



UNIFIED FIRE AUTHORITY BOARD COMPENSATION & BENEFITS COMMITTEE AGENDA

Tuesday, February 5, 2019 at 2:00 p.m.

NOTICE IS HEREBY GIVEN THAT THE UNIFIED FIRE AUTHORITY GOVERNANCE COMMITTEE SHALL ASSEMBLE FOR A MEETING AT 3380 South 900 West, Salt Lake City, UT 84119

1. Call to Order – Chair Dahle
2. Public Comment
Please limit comments to three minutes each
3. Minutes Approval – Chair Dahle
 - A. 7.20.2018 Meeting Minutes
 - B. 11.19.2018 Meeting Minutes
4. Update from Gallagher Benefits regarding current health benefit utilization and forecast for FY19/20 renewal
5. Comparable wage survey for sworn personnel – HR Director
6. Proposed pay plan adjustments for sworn personnel – Chief Petersen/Local 1696 President Quinn
7. Review the Benefits and Compensation concepts and cost worksheet for FY18/19 Budget – Chief Petersen/CFO Hill
8. Possible Closed Session
The Board may consider a motion to enter into Closed Session. A closed meeting described under Utah Code Section 52-4-205 may be held for specific purposes including, but not limited to:
 - a. discussion of the character, professional competence, or physical or mental health of an individual;
 - b. strategy sessions to discuss pending or reasonably imminent litigation;
 - c. strategy sessions to discuss the purchase, exchange, or lease of real property;
 - d. discussion regarding deployment of security personnel, devices, or systems; and
 - e. investigative proceedings regarding allegations of criminal misconduct.

A closed meeting may also be held for attorney-client matters that are privileged pursuant to Utah Code § 78B-1-137, and for other lawful purposes that satisfy the pertinent requirements of the Utah Open and Public Meetings Act.

9. Adjournment

THE PUBLIC IS INVITED TO PARTICIPATE IN ALL UFA MEETINGS.

In accordance with the Americans with Disabilities Act, UFA will make reasonable accommodation for participation in the meetings. Please call the clerk at least three working days prior to the meeting at 801-743-7220. Motions relating to any of the foregoing, including final action, may be taken at the meeting. This meeting may be held telephonically to allow a member of the UFA Board to participate. This agenda is subject to change with a minimum 24-hour notice.

CERTIFICATE OF POSTING

The undersigned, does hereby certify that the above agenda notice was posted on this 4th day of February 2019 on the UFA bulletin boards, the UFA website www.unifiedfire.org , posted on the Utah State Public Notice website <http://www.utah.gov/pmn/index.html> and was emailed to at least one newspaper of general circulation with the jurisdiction of the public body.

Cyndee Young, UFA Board Clerk



UNIFIED FIRE AUTHORITY BOARD COMPENSATION & BENEFITS COMMITTEE MINUTES

Thursday, July 26, 2018 at 8:00 a.m.

In Attendance:

- | | |
|---------------------|---------------------------------|
| ✓ Chair Dahle | ✓ CFO Hill |
| ✓ Chief Petersen | ✓ IAFF Local 1696 – Darren Park |
| ✓ Mayor Hale | ✓ Arriann Woolf |
| ✓ Mayor Overson | ✓ Calogero Ricotta |
| ✓ Mayor Silvestrini | ✓ Kate Turnbaugh |
| ✓ AC Watson | ✓ Michelle Morse – AJG |
| ✓ AC Higgs | ✓ Rebecca Norfleet – AJG |
| ✓ CLO Roberts | ✓ Clerk Roper |
| | ✓ |

Absent:

- | | |
|-------------------------|--------------------------|
| ✗ Councilmember Bush | ✗ AC Ziolkowski |
| ✗ Councilmember Bowen | ✗ Councilmember Ferguson |
| ✗ Mayor Peterson | ✗ Talsan Schulzke |
| ✗ Councilmember Stewart | ✗ Jake Turley - AJG |
| ✗ Cliff Burningham | |

Call to Order – Chair Dahle at 8:07 a.m.

Public Comment

No Public Comments

March 29, 2018 Minutes Approval

Motion to approve the March 29, 2018 UFA Compensation & Benefits meeting minutes by Mayor Silvestrini, 2nd by Mayor Overson, all approved

Review of Current Health Benefits by Gallagher

Michelle Morse introduced herself as well as Rebecca Norfleet of Gallagher. Provided a review of renewals and discussed moving forward with new options to consider. Will be looking for UFA direction on what we are looking for. Last year 8% was approved but Gallagher was able to come back with a 4% increase. Working on a communication strategy with the UFA Human Resources team. Would like to see more attendance at the benefits fair to communicate what is coming up.

