to not have to worry about a copay at those locations, which included Ormond Beach and Daytona Beach; whereby, Commissioner Kent agreed that Workforce Wellness is a great benefit.

Ms. Scott stated that \$0 copay office visits were being utilized, with a total of 610 visits in 2016, 721 visits in 2017, and 535 visits in 2018 through August. She anticipated the 2018 total to be around 803 visits. She pointed out that Doctor's on Demand is a new feature with Florida Health Care Plans, a convenient service, and the copay was typically \$10. She noted an individual would download an app on their device, and Face Time with the doctor so they would not have to leave the house when sick.

Commissioner Kent asked details about the app; whereby, Ms. Scott walked him through what was required, and noted that someone not on insurance could use the app also, but would have higher costs associated with the visit.

Ms. Shanahan noted the Doctor's on Demand service did not prescribe narcotics, but typically prescribed antibiotics and similar items.

Ms. Scott stated that employees were provided \$125.00 in Health Savings Account (HSA) funds for participation in the Personal Health Assessment. She reviewed the amount of people who participated in 2017 and 2018, the high risk areas that were identified, and the areas of improvement between 2017 and 2018.

Ms. Scott stated that employees were provided \$125.00 in HSA funds for participation in the skin cancer screening, and reviewed the results from 2017 and January through August 2018.

Commissioner Kent noted that he lobbied for more monetary incentives for employees and thanked Commissioner Boehm for coming up with the ideas that were being

implemented. He indicated the incentive increased the number of employees participating and potential health issues were being discovered.

Ms. Scott reviewed details of the Wellness Incentives and HSA account funding, with associated costs, including the Personal Health Assessment (PHA), the Skin Cancer Screening, the Tobacco Free Affidavit, and the Lunch and Learn meetings. She noted the total incentives paid to date was \$468,563.

Mayor Partington asked for details on the Tobacco Free Affidavit; whereby, Ms. Whitley stated the individual was swearing they were tobacco free by signing the form, and the city was not testing for it. She noted if employees were not tobacco free, they could complete a cessation course and receive the incentive. She noted that being tobacco free was an area staff wanted to grow and encourage smoke free behavior. She stated that employees could not smoke on city property and had to be at least 50 feet away to do so, but those employees in the field could still smoke on a job site and in vehicles.

Ms. Shanahan stated that many cities did not allow smoking on the job at all, including at job sites and in vehicles.

Commissioner Selby asked if an employee could smoke on their break in the other cities; whereby, Ms. Shanahan stated they could be a smoker, but could not smoke on city property or the job site. She indicated they could drive elsewhere to smoke.

Mayor Partington asked if lunch was provided at the Lunch and Learns; whereby, Ms. Shanahan stated it was not. She thought the low number of participants was due to a lack of flexibility in the timing of the Lunch and Learns, and that staff was working to provide more options in the future.

Mayor Partington asked what was included in the PHA; whereby, Ms. Shanahan stated that weight and blood pressure were taken, a finger prick would provide a blood sample for certain tests, and a questionnaire on health needed to be filled out. She indicated it was similar to what was done for the Mayor's Health and Fitness Challenge.

Commissioner Selby noted a report was provided at the end of the PHA with all results of the tests.

Mayor Partington was surprised that so many employees would not participate in something as simple as the PHA for the incentive included.

Ms. Shanahan noted there had never been 100 percent participation in the few years of providing the PHA. She stated there were many individuals who never visited a doctor; whereby, Ms. Scott confirmed the numbers were similar in the general population.

Ms. Scott explained the deductible and out of pocket accumulation reports were a customized report that they developed with Florida Health Care (FHC), so the city could see the tracking of its employees, and where they were in regards to meeting their deductibles. She explained they broke the reports down into individual and family plan enrollments. She noted for the individual report that 18 percent of employees had actually met their deductible through July. She further stated that three percent of individual employees had met their maximum out-of-pocket expenses. She displayed a graph showing how much progress employees had made towards their deductible, and another showing their progress towards the out-of-pocket maximum. She noted that

most employees fell into the \$.01 to \$299 range on the deductible and the \$.01 to \$599 range on the out-of-pocket maximum.

