

MINUTES

SPECIAL CALLED MEETING

METROPOLITAN EMPLOYEE BENEFIT BOARD

August 24, 2004

The Metropolitan Employee Benefit Board met in a special called session on August 24, 2004 in the Civil Service Conference Room, Suite 163, 222 Building, Third Avenue North, Nashville, Tennessee, at approximately 9:30a.m.

Benefit Board Members present: Chair Betsy Walkup, Vice-Chair Clyde D. Smith; Members: Dr. Albert Berry, B. R. Hall, Sr., Pat Harris-Wingfield, Randy Lovett, David Manning, Sgt. Edward C. Mason, II, Thomas A. Storey and H. Russell White.

Other Members present: John P. Kennedy, Assistant Director of Human Resources

BENEFIT BOARD ITEMS

Mr. John P. Kennedy, Assistant Director of Human Resources submitted the following for the Board's consideration and appropriate action:

Item 1. 2005 medical rates.

Greg Drennan and Scott Blackard of Deloitte & Touche were present. Mr. Drennan reported that in further negotiations with HealthSpring they would like to additionally offer the active alternatives as alternatives to the current plan. He stated a note of caution on that would be having different plans for active employees and pre-65 pensioners and pensioners over age 65. He reviewed the summary of alternatives for the plans; modifying deductibles, co-payments and out of pocket maximums for Blue Cross Blue Shield and CIGNA, implement Medicare coordination of benefits for end stage renal disease and custom care solutions with Blue Cross Blue Shield and a lower cost for actives, pre and post 65 retirees with HealthSpring.

After some discussion on the options with HealthSpring, David Manning moved that the Board elect to have the post 65 option available as an additional option with HealthSpring on the condition that HealthSpring staff participate in additional counseling to those who elect that option. Randy Lovett seconded and the Board approved unanimously.

David Manning moved staffs recommendations with respect to adjustments and premiums as well as the Blue Cross Custom Care Solutions and no options incorporated with Cigna. Albert Berry seconded. David Manning amended his motion to exclude Blue Cross Blue Shield and it be discussed separately. A vote was taken and the Board approved unanimously.

On discussion of the Blue Cross Blue Shield plan, Clyde Smith distributed a summary detailing the financials of the plan particularly the surplus. After discussion, Clyde Smith moved that there be no rate increase on Blue Cross Blue Shield. Edward Mason seconded. A vote was taken on the motion and approved with David Manning not voting.

Don Driscoll of Service Employees International Union (SEIU), was present and addressed the Board pointing out some low cost options the unions would like to see reviewed.

David Manning moved that the Custom Care Solutions proposal be incorporated into the Blue Cross Blue Shield plan. Clyde Smith seconded. A vote was taken and the Board approved unanimously.

David Manning moved that the end stage renal be incorporated into the Blue Cross Blue Shield plan. Clyde Smith seconded and the Board approved unanimously.

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The Board also discussed the possibility of lowering the generic co-pay for additional savings in the Blue Cross Blue Shield plan. Debbie Sims and Dr. Andrea Knight of Blue Cross Blue Shield discussed their experiences with a lower co-pay.

After discussion of lowering the co-pay, savings with mail order and actuarial information, Thomas Storey moved lowering the generic drug co-pay to \$5. Edward Mason seconded. After further discussion, Edward Mason called for the question cutting off further debate. A vote was taken on the call and approved without objection. A vote was taken on the motion to lower the co-pay and failed.

Item 2. Split rate category for medical and vision insurance.

After some discussion on different financial and possible problem situations for those carrying that rate, David Manning moved for approval of the recommendation of the staff to amend the rate structure not to include the split rate. After further discussion, David Manning called for the question cutting off further debate. A vote was taken on the call and approved unanimously. A vote was taken on the motion not to include the split rate and failed.

With nothing further presented, the meeting adjourned at 11:05 a.m.

ATTEST:

APPROVED:

**Mr. John P. Kennedy, Assistant Director
Human Resources/Benefit Board**

**Ms. Betsy Walkup, Chair
Employee Benefit Board**