

SECOND TAXING DISTRICT COMMISSIONERS

Special Meeting Minutes
November 18, 2014

Present:	Mary Burgess Maria Borges-Lopez Mary Geake Mary Mann Cèsar Ramirez David Westmoreland Martha Wooten-Dumas	Chairperson Vice Chairperson Arrived at 6:40 p.m.
Absent:	None	
Also Present:	John M. Hiscock Lisa Roland Kara Murphy Michael Sutton	General Manager District Clerk Tierney, Zullo, Flaherty & Murphy P.C. Benefit Planning Services
Public Present:	Fred Belinsky	

Call To Order:

Commissioner Burgess called the Special Meeting of The Second Taxing District Commissioners to order at 6:00 p.m. on Tuesday, November 18, 2014. The meeting was held at South Norwalk Electric and Water, One State Street, Norwalk, Connecticut.

Commissioner Burgess: "I will call the Second Taxing District Commissioners Special Meeting to order Tuesday, November 18, 2014 at 6:00 p.m."

John Hiscock: "Madam Chairman I am requesting that you suspend the Commission Meeting."

Commissioner Burgess: "Do we have to vote on that?"

John Hiscock: "Yes and the purpose of the suspension is for a meeting of the Search Committee."

Commissioner Burgess: "Alright then, can I have a motion to suspend the meeting?"

Commissioner Borges-Lopez: "So moved."

Commissioner Westmoreland: "Second."

Commissioner Burgess: "All in favor?"

Commissioners Unanimously: “Aye.”

Commissioner Burgess: “Opposed?”

The Special Meeting was suspended – 6:02 p.m.

The Special Meeting was reconvened – 6:27 p.m.

Commissioner Borges-Lopez: “I make a motion to come out of the Search Committee.”

Commissioner Westmoreland: “Second.”

Commissioner Burgess: “All in favor?”

Commissioners Unanimously: “Aye.”

Commissioner Burgess: “Opposed?”

John Hiscock: “Ok, we are now out of suspension of the special meeting and we are back into the special meeting at this point, dealing with item 1 on the agenda of the special meeting, which is Employment Contract.”

Commissioner Westmoreland: “Madam Chairman I have been designated by the Search Committee to speak on their behalf. We have a recommendation to make on the Employment Contract and recommend that we discuss that in Executive Session.”

Commissioner Geake: “I will second that.”

Commissioner Burgess: “All in favor?”

Commissioners Unanimously: “Aye.”

Executive Session – 6:27 p.m.

Executive Session ended – 6:40 p.m.

Commissioner Borges-Lopez: “I make a motion to come out of Executive Session.”

Commissioner Westmoreland: “Second.”

Commissioner Burgess: “All in favor?”

Commissioners Unanimously: “Aye.”

Commissioner Burgess: “Opposed.”

1. Employment Contract

Attorney Murphy: "Ok, now you can read the motion."

John Hiscock: "Ok, hang on, I do need to notify the people in attendance that we are back in public session."

Commissioner Borges-Lopez: "Through the Chair, I make a motion that the Commission moves to accept the recommendation of the Search Committee to tender the final Executive Employment Contract to candidate #1. Further, after candidate #1 has advised his current employer and executed the contract, the Commissioners authorize Commissioner Burgess as Chair of the Commission to execute the Employment Contract on behalf of the Second Taxing District and SNEW."

Attorney Murphy: "Is there a second to that motion?"

Commissioner Mann: "I second."

Commissioner Burgess: "All in favor?"

Commissioners Unanimously: "Aye."

Commissioner Burgess: "Opposed?"

Attorney Murphy: "Great, thank you."

Commissioner Borges-Lopez: "Thank you."

Commissioner Geake: "Thank you."

John Hiscock: "Thank you and we will move on to item 2. I will keep you all posted. I would suggest to you by the way that this has not been executed at this point. It is still not a public document. I just want to make that clear because sometimes procedurally we don't explain to you everything that we should. So, this is still a confidential document until it comes back to us with a signature on it."

2. Employee Health Insurance – Discussion

John Hiscock: "Alright, I will get the representative of Benefit Planning and we can discuss health insurance."

Commissioner Burgess: "Thank you Kara."

Attorney Murphy: "You are welcome."

Commissioner Westmoreland: "Thank you."

Commissioner Mann: "Thank you."

Commissioner Borges-Lopez: "Thank you, good night."

