



## UNIFIED FIRE AUTHORITY BOARD COMPENSATION & BENEFITS COMMITTEE MINUTES

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

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### 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, 2<sup>nd</sup> 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, 2<sup>nd</sup> by Mayor Overson, all approved