Updates & Strategy: Creating a calendar that will go out to each station for additional information as well as meeting with EAP.

Other Deliverables: Working on benchmarking with other cities / municipalities to see where UFA sits compared to the market as well as national benchmark. Also conducting a best in class comparison.

Chief Petersen would like to look at the exiting plan along with two to three other options for the future. Looking at different models and once identified, educate membership on the pros and cons to discuss. If the costs for health

insurance go up it may cause an impact in a reduction of services which will need to go to the board for further discussion.

Calogero Ricotta – looking to forecast what the renewal will be to have earlier conversations. Looking at new plans that are coming out such as the shared plan.

Chair Dahle – if we can achieve a savings in the health care piece, which is a large portion of the budget, we can use the excess for other items such as wages. Health care usage has been comparatively very low.

Darren Park – Having information pushed out to the stations will assist with education and understanding for all. Looking forward to seeing what options are available.

Michelle Morse – Renewal Timeline:

- December / January
 - Present experience claim data
 - Provide plan modifications with corresponding percentage reductions
 - Monte Carlo Simulation (self-funded vs. full insured analysis)
- March / April (90-120 days from plan renewal)
 - Renewal received from Select Health
 - Present experience claim data
 - Decision will be made to go to market and/or plan modifications with current carrier

Calogero Ricotta – will provide data ahead of time so that future meetings can start with data already presented and time to review.

Michelle Morse asked if the committee would like to see renewal history?

Chair Dahle would like to see a 5-year history with how the trend has been moving over the last 5 years. Is there a state or comparative index that would show the same time period?

Chair Dahle asked who manages a self-funded account?

Michelle Morse stated that an agent is hired to manage it with money that is put into a trust by UFA. It is more administrative work on the back end.

Discussion of Possible Changes, New Products, Future Strategy, etc.

Michelle Morse – Renewal Options:

- Go to market – potential carrier change
- Current carrier at same benefit level
- Current carrier with plan modifications
- Current carrier with a change to the network and plan designs
 - SHARE savings starting point 5% (based on network discount alone)
 - SHARE network based on engagement from employer, employee and providers
 - Employers are required to only offer approved plans, to contribute to an HAS for those who qualify and engage employees in the wellness program.
 - Employees are required to participate in the applicable wellness programs and complete health screenings.
 - Providers will be paid based off of health outcomes, being the responsible party of the member.

PROS

- Guaranteed renewals (2.5% years 2 and 3)
- Wellness program
- Requires HSA option with employer contribution
- Engaged employees
- Long-term sustainable healthcare model

CONS

- Narrower network – Disruption for members
- Slight benefit changes on traditional plan
- In-network only option
- Wellness participation requirements
- No HRA contribution
- If commitments are not met by employees, renewals are not guaranteed

Michelle Morse stated that there is an option to have both the U of U and IHC as providers but the premium would be much higher and there are no discounts for employees.

Calogero Ricotta stated that there were advocates available when the U of U cancelled their contract with Select Health to help those individuals that had doctors at the U of U to find a new doctor within the new network.

Darren Park did not hear any negative feedback with the U of U was no longer available.

Michelle Morse – Select Health will always make sure that employees have the doctor they need if a specialist is required.

Darren Park asked if there is a 3-year commitment required for the SHARE plan? Michelle Morse stated yes.

Chair Dahle asked if there are other large municipalities using the SHARE plan that we can get feedback on their experience from? Michelle Morse stated yes.

Mayor Silvestrini asked what are the requirements of the employees?

Michelle Morse stated they must sign up on the website, participate in the wellness program that includes challenges and campaigns. There must be at least 60% participation.

Mayor Silvestrini would like to see a list of what the requirements are and get feedback from Labor.

Darren Park stated it's important that employees feel safe in knowing that the screenings will not be used against them with their employment. If cost can be controlled, then we need to consider this option.

Michelle Morse suggested engaging participation such as stating that those that participate would be awarded by not having an increase the following year, UFA would pick that up (this is just a suggestion of a way to engage employee participation).

Mayor Hale – departed at 8:45 a.m.

Mayor Silvestrini stated that the program UFA currently offers is a rich program and letting employees know the value of the program is key.

