

**MINUTES**

**SPECIAL CALLED MEETING**

**METROPOLITAN EMPLOYEE BENEFIT BOARD**

**July 19, 2005**

The Metropolitan Employee Benefit Board met in a special called session on Tuesday, July 19, 2005 in the Civil Service Conference Room, Suite 163, 222 Building, Third Avenue North, Nashville, Tennessee, at approximately 9:30a.m.

Benefit Board members: Chair: Clyde D. Smith; Vice Chair: H. Russell White; Members: B. R. Hall, Sr., Edna Jones, \*David Manning, Edward C. Mason, II, \*\*Dorothy Shell-Berry, Thomas A. Storey, Charles A. Trost and Betsy Walkup.

Other Members present: Nicki Eke, Attorney, Metro Legal Department.

**BENEFIT BOARD ITEMS**

The Human Resources staff submitted the following for the Board's consideration and appropriate action:

1. Health Plan Decisions:

- a. Contract Recommendations
- b. Medicare Part D
- c. Plan Design

Greg Drennan, of Deloitte & Touche, reviewed the current contracts and their expiration dates. He reported that it is recommended to extend the contracts with Blue Cross, Cigna and HealthSpring for another year with proposed increases of 13% for HealthSpring and 5.5% for Cigna. He recommended that the HealthSpring low option plan be eliminated for lack of participation.

\*Denotes the arrival of David Manning.

With the dental plans, Mr. Drennan reviewed the plan improvements (one exam every six months and composite fillings) and proposed rate increase (5.81%). He stated there is currently a request for proposal out on the vision plan and life insurance plan. He recommended extending the contracts on the short and long term disability plans and there was a reduction of 18% on the short term disability premium with no change in the long term disability premium. He also stated the requests for proposals for COBRA and FSA are soon to be released.

Mr. Drennan stated that the estimated cost for someone who enrolls in Medicare part D is approximately \$35.00 per month. He stated there are currently two options: 1) coordination of benefits and 2) subsidy.

\*\*Denotes the arrival of Dot Shell-Berry.

He outlined the issues with the two options reviewing each potential impact on Metro, the pensioner, and the administrator of prescription drugs and for the long term solution recommended coordination of benefits with Medicare rather than subsidy.

On the plan design options, Mr. Drennan stated there are no proposed changes in the self-insured plan design. Cigna HMO has proposed the following for no rate increase: a specialist co-pay increase from \$10 to \$20; \$300 per admission charge for hospital stay; \$150.00 hospital outpatient and ER/urgent care co-pay to \$100.00.

After some discussion on the proposed plan design changes, the Board concluded that further consideration be given to the proposed changes on the Cigna HMO plan.

David Shaub of Bryan, Pendleton, Swats & McAllister reviewed the current enrollment, costs incurred by Metro and premium rates paid by the employee in each plan. He also gave a financial

analysis of the self-insured plan for the period ending June 30, 2005 and reviewed the projections for 2006. Mr. Shaub stated that the recommended rate increases before Medicare Part D is 4.0% for the self-insured plan, 5.5% for Cigna HMO, 13.0% for HealthSpring HMO.

In reviewing the Medicare Part D subsidy verses coordination, Mr. Shaub reviewed the statistics on pensioners eligible for Medicare, potential costs, and rates on the subsidy verses coordination with the self-insured plan. With the Cigna plan, he stated that coordination of benefits would be more costly than the subsidy and this issue is being further discussed with Cigna.

After discussion of the Medicare Part D subsidy verses coordination of benefits the Board requested more information on the premiums, particularly with Cigna, for coordination of benefits.

David Manning moved to extend the current contract with Blue Cross Blue Shield. Edward Mason seconded.

Clyde Smith brought up the issue of looking at having a wellness program in the self-insured plan.

A vote was taken on the motion to extend the Blue Cross Blue Shield contract and approved without objection.

David Manning moved elimination of the low option Medicare Advantage plan with HealthSpring. Russell White seconded and the Board approved without objection.

Clyde Smith moved to extend the Delta Dental contract with the plan enhancements and a rate increase of 5.81%. David Manning seconded and the Board approved without objection.

David Manning moved to extend the Standard contract for the short and long term disability plans with a reduction in the short term disability premium. Dorothy Shell-Berry seconded and the Board approved with B.R. Hall opposed.

With nothing further presented, the meeting adjourned at 11:20 a.m.

ATTEST:

APPROVED:

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***Dorothy Shell-Berry, Interim Director  
Human Resources***

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***Mr. Clyde D. Smith, Chair  
Employee Benefit Board***