Michael Sutton: "Ok, so I did get back responses from everybody that we sent our RFP's to. So we got those back. The last one came in this afternoon. What I did was try and put everything in one place for you, so you can follow through. You will see on the left hand side, the first column there, it starts with your current plan design and the rates are below. We discussed at the last meeting the renewal, the impact that was having. Oxford, we spoke to them and they came back and they are not budging. I thought we might be able to get some kind of concession, even a good faith concession but they are not budging on those numbers. So the next column was one I mentioned, it's an alternative plan. If we change the benefit level, a higher deductible with some co-pays after the deductible results and you will see the numbers below, is a 5% savings off of current. And then what I tried to do from the rest of the carriers, illustrate the first column compared, as closely matching your current plan and what those rates would look like and the same alternative option plan as Oxford's or as close to it I can match. Some carriers do not have the exact same plan so a similar style plan to show what they would look like. Two carriers declined to quote. Harvard Pilgrim and Connecticare because they didn't feel they could be any more competitive than what Oxford had come out with so they wouldn't issue a quote. So, we have numbers back from Aetna, Cigna, Anthem and a new carrier in Connecticut called Healthy, CT. For sake of argument, Healthy CT is not as competitive...well the rates are competitive, but I would be concerned there because it is a new carrier in the network. I am concerned about anybody until they have a couple of years to bring the network up to speed. So, I am just kind of showing it to you for comparison purposes. Anthem, not that great a difference than what you have. I think the two that are the most competitive and very similar numbers are Aetna or Cigna. Questions so far? I think in my going over the numbers and the information, the way I kind of looked at it, is if you wanted to have the goal of keeping the current benefits structure the way it is now and not change that, then I would say you would have to seriously, well you could take the 29% increase, which I don't think is acceptable, but Aetna or Cigna would give you a savings of over your current benefit structure. On the other side of the coin, if you were willing to talk about changing the benefits to a higher deductible, then the Oxford plan has a very competitive option for you and is actually a little bit more competitive than Aetna or Cigna. So it is kind of..."

Commissioner Westmoreland: "On the Aetna alternative, the 10% after deductible co-pay, you know that whole 1%, 2%, 3%, 4%, 5%, 10% compared to the fixed numbers on the Oxford/United Healthcare, which is better? I don't know."

Michael Sutton: "It is hard to say, you can make an argument for both sides. I will give you an example. If you are talking about a doctor's office visit, first of all assuming you are in network and going to a network providers, you are paying discounted rates for that. So, an average visit in this area, I don't know exactly but it is usually \$100, maybe \$120 on the discounted rate. If you are paying 10% on that, it is like a co-pay, \$10 to \$12 bucks. That is pretty good. That comes out ahead. On the other side of the coin, if you have to go for an outpatient surgical procedure or something like an MRI or CAT scan, which is not unusual. Those can be \$2,000, or outpatient surgery could be \$5,000

whatever it is, that case you may have a higher number on that 10%. So it is hard to say. But, I would say that they are both pretty comparable and the nice thing about a co-pay is you know what it is. You know what you are going to be facing. I think when you are comparing the plans, I would go down a little bit towards the bottom of the first box there and you will see something that says out-of-pocket maximum. That is your exposure. That's the most you are going to pay in any given year of co-pays or 10% or whatever you are paying, prescription drugs co-pays, whatever it is. And that really is your protection, that's your insurance protection. So on the Oxford that is \$5,500 for a single, the Aetna is actually a little lower, \$5,000 so you are off the hook quicker on the Aetna plan."

Commissioner Westmoreland: "But the Anthem plan, the Anthem alternative, it is 5% overall increase, but it seems to have the least impact on the employee."

Michael Sutton: "You are exactly right. You have a fixed...you have the deductible but then you have the 100%. The only exposure above that is like you have now with the co-pays for the prescriptions and that out-of-pocket max is even lower which is nice. Now, I also looked and I didn't show it here just because I was trying to keep it simple. I looked at other plan options. What if we split the difference? What if we did a \$2,500 deductible? So, those are generally...as I said not every carry might not have that option but to give you a for instance, the Aetna you could do a \$2,500 with a lower out-of-pocket and that's about a 5% increase. This is kind of...I tried to give you a range. If you go somewhere in between, it going to be somewhere in between."

John Hiscock: "The out of network, there is a huge difference there."