Darren Park stated that more effort needs to be put in to education for future participation.

Michelle Roper asked what happens to the left over money that is put into the HSA at the end of the fiscal year?

Mayor Silvestrini stated that the money rolls over each year and is kept by the employee as a savings that can eventually be used for other items rather than healthcare or invested.

CLO Roberts stated that if enough information is given, the employees can run the numbers and see the savings.

Chief Petersen stated that building trust is crucial to allow further conversation.

Darren Park asked at what point will UFA know what increases the other clients of Gallagher's that are using the SHARE plan are looking at and will there be tracking data for both the traditional plan vs. the SHARE plan? Calogero Ricotta stated that there will be more data in October / November.

Chair Dahle stated that this will provide employees an opportunity to consider another option to see what the savings could be or a possible increase if staying with the traditional plan.

CLO Roberts said it would be helpful to have several scenarios or alternatives to consider.

Calogero Ricotta asked the committee if they would prefer a live spreadsheet that can be manipulated or handouts at the next meeting? Chief Petersen stated that a live worksheet would best but when presenting to our members it needs to be on paper.

AC Higgs asked if someone participates in the HSA can they also have a flex plan? Michelle Morse stated that the flex plan can only be used for non-medical items such as dental or childcare expenses.

AC Higgs asked if the money that an employee puts into their HSA tax free? Michelle Morse stated yes, the only difference is that after the employee turns 65, the money can be used for Medicare supplements.

AC Higgs asked what the maximum amount an employment can contribute to their HSA? Michelle Morse stated the maximum amount is \$7,000 per family / \$3500 per individual.

AC Higgs asked how many employees are contributing to a flex plan currently. Calogero Ricotta stated that it's about 60-70% currently.

Calogero Ricotta stated that the SHARE plan is a high deductible plan which eliminates the low co-pays up front.

Michelle Morse stated that the HSA is based on the amount of money put in over time and not money up front like the flex plan.

Chief Petersen stated that a meeting will be scheduled for next month for further discussion.

Possible Closed Session

None Required

Adjournment

Motion to adjourn the July 26, 2018 UFA Compensation & Benefits Committee Meeting by Mayor Silvestrini, 2nd by Mayor Overson, all approved



UNIFIED FIRE AUTHORITY BOARD COMPENSATION & BENEFITS COMMITTEE MINUTES

Monday, November 19, 2018 at 1:00 p.m.

In Attendance:

- | | |
|----------------------|--|
| ✓ Chair Dahle | ✓ IAFF Local 1696 – Darren Park |
| ✓ Chief Petersen | ✓ IAFF Local 1696 – Cliff Burningham (phone) |
| ✓ Mayor Hale | ✓ Arriann Woolf |
| ✓ Councilmember Bush | ✓ Calogero Ricotta |
| ✓ AC Higgs | ✓ Michelle Morse – AJG |
| ✓ CLO Roberts | ✓ Jake Turley – AJG |
| ✓ CFO Hill | ✓ Clerk Roper |

Absent:

- | | |
|-------------------------|--------------------------|
| ✗ Mayor Overson | ✗ Councilmember Ferguson |
| ✗ Councilmember Bowen | ✗ AC Watson |
| ✗ Mayor Peterson | ✗ AC Ziolkowski |
| ✗ Councilmember Stewart | ✗ Talsan Schulzke |
| ✗ Mayor Silvestrini | |

Call to Order – Chair Dahle at 1:00 p.m. Quorum not preset

Mayor Dahle acknowledged and appreciates the UFA Task Force that are currently headed back from California where they were assisting with multiple fires.

Public Comment

No Public Comments

July 26, 2018 Minutes Approval

Unable to approve meeting minutes due to lack of quorum.

Review of Current Health Benefits by Gallagher

Mayor Dahle recapped the July Compensation & Benefits meeting in which the Share concept was being discussed.

Michelle Morse stated that Gallagher appreciates the partnership with UFA. Handed out binders created for each member of the committee and stated that new tab with new data will be brought for the next meeting. Reviewed the following:

Updates / Strategy

- Employee education strategy
 - Created monthly communication calendar for fire station distribution
- Outstanding deliverables
 - Local city benchmark and best in class benchmark

- EAP utilization reports
- Connect Care (virtual visits) reporting

Cal Ricotta stated that traditionally the utilization is higher in January & February during slower months and then again in May & June to meet or exceed their deductibles.

Mayor Dahle stated that the trending this year is under what it was at the same time last year.

