



CITY OF GERMANTOWN TENNESSEE

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Personnel Advisory Commission

Tuesday, August 16 - 6:00 p.m.

IT Training Room

1930 S. Germantown Road

MEMBERS PRESENT: Scott Williams, Chairman; Mark Devine; Ronald Pokrandt; Holly Turner; Alderman Dave Klevan; Steve Wilensky; Michael Dowdy (via phone)

MEMBERS ABSENT: Mark Holland

PRESENT NON MEMBERS: Sherrie Johnson, Sharon Hailey

Call to Order

Scott Williams called the meeting to order at 6:04 p.m.

Introduction of Guests

Sherrie Johnson, from Health Cost Solutions, is the account manager for City of Germantown's health plan since May 2013.

Establishment of a quorum

Over half of the members were present.

Consideration of the Minutes

Minutes from the June 28 meeting were approved as presented.

Staff Report

Following the decision to not invest in a brick and mortar Health Clinic, Steve Wilensky has been exploring other possibilities. He met with Methodist Hospital last week and expects a proposal in the next week about the possibility of priority access for employees, coupled with Wellness education. GMSD may choose to enter into a joint venture in this scenario. The HR Director also visited Franklin and Brentwood this week to learn what they are doing (both in technology and wellness) and whether their practices could be effective solutions for Germantown. The HR department will be moving forward with the acquisition of the NeoGov applicant tracking system to help the office move to a more efficient, paperless process.

Business

Alderman Klevan suggested the addition of a software such as Go365 to supplement the efforts of a Wellness Coordinator, whether a full-time employee or through a 3rd party, to promote and sell the options available to employees, such as the free physicals through Lifesigns. The ultimate goal being to help teach and change employee's habits so less medical care is required. His calculations indicate that this would be a much more cost effective decision than a brick & mortar clinic.

Sherrie Johnson indicated that she has seen a trend in Wellness/Benefit Fairs that do not feature only medical providers, but also businesses, like Whole Foods, that encourage healthy behaviors. She also pointed out that the City's current health plan covers smoking cessation programs including education, medication and even Nicorette gum. Many plans are penalizing tobacco users. The average premium difference for tobacco users is 40-45% higher for employee only, 35-40% higher for employee plus 1 and 37-42% higher for family. Most clients only use the honor system to identify tobacco users, though one client does bring in a nurse to do complete blood work-ups that include a test for nicotine. Approximately 45% of people in the state of Tennessee use tobacco.

The HR Department will soon be submitting a draft of updated policies for department heads to review. This includes a section on going tobacco-free. A proposal was made to create priority and secondary premium rates. Completing wellness checks would qualify employees for the Level I premium rates, while those that opt not to complete the wellness checks would get the higher Level II rates. Tobacco users that get the wellness checks can qualify for the Level I rates for a year, giving them the opportunity to utilize the cessation program before being bumped to the Level II rates. Sherrie was asked to provide a number for low claim users to explore cost-effectiveness of high deductible plan.

The PAC asked for a written proposal from which they can make their recommendations identifying prescription tiers, dental plan and premium tiers as primary focus for this year. For Rx, the suggestion is to change to a 3-tier system where generic cost is \$10, preferred is \$40 and brand is \$60, and adding "dispense as written" to increase generic use. This will be studied for a year to determine whether it needs to be further changed. The suggestion for dental was to change from \$1000 to \$1250 and include preventative. This will also be reviewed after a year with the possibility of moving to \$1500 if needed. Because dental and medical currently have different premium tiers, it was suggested that they both be restructured to employee, employee +1, and family. Any possible changes to the vision plan will be explored next year. Sherrie said that with the current dental plan, endodontics is covered under basic, where many plans cover it under major. She also mentioned that because the City of Germantown moved to HMO, they might want to explore using the Cigna dental network. She can get a cost difference analysis.

Adjournment

The meeting was adjourned at 7:10 p.m.