Michael Sutton: "Some of the carriers now see that and it's a good point. Some of the carriers will make those benefits less attractive in order to keep...that is where the rate savings comes in on. The theory is that most people do not go out of network. Most people don't and the networks aren't like they were when managed care first came out in the 90's where you could have a lot of disruption. The Aetna, the Cigna, the Anthem are all going to have good networks but with that said, if someone were to go out of network you could have a substantial amount of costs there. That is another advantage of the Anthem plan because they have one deductible and it applies whether you are in or out. Any of the other carriers you start it all over again. If you go out of network, even if you met three-quarters of your in-network deductible you have a brand new one if you go out of network."

Commissioner Ramirez: "Through the chair, if you don't mind? I know I am coming in a little late and have probably missed a few things here. What happens if you are in another state?"

Michael Sutton: "What? I am sorry?"

Commissioner Ramirez: "If you are in another state and you get sick or injured what happens?"

Michael Sutton: "Any of those, Aetna, Cigna, Anthem, they are all national networks. So you will have access to any of their providers across the country."

Commissioner Ramirez: "And also, this plan will apply to the retirees?"

Michael Sutton: "Yes."

Commissioner Ramirez: "Same as the employees?"

Michael Sutton: "Under 65 we verified with all the carriers here that they would write and accept the under 65 retirees as part of the group."

Commissioner Ramirez: "Ok, under 65 but above 65 is...?"

Michael Sutton: "It is a separate plan. Above 65 are on the Anthem."

Commissioner Ramirez: "So some of them will be covered by Medicare and the rest this plan will cover."

Michael Sutton: "This group includes the active employees and the under 65 retirees."

Commissioner Ramirez: "My question to you is if you are 65 and obviously you go to Medicare, if you decide to do so, this plan or whatever plan we chose will be the subsidy?"

Michael Sutton: "Subsidy? I am not sure what you mean?"

Commissioner Ramirez: "When you go to Medicare, right?"

Michael Sutton: "This plan would be primary payer for those people because you have over 20 employees. So this plan would be the primary payer, Medicare would be the secondary payer. That is how it works."

Commissioner Ramirez: "Ok, because we are the other way around."

Michael Sutton: "If you are under 20 employees reverse. Medicare is primary, your plan secondary. But if you have over 20 employees, it is reversed and the plan becomes primary."

John Hiscock: "I didn't know if your question was directed, I might have misinterpreted it, but the retirees over 65, they are obviously Medicare and then we have a Medicare supplement plan and a prescription plan to cover them."

Commissioner Ramirez: "That was my question. Right, because right now the regular standard citizens, they don't have a plan like this you will have to go out there and buy a subsidized plan, but with this company right now with this plan, we will be paying the subsidy right?"

John Hiscock: "We will be paying the subsidy, we do pay the subsidy now. We pay Medicare...the big one...K is it?"

Michael Sutton: "F, plan F supplement."

Commissioner Ramirez: "So it will remain as it is?"

John Hiscock: "Whatever happens here, it is going to be necessary for Benefit Planning to design the exact payment structure for the retirees over 65 because the employee manual says that retirees over 65 will get the same general benefit as regular employees, but they will not get anything better than regular employees. So, if you take something away from the regular employees by this plan, you will end up taking something away from the retirees. It is a little more complex than that and legal counsel might get involved because the Connecticut Statute in 2007 said that you cannot take away medical benefits from retirees."

Commissioner Ramirez: "That was going to be my next question."

John Hiscock: "However the language in our Employee Manual doesn't specify what the benefit is. It specifies it as no better than the regular employees. So counsel is going to have to rule exactly what that means. That is complex."

Commissioner Ramirez: "Ok, with that in mind does this table supersede what our manual states?"

John Hiscock: "The question is will the language in the manual be specific enough to indicate that the plan has always been to match the current plan to the retirees and legal counsel is going to have to dig through that one. So, if you read the language in the plan, in our Employee Manual and the Employee Manual as you indicate could govern, if the Employee Manual governs, the retirees will get equal treatment to whatever you do with the regular employees. In other words, and I am not going to use this...I am going to say this, we are not going to do it, but if you said to the regular employees that you are going to contribute 5% of the total premium and leave the plan the same. You would then say to the retirees, you are going to contribute 5% of the costs. Ok, that is presuming counsel agrees that the language in the manual is sufficient to supersede the statute."