Michelle Morse reviewed the highlights from the **Experience Data**:

- Claims Experience Report – Rolling 12 months
 - Loss ratio of 95.7%
 - Inpatient and outpatient facility usage is significantly up
 - Fifteen large claimants for 22% of the premium
 - Four new large claimants that have exceeded \$50,000
 - 2 of the top 5 prescriptions by cost are to treat diabetes
- Healthcare Analytics Insights – NEW
 - Clinical report that helps identify the cost drivers of the plan and stratify the risks found in the population. This report can help us identify the actionable opportunities that can help improve the costs and overall health of the plan.
 - Highlights from the report:
 - Hospital admissions -20% benchmark
 - Emergency room visits higher than benchmark and result in higher admissions, but this tells us that the population is using the ER for correct type of care (i.e. life threatening/high trauma situations)
 - Behavioral health office visits higher than benchmark
 - 2% of the population makes up 39.4% of large claims which falls below benchmark
 - Asthma is more prevalent in UFA population, but diabetes cost us more.

Cal Ricotta stated that the plan is made up of 51% dependent children, which could show our utilization as being lower which plays into our favor.

Michelle Morse stated they could pull out the children to see what the utilization will show as.

Councilmember Bush stated that Utah has the highest rate of asthma in the United States due to the air quality.

Michelle Morse stated that nothing stuck out that caused concern within the last 4 months. Will have more information to present in January or February to determine if UFA should go self-funded. The Share Platform is projecting a low single digit renewal and might not recommend it if self-funded.

Timeline for Renewal:

- January / February
 - Release renewal projection
 - Review experience data
 - Monte Carlo simulation (self-funded vs. fully insured analysis)
- March / April
 - Renewal received from SelectHealth
 - Review experience claim data
 - Decision will be made to go to market and/or plan modifications with current carrier

Mayor Dahle asked if benefit fairs are currently happening at UFA and if so, how often?

Cal Ricotta stated that benefit fairs are usually held in November but found that the attendance has been low in the past couple of years due to the fact that the provider has stayed the same. The year that we switched providers was by far the largest attendance. Information goes out to employees on how to access their benefits, etc. Gallagher has provided us with an all-encompassing benefits book that employees can use to gather information. Looking to increase communication moving forward.

Michelle Morse reviewed the differences between the Share program and provider based.

Mayor Dahle asked who was on the Share program currently and are they pleased with the care they are receiving?

Michelle Morse stated Utah County is on their 4th year. They are happy but found that it is a struggle to get the employees to meet certain health requirements and maintain them.

Mayor Dahle suggested moving to a model where the healthcare costs aren't driven by the services provided. The concept of paying doctors to keep people healthy proactively is ideal. Is there a way to start taking about this new concept while things are good?

Cal Ricotta stated if things are good, it would not be advantageous to get on that plan now. Changes can be made to the plan we have to lower renewals. When the 8% or 10% increase comes in, then start looking at the other plan.

Mayor Dahle asked if the Share program is strictly a SelectHealth offering? Would they be open to reducing our premiums if we move to the Share program?

Michelle Morse stated that the Share program is only available through SelectHealth. There could be a reduction depending on how the plan was written.

Mayor Dahle stated that with other agencies currently using this program, there is data that show it is a good program. If the premiums drop 5%, that money can be moved into wage increases. Would be interested in what employees would think about that.

Darren Park stated there is concern of taking someone away from a healthcare provider that they have had for a long time or a specific specialist. Would be interested in sitting down to discuss further. With the current model, there should not be a drastic increase.

Chief Petersen would like Labor to meet with Human Resources and Gallagher to determine the trigger points prior to the sign up date.

Cal Ricotta will run the analysis, look at the Share Program and get a breakdown to present. Will also look at the flex program.

Michelle Morse stated that the Share Platform is becoming bigger. There are decrements that can be implemented to save money.

Chief Petersen would like any trigger points brought to the next meeting to review.

Michelle Morse stated that meeting in February 2019 would be best to review the 6-month marker

Mayor Dahle would like to see the market updates and a wage comparison study.

Cal Ricotta will plug in the updated numbers.

Chief Petersen stated that meeting in February 2019 to review concepts and proposals will be ideal.

Mayor Dahle recommended having the meeting a week prior to the February Board meeting to update the board on trends, etc.

Possible Closed Session

None Required

Meeting concluded at 1:50p.m. – No quorum to adjourn meeting

DRAFT