



CITY OF GERMANTOWN TENNESSEE

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Personnel Advisory Commission

Thursday, August 24, 2017 - 5:30 p.m.

Administrative Conference Room

1930 S. Germantown Road

MEMBERS PRESENT: Claire Shapiro, Chairman; Mark Devine; Mark Holland; Mike Stavropoulos; Steve Wilensky, HR Director

MEMBERS ABSENT: David Jackson; Sammy Jobe; Ronald Pokrandt; Alderman Dean Massey

PRESENT NON MEMBERS: Sharon Hailey; Sam Holland; Scott Sanders

Call to Order

Claire Shapiro called the meeting to order at 5:32 p.m.

Establishment of a quorum

Four commission members are needed for a quorum. Four members were present.

Consideration of the Minutes

Minutes from the June 24 meeting were accepted as presented.

Healthplan - calendar year 2018

In anticipation of plan and rate changes for calendar year 2018, the HR director compiled suggestions from previous meetings to reaffirm the commission's recommendations. There have been no rate changes since 2010 for retirees and 2014 for active employees. Changes would need to be established by October so that employees get at least 60 days notice before the changes take effect.

Annual Deductible: The proposed change for annual deductible would move from \$350 to \$500 per individual.

Premiums: The commission had previously recommended a change, but anticipated that because of the length of time since the last increase that increasing in smaller increments may be more palatable. The proposed premium increase for eligible active & retired employees, spouses, dependents is 10%. It was clarified that retirees that are medicare eligible (age 65) are no longer eligible for health coverage. Those

are currently given a \$200 supplement when dropped from the plan. The exception is individuals that retired before that plan change that were grandfathered in. In addition, the tier structure has been simplified as recommended.

ER Visits: Previous discussions surrounding ER visits were to change the deductible to \$500 for every visit which does not result in hospital admission. In recognizing that \$500 is a big hit for employees who are not “frequent fliers”, the proposal is as follows: 1st visit: \$200, 2nd visit: \$350, 3rd visit: \$500. This would apply to both employees and dependents. It is not anticipated that this will make a major difference in the plan cost, but could help discourage regular unnecessary ER visits.

Commission members recommended that the introduction and marketing of a telemedicine option could also help prevent unnecessary ER visits as well as improve attendance because covered individuals can just call or video conference with a doctor 24/7. Commission members confirmed that it is growing in popularity among companies, but may still require a lot of promotion to get individuals to use it. Payment options are flat rate or per use and the cost could be covered by the City or the employee.

Vision: The proposed vision changes include moving coverage from 24-month to annual eye exam, improving the maximum benefit amount for lenses for glasses (pair) and for contact lenses. The commission has suggested considering separating vision out of the health plan, perhaps even opting for a fully insured plan. This could be paid either partially by the employee or made 100% voluntary, because people value what they spend on. This would make it easier to provide a better vision plan to the employees without increasing the costs to the City. The HR Director will review this matter in more detail with the City’s Procurement Director to confirm the correct process for considering this added benefit and report back at the next PAC meeting. The HR Director will also discuss further with the City Administrator.

Dental: The proposed changes to dental plan included increasing the maximum benefit amount from \$1,000 to \$1,250, but preventative care would not be included in this amount. The commission supports separating preventative care, understanding that dental check-ups can also help identify other health issues, but does not think it is currently necessary to increase the maximum benefit as well. It can be reviewed again in the future if needed. The recommended maximum benefit would remain at \$1,000.

No change is currently being proposed to out of network expense (employee pays 35%) or out of pocket (current amount is \$12,700).

Prescription: A proposed expanded tier structure would include 3 tiers with generic priced at \$10, brand priced at \$40 and preferred priced at \$60. Members agreed on the recommended tier structure and suggested strongly encouraging employees and dependents to use mail order prescriptions.

Nicotine: No nicotine surcharge is being proposed for 2018. HR plans to give more attention to an employee wellness program to include nicotine cessation and will communicate the possibility of future possible changes.

Commission supported proposals with only the recommendations to revisit the vision plan and consider adding telemedicine. Additional emphasis was placed on communicating the high quality of the plan and comparative market trends to the employees to help them better understand the necessity of rate increases. The overall importance of frequently communicating the overall benefits and value of this outstanding plan to our employees was a recurring theme from the Commission to the HR Director.

New Business

Human Resources has no new business to discuss at this time.

Next Meeting Date

Commission tentatively scheduled to meet either September 21 or October 12. It is anticipated that this will be the final meeting for this commission in 2017. The meeting was adjourned at 6:42 p.m.

Adjourn

The meeting was adjourned at 6:23 p.m.