Commissioner Ramirez: "And obviously that question would be to the attorney to say ok are we opening ourselves to somebody suing the company? Ok, because this is what the law says, how come you are trying to supersede what the statute says?"

John Hiscock: "So, we will end up getting a formal opinion from counsel to protect the Commission and then you will have opportunity to take that and have a long discussion with counsel about it. That is the unfortunate part about this."

Commissioner Ramirez: "The question would be now how far the counsel would be actually challenged with what the State statutes says, you know what I mean? What about if someone said say ok that is what you think about it; I will challenge you in court."

John Hiscock: "It could happen."

Commissioner Ramirez: "But then again, now we are spending money, perhaps unnecessarily, looking for a way that we can actually entertain...I don't know how many over 65 people there are but eventually we will..."

John Hiscock: "I think there are 20 something?"

Michael Sutton: "I would have to look. Yeah, something like that."

John Hiscock: "Lisa do you remember? It is somewhere in the 20 range? Isn't it for over 65?"

Lisa Roland: "Yes, I believe 23 or 24."

John Hiscock: "I don't know, somewhere in that range. I can dig the numbers out, but that is the order of magnitude sir."

Commissioner Ramirez: "Let's say around 20 but eventually it is going to be more than that because..."

John Hiscock: "That is true, but it will be whatever the benefit is on the day they retire. So, if you had already lowered it..."

Commissioner Ramirez: "Ok, I agree with it, right."

John Hiscock: "Then they are stuck with whatever it is at that point." This is very complex. You have hit something that is tough."

Commissioner Ramirez: "It is, it is not that easy because I have gone through this process with some other group. It is not as easy as it shows."

Michael Sutton: "No, no it's not."

John Hiscock: "It is hard. There are actually two sections. There are actually two statues one in 2006 and one in 2007. The 2006 one only applied to union contracts and then the 2007 one applied to all public employees."

Commissioner Ramirez: "Now, the question is, if you go out of the network because you find a better doctor would you then, you get a bill, you go to see a doctor or pay him, can I submit a bill to this company and hope they will pay X amount without expecting to get a full payment from them for a physical?"

Michael Sutton: "Well, you will have coverage for going out of network but the out-of-network coverage is not as good as in-network. You are running (a) you've got a separate in most cases another deductible."

Commissioner Ramirez: "My question is and maybe I didn't explain it, let's say I go to see a doctor you do not receive a discount or whatever the case may be."

Michael Sutton: "Can you be balanced billed? Is that where you are going? Yes you can. That is the problem going out of network. (a) You don't have the discounts, (b) they don't reimburse at the same...most of them reimburse at 140% or less than Medicare and can the doctor balance bill you for the difference? Yes he can."

Commissioner Ramirez: "I have a million questions, but I will keep my mouth shut."

John Hiscock: "It's tough, tough issues."

Commissioner Ramirez: "So, basically what you see here is with all your training and experience in the best deal as a unit that we can offer to our employees, which one do you recommend?"

Michael Sutton: "I will tell you what. The things you entertain, I mean (a) I don't like...it depends on what your goal is. I mean, as I said and maybe it was before you came in, if your goal is to try and hold your benefit level as it is now and not change it, well that is tough to do with the increase that Oxford is asking for but you have two fairly, pretty competitive quotes, better than the Oxford, Aetna and Cigna for basically the same benefit level. Is it exactly the same? No it is not exactly the same. I would be adverse to say that but its close as far as the in-network benefits are. But I don't...you have a tested provider network with what you now have at Oxford."

Commissioner Ramirez: "Who?"

Michael Sutton: "Oxford, your current carrier and it is a good network and it is not just Connecticut. It's New York, its national. So the next question was well if you were going to entertain tweaking the benefits to change the plan design somewhat and to something like the alternative plan on the sheet with Oxford, I would say stay with Oxford. You have to educate and let the employees know the changes. Obviously, you have to have meetings and do whatever, but the network at least stays the same, its less disruption for the employees. They know their doctors are in network, they don't have to worry about their doctors not being in network and they are accustomed to how things work."

Commissioner Ramirez: "And the co-pays stay the same?"

Michael Sutton: "Well, the co-pays are after the deductible. Like I said the plan is not going to be exactly the same, but to go about changing providers and all that goes into it, I would like to see a pretty significant savings to do that."