Ms. Scott stated that for the family plan, 13 percent of those enrolled had met the family deductible of \$3,200, and that no one had met the family out-of-pocket maximum of \$6,400. She noted that most families fell into the \$.01 to \$599.99 range on the deductible and the \$.01 to \$1,199 range on the out-of-pocket maximum.

Ms. Shanahan stated the family plan covers at least two people and the deductible is aggregated.

### **III. 2019 PLAN YEAR RFP RESULTS**

Ms. Scott stated a bid was received from FHC, who the city's current plan was with, at a six percent increase, which was negotiated down to a three percent increase. She noted that increase came to \$64,367, with a total cost to the city of \$2.2 million.

Ms. Scott explained the HSA funding history and proposed keeping the same amounts in 2019 that were provided in 2018, \$1350 for being part of the HSA and \$450 in wellness incentives that would total \$1800. She stated they would continue to offer money for the PHA, the skin cancer screening, and the tobacco free affidavit/smoking cessation course, but wanted to include a new wellness program instead of the lunch and learns, to offer more options and increase participation.

Ms. Whitley stated that staff gave the HSA recommendation as a starting point and wanted feedback from the Commission. She noted positive responses on the lunch and learns in 2018, but that scheduling was an issue, and employees wanted more variety and access to options that would work for any schedule. She stated staff wanted to add options that involved nutrition, physical activity, or something that could be tailored to an employee's need. She thought the program was doing well and explained they wanted to add activities with monetary rewards more often, believing this would keep employees engaged throughout the year.

Ms. Shanahan stated that staff wanted the Commission's permission to modify the wellness incentives, based on what was needed to get the greatest amount of participation possible.

Commissioner Selby was on board with the recommendation.

Ms. Whitley noted there was positive feedback from employees and the union on the HSA regarding the funding and structure approved by the Commission.

Commissioner Selby reiterated the loss ratio was 81 percent with the industry standard at 85 percent, and wondered why FHC needed a three percent increase; whereby, Ms. Scott stated that number was only through June, not the end of the year, and that FHC would consider a flat renewal at 70 percent loss ratio.

Ms. Scott stated there would be a six percent increase in dental through Standard and no increase in vision. She noted the city would be moving from Humana to Standard, with no increase in life insurance or in long term disability due to a rate hold.

Ms. Whitley explained certain carriers would come in low on a proposal one year and extremely high the next year, noting the city had changed carriers a few times in prior years due to that situation. She mentioned that Standard had been the best carrier with regards to quick and efficient issue resolution. She thought the higher claims on dental in 2018 was due to employees using more HSA money for those charges, as well as regular dental expenses.

Ms. Shanahan stated a portion of the dental cost was paid by the employee.

Ms. Scott stated that bids were received from FHC at a three percent increase, Aetna for a 17.5 percent increase, and Cigna for a 2.1 percent increase. She noted if the city had chosen Cigna, employees would no longer receive the free use of several gyms, Workforce Wellness, and other benefits.

#### **IV. NEXT STEPS**

Ms. Shanahan stated they were looking for direction on the renewal and the HSA funding for 2019. She recommended they continue with the current providers, with the exception of moving vision to Standard, and the HSA funding as proposed. She noted staff would bring everything back as an agenda item at the next regular City Commission meeting.

Commissioner Kent agreed with staff's recommendations. He thanked Brown & Brown for their presentation and work on behalf of the city.

Ms. Shanahan confirmed the Commission's consensus and thanked them for their time.

#### **V. ADJOURNMENT**

The meeting was adjourned at 6:15 p.m.

Transcribed by: Wendy Nichols