Commissioner Ramirez: "And the contribution from the company will be almost, the company will be paying almost what?"

Michael Sutton: "SNEW?"

Commissioner Ramirez: "Yes."

Michael Sutton: "Well, the rates would go down 5% below your current. So, then the question is how would your company continue to fund the HSA's account increase because of the increased deductible? That would be the next discussion. Do you fund the HSA at the same level you have been funding, do you increase it because the deductible increases?"

Commissioner Ramirez: "Well, the reality is that at some point eventually this seems really bad to say, but most of the companies these days somebody is paying something. That is a sad thing to say."

Commissioner Wooten-Dumas: "Right."

Michael Sutton: "And that is the first thing is do you institute some type of a contribution to the existing plan at the current rate to offset the increase?"

Commissioner Ramirez: "I was just wondering if we could keep it up for one more year and eventually educate the workers or the employees on eventually what is going to happen. The reality is that this is going to happen one way or another. Can we do it as minimal as possible, absolutely ok? Can we stick around one more year with it the way it is, I hope so, but don't know."

Commissioner Westmoreland: "Well just to clarify, for the record, if we stay with things exactly the way they are now, it is a \$254,000 a year annual increase in our expenses."

Commissioner Ramirez: "How much?"

Commissioner Westmoreland: "\$254,000 in annual increase. I don't know how we can do that without raising electric rates and water rates."

Commissioner Mann: "Right."

Commissioner Borges-Lopez: "Can I...?"

Commissioner Ramirez: "What would be the minimum then that we could...I am sorry. That is a lot of money."

Commissioner Borges-Lopez: "I was looking at the alternative here, the \$3,000 and the \$6,000 and just quickly figuring out the numbers here, it's less per year, its \$830,000 versus what we are doing now which is \$877,000 and then when I calculated \$1,000 because it is a \$1,000 more for singles and \$2,000 for family, so I am coming out with an

additional \$96,000 even if we funded \$3,000 and if we fund the \$1,000 for single and the \$2,000 for the family we are just picking up \$96,000, not \$294,000 then on this plan the employees have some responsibilities because then after we fund the \$3,000 and the \$6,000 they have the responsibility of after the deductible, but that is based on usage so they may have to pay or they may not have to pay it. The one usage is in patient hospital \$500.00. Not everyone gets hospitalized, so if you pass on those deductibles to the employees it doesn't necessarily mean that they are going to incur those and then SNEW would pick up a \$96,000 increase."

Commissioner Westmoreland: "That is based on increasing the funding to the HSAs?"

Commissioner Borges-Lopez: "Correct to the alternative HSA, \$3,000 and \$6,000. I used the numbers based on here. We have 14 singles so that would be \$1,000 and then we have 41 that would be more than one, those are always the \$6,000 so that would be the \$2,000 right there. So if you multiply the 14 single by \$1,000 you have \$14,000 and 41 at \$2,000 you have \$82,000 so that is a total of \$96,000."

Michael Sutton: "\$96,000 plus you are saving \$40,000, so the net increase is only \$50,000, right?"

Commissioner Westmoreland: "So the net increase is \$50,000 or \$49,576."

Commissioner Borges-Lopez: "Right, so I see that option and not disrupting the employees with their in-network doctors and less paperwork. I see a win/win situation right there with the alternative plan, that's based on the numbers that I quickly calculated."

Commissioner Ramirez: "That would be increasing, that would be making responsible...I missed something here? That would make the employees responsible for how much?"

Commissioner Borges-Lopez: "The employees would only be responsible for the deductible, the \$30, \$45, \$500, \$250 and \$150 that is based on usage."

Michael Sutton: "The co-pays, yes."

Commissioner Borges-Lopez: "That is based on usage because co-pays after the deductible, so that is only based on usage."

Commissioner Ramirez: "You say that you about 20 over 65?"

Lisa Roland: "No, the under 65."

John Hiscock: "No, we are talking about the over 65, the prior question."

Commissioner Ramirez: "The over 65."

John Hiscock: "I estimated at 25, you said 24, I don't really know."

Lisa Roland: "I said 24."

Commissioner Ramirez: "Let's say 20 right? Obviously, once we agree on this and go to that one and you say it will affect everybody. How when it comes to numbers and you guys are the expert on that, how much would be the difference if we do not do anything. Let's say to the retirees, to the 65 plus that we leave it as it is right now minus the rest of them, would that make a big difference?"

John Hiscock: "The Anthem rate came in almost identical."

Michael Sutton: "It is like a dollar or two more on the plan. I requested this morning the prescription plan and I haven't gotten that yet."

John Hiscock: "The prescription half."

Michael Sutton: "So, that typically goes up more because the cost of prescriptions have been going up especially this past year. So as soon as I get that in I will be better able to answer what those costs are going to do."

Commissioner Ramirez: "And the reason why is because now yes it depends on the usage because quite obviously once you past 60 or 62 the reality is that you might be seeing in a high number, it might be a small percentage that do not go and see the doctor frequently but the others do and they will and that is the reality. It all depends on how you take care of yourself and so on, too many factors. The fact is yes there are younger people who are working and half of them might not, but for those that are older they might. So, I was just wondering what the difference would be if we can leave the retirees alone and just proceed with the active employees at the very minimum."

Michael Sutton: "I am not sure I understand the question."

John Hiscock: "I think the question is if we left the retirees as is..."

Michael Sutton: "The Anthem people."

John Hiscock: "The Anthem people, the Anthem F plan only went up a very small amount, I mean a tiny amount per month and we don't know what the prescription is yet, we don't have the quote."

Michael Sutton: "I can't answer that until I get the rates in for 2015 to see what the total is. Their plans are made up of two rates. One for the Medicare supplement, one for the prescription coverage. I have one and I don't have the other. So until I know the other, I can't really see what that total rate is going to come in at."

Commissioner Ramirez: "Because personally I will, in reality when it comes to change for the people who have to be paying there is no doubt about it for the those on a fixed income, everything is going up and if we are going up also on the fact of insurance, that

they will actually will almost, some go to see doctors weekly or monthly or twice a week, and that can be a long impact on their income.”

Commissioner Mann: “I have a question.”

Michael Sutton: “Yes.”

Commissioner Mann: “For those seniors that we are talking about, if they have a primary insurance doesn’t Medicaid pick up the secondary costs if necessary.”

Michael Sutton: “Yes they have...”

Commissioner Mann: “So most of them won’t receive any increase if they use their secondary coverage.”

Commissioner Ramirez: “What about those that aren’t under Medicare?”

Commissioner Mann: “We are talking about over 65 now right?”

Commissioner Ramirez: “Well, I was talking about in general the retirees. Before I was talking about the 65 yes but now I am talking about how many people we have under 65 who are retired?”

Commissioner Borges-Lopez: “Under 65 that are not retired are covered by this plan that we are discussing.”

John Hiscock: “Right, they are covered by the Charter.”

Commissioner Borges-Lopez: “So it has nothing to do with Anthem.”

Michael Sutton: “They are covered by this plan.”

Commissioner Mann: “Absolutely.”

Commissioner Borges-Lopez: “I also just wanted to clarify that I didn’t say before that I said if we pick up the \$1,000 and the \$2,000 when I mentioned the \$96,000 I didn’t take into consideration the other \$47,000 that SNEW is saving from the current plan because the current plan is \$877,165.20 per year. So in essence the only increase to SNEW going with this plan would be \$49,000 a year. So I just wanted to clarify that to everyone. So basically the increase is \$49,000.”

Commissioner Westmoreland: “So what we are talking about tonight and all of this, this is just the current active employees? This is not any other retiree plans?”

Michael Sutton: “This is the active as well as the under 65 retirees. The over 65 are the Anthem people that I refer to. They have a Medicare supplement policy, they have a totally different plan for over 65.”

Commissioner Borges-Lopez: "They are eligible for Medicare at 65 so until they are 65, if they are retired, they have to be covered under this plan because they don't qualify for Medicare."

Michael Sutton: "Right."

Commissioner Ramirez: "Do you know how many of those that we have John?"

John Hiscock: "I am sorry sir, I didn't hear you."

Commissioner Ramirez: "Do you know how many retirees we have under 65?"

Michael Sutton: "I don't have the census in here."

John Hiscock: "I don't have it either. Five, six, seven somewhere in that range, maybe 8."

Commissioner Ramirez: "So, not too many."

John Hiscock: "It is not a lot, but the interesting thing and it is a little bit more confusing than that and I am sorry to say is because the under 65 retirees are listed as either the retiree themselves or whatever their family situation is. Whereas when we get down to the Anthem program they are split up as individuals, husband and wives are actually split up so the number of lives is different. That makes it even harder to figure it all out. I am trying to think of what I have that I can grab quickly."

John Hiscock: "I have this week's bill folder, but I know they were all in last week's bill run. So, I don't have them at this point."

Commissioner Geake: "Through the chair? I just wanted to know. I was under the impression that from prior conversations that we had to make a decision tonight if it was going to go for the next year. I mean it was a do or die, we couldn't just not make a decision. We had to make it one way or another."

Commissioner Borges-Lopez: "Yes."

Commissioner Geake: "Ok, I just wanted to make sure. Yes, I am ready."

John Hiscock: "You are what?"

Commissioner Geake: "Ready to make a decision."

Commissioner Borges-Lopez: "We can make a decision..."

John Hiscock: "On December 31st."

Commissioner Geake: "I know, but."

John Hiscock: "Ok, it is up to this Commission to decide when the shoe falls, but you

have by law until December 31st to make a decision because the plan starts January 1.”

Commissioner Westmoreland: “We decided last year that was unfair to the employees to give them such little notice.”

Michael Sutton: “Little notice, right, I agree.”

Commissioner Westmoreland: “Which is why we are trying to make the decision sooner rather than later.”

Commissioner Ramirez: “And that was what I heard, you made it very clear last meeting, which I agree with you 100%. It would be reasonable to give them enough time to adjust.”

Michael Sutton: “Exactly to adjust and to be able to have their ID cards get out in time and everything that goes along with it.”

John Hiscock: “You certainly wouldn’t want to change carriers close to the end of the year; that is a disaster.”

Commissioner Ramirez: “That would be unfair for everyone.”

John Hiscock: “Absolutely.”

Commissioner Westmoreland: “As much as I would like to punish Oxford/United Healthcare for their egregious, continual egregious increases, I don’t want to be unfair to the employees.”

Michael Sutton: “I don’t blame you. I have been doing this a long time and I have never been not successful in just getting a good faith reduction. This was the first time and it’s just the law of averages, it is going to happen sooner or later, but it’s just really aggravating. It is what it is.”

Commissioner Borges-Lopez: “I just don’t see anything else here that, you know.”

Commissioner Westmoreland: “Is that compelling.”

Commissioner Mann: “Yes.”

Michael Sutton: “I think you make a good point in that as the gentleman said here, if you are going to ease in a pattern of having them contribute, what better way to do it but on the back end where probably the majority of people are not going to have to incur that expense. Some people will, but not everybody, not the majority and that is a good way to do it.”

Commissioner Westmoreland: “Let me just question that Maria on the Anthem alternative plan, it is a 5% increase but the deductible is not as high and did you look at that?”

Michael Sutton: "The deductible is as high, it is the same deductible \$3,000 and \$6,000."

Commissioner Borges-Lopez: "It's the same it's the \$3,000 and \$6,000."

Commissioner Westmoreland: "Oh it is the same \$3,000 and \$6,000 but the out-of-pocket is not."

Michael Sutton: "Right, there are no co-pays on top except for the prescription drugs after you meet the deductible."

Commissioner Borges-Lopez: "But it is not a reduction in rate of 5.3%, it is an increase of 5%."

Michael Sutton: "You lose the savings to fund."

Commissioner Westmoreland: "So we would still have the decision to increase the HSA to cover the..."

Commissioner Borges-Lopez: "You still have to do the contribution."

Commissioner Westmoreland: "So it would end up being more than and it really wouldn't be better."

Michael Sutton: "And with the network disruption and everything else."

Commissioner Borges-Lopez: "I mean we are picking...we are actually cost sharing in some way by having the employees pick up the co-pays after the \$3,000 and the \$6,000 deductible."

Commissioner Westmoreland: "Right that would aviate the need for having to have the employees start contributing towards the actual premium themselves."

Commissioner Borges-Lopez: "Right the premium or the HSA."

Commissioner Westmoreland: "Right."

Commissioner Borges-Lopez: "It is based on usage so they may not even incur those costs."

Commissioner Ramirez: "Also, will affect your medical plan right? You are on the same medical plan right?"

John Hiscock: "Yes, I am part of this plan, I am for now."

[Laughter]

Commissioner Ramirez: "I share your feelings."

John Hiscock: "Sorry to say that, but yes for now."

Commissioner Ramirez: "That is ok."

Commissioner Mann: "For me in reviewing the plans for the first steps, I am very comfortable with the Oxford alternative plan. I think we should really consider it."

Commissioner Ramirez: "How do you feel pertaining to this, how do you feel based on what is going on here?"

John Hiscock: "It is a very difficult decision. This is the least disruptive to the employees. The alternative with picking up the deductible under Oxford. One of the problems that we have had here is when we talked about the percentages and how to deal with various employees each and every way we dealt with it, somebody got hurt and somebody did well. We said if everybody pays an X percentage, the family people would pay more and the single would pay less. Then we talked about ok if you pay the singles only and then a contribution for the employee plus one or the family, the singles do better than the other group. We kept looking at all the various ways to deal with it and there are winners and losers no matter how you do this. And that is what is so difficult about this even with respect to the alternatives with respect to the co-pays. If they use a lot of medical care, they are going to end up paying more. Those people who use less will pay less. It is very hard for any of us. I am struggling with the same thing you are, how to make it fair and equitable and it is just hard."

Commissioner Ramirez: "You have to look at different balances, the younger guys like I said are going to use less, but you have to be realistic and once you past 50 there is a number or a specific percentage that you are going to get..."

Michael Sutton: "More stuff happens."

Commissioner Ramirez: "Yes, no doubt about it and that is the reality of the world. It doesn't matter how well you take care of your body but when talking..."

Michael Sutton: "To play devil's advocate you can say yes you have more usage, but you should contribute more because you have more usage. It is hard."

Commissioner Ramirez: "It would be unfair to punish for those that..."

Commissioner Wooten-Dumas: "But basically what you are saying is because you are young, you are not using as much co-pays, but you really don't know. Young people go more than..."

Commissioner Ramirez: "No, no I agree with you. There is a specific group, but in reality if you do a balance there is more and that is the reality, you know."

Michael Sutton: "They have babies."

John Hiscock: "That is a good point, the young people have children."

Michael Sutton: "They have babies and they have children and they have a lot of usage so I don't have any numbers to say here are the statistics, it all balances out. It is hard to say, there is no crystal ball."

Commissioner Ramirez: "Especially if you have kids. Yes, that is true."

Michael Sutton: "You are always paying if you have kids."

Commissioner Burgess: "Yes Maria?"

Commissioner Borges-Lopez: "I would like to make a motion that we accept the alternative with Oxford United Health, the \$3,000/\$6,000 and to have SNEW fully fund the \$3,000 and the \$6,000."

Commissioner Burgess: "Is there a second?"

Commissioner Westmoreland: "Second."

Commissioner Burgess: "All in favor?"

(Commissioners did not unanimously say aye)

Commissioner Burgess: "Opposed? Abstentions?"

John Hiscock: "I think the Clerk is not able to...the Clerk is not able to record that vote because it wasn't clear who voted which way and unfortunately it has to happen. I can see the look on her face. She doesn't know who voted what way. So you are going to have to really vote."

Commissioner Borges-Lopez: "I made a motion."

Commissioner Westmoreland: "I seconded it."

Commissioner Geake: "All those in favor?"

Commissioner Borges-Lopez: "Let's put our hands up."

(All Commissioners raised their hands except Commissioner Ramirez)

Commissioner Burgess: "Opposed? Abstentions? Are you abstaining?"

Commissioner Ramirez: "I am...I have some issues in one way or another so I think I have to abstain."

Commissioner Geake: "Abstain?"

Commissioner Mann: "He abstained."

Commissioner Borges-Lopez: "One abstention."

Commissioner Mann: "Yes, one abstention."

John Hiscock: "Commissioner Mann, I am sorry I didn't realize that you had voted the first time that was why I said what I said."

Commissioner Mann: "Oh ok."

John Hiscock: "I am sorry."

Michael Sutton: "Anymore questions?"

John Hiscock: "Ok are we..."

Commissioner Borges-Lopez: "The motion passed. Thank you Michael."

Michael Sutton: "Thank you."

Commissioner Westmoreland: "Thank you."

Commissioner Geake: "I make a motion for a brief recess."

Commissioner Wooten-Dumas: "Second."

John Hiscock: "There is nothing else on the agenda."

Commissioner Burgess: "All in favor?"

Commissioners Unanimously: "Aye."

Adjournment

The meeting adjourned at 7:20 p.m.

Attest:

Lisa G. Roland
District Clerk