

MINUTES

METROPOLITAN EMPLOYEE BENEFIT BOARD

October 4, 2005

The Metropolitan Employee Benefit Board met for their regularly scheduled meeting on Tuesday, October 4, 2005 in the Civil Service Conference Room, Suite 163, 222 Building, Third Avenue North, Nashville, Tennessee, at approximately 9:30 a.m.

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

Members David Manning and Dorothy Shell-Berry were unable to be present.

Other Members present: Nicki Eke, Attorney, Metro Legal Department and Dr. Christopher Fletcher, Civil Service Medical Examiner.

A. MINUTES: Chair Clyde Smith called the meeting to order and said the first order of business was to determine if there were any amendments, corrections or questions of the minutes from the last regular meeting held on September 6, 2005 and the September 20, 2005 special called meeting. With no corrections, nothing further was noted and Betsy Walkup moved for approval of the September 6th regular meeting minutes. Edward Mason seconded and the Board approved without objection. With one correction, Betsy Walkup moved for approval of the September 20th special called minutes. Thomas Storey seconded and the Board approved with B.R. Hall opposed.

B. DISABILITY PENSIONS:

Dr. Christopher Fletcher reported to the Board he recommends deferral for one month on the medical disability pension new request (B-1a). Betsy Walkup moved approval of deferring the medical disability pension new requests. Edward Mason seconded and the Board approved without objection.

Dr. Fletcher reported to the Board he recommends approval of the in line of duty disability pension new requests (B-2a and B-2b) with no reexamination. Thomas Storey moved approval of the in line of duty disability pension new requests as recommended. B.R. Hall seconded and the Board approved without objection.

On item B-3a, Dr. Fletcher reported he recommends denial on the medical disability pension reexamination (B-3a) based on the definition of disability and stated this individual should be included with the group that does not meet the definition of disability category to be reviewed next month. Edward Mason moved approval of the pension request. Edna Jones seconded and the Board approved without objection.

Dr. Fletcher reported to the Board he recommends approval of the in line of duty disability pension reexamination (B-4a) with no reexamination. B.R. Hall moved approval of the in line of duty disability pension reexamination. Edward Mason seconded and the Board approved without objection.

The terms of the approval or extension of the items listed in the above motion are specifically stated in these minutes.

NEW REQUESTS

1. MEDICAL

| NAME | DEPARTMENT | RECOMMENDATION |
|------------------|------------|---|
| B-1a DAVID MYATT | WATER | As moved, seconded and approved, this pension request was deferred. |

2. IN LINE OF DUTY

| | | |
|------------------------|------|---|
| B-2a CHARLES BLACKWOOD | MNPD | As moved, seconded and approved, this pension was granted without stipulation of scheduled reexamination. |
| B-2b JOHN R. JACKSON | FIRE | As moved, seconded and approved, this pension was granted without stipulation of scheduled reexamination. |

C. PENSIONS: (Service, disability to service, options elected and survivor)

Options Elected (continued)

| Name | Department | Pension Type | Plan A/B | Effective Date | Option | DROP Election |
|---------------------|---------------------|---------------|----------|----------------|----------|---------------|
| Goodman, James R. | Police | Early Service | B | 7/16/2005 | Normal | |
| Hoosier, Charles R. | Police | P&F Service | B | 8/16/2005 | Option F | |
| Hyde, Paul G. | Police | P&F Service | B | 8/1/2005 | Normal | |
| Malone, Judith A | Health | Service | B | 5/1/2005 | Option E | |
| Neely, Bobby E | Fire | P&F Service | B | 8/2/2005 | Option F | |
| Owens, Linda D | Caring for Children | Early Service | B | 7/1/2005 | Normal | |
| Payne, Theresa A | Health | Service | B | 7/23/2005 | Option F | |
| Shelton, Loretta A. | MNPS | Service | B | 5/27/2005 | Option F | |
| Sims, Annie B | Knowles Home | Early Service | B | 7/29/2005 | Normal | |
| Swanson, Ronald C. | Police | P&F Service | B | 8/16/2005 | Option F | 3 |
| Tracy, John C. | Caring for Children | Early Service | B | 7/1/2005 | Normal | |
| Walker, Ruby L. | MNPS | Service | B | 6/28/2005 | Normal | 3 |

Pension options key:

Normal - life annuity (no option elected)
 Option A - Joint & Survivor - 100% to surviving beneficiary
 Option B - Joint & Survivor - 50% to surviving beneficiary
 Option C - Social Security
 Option D - 120 payments certain and life
 Option E - Joint & Survivor - 100% to surviving beneficiary with pop-up feature
 Option F - Joint & Survivor - 50% to surviving beneficiary with pop-up feature

Survivor

| Employee Name | Department | Survivor Name | Plan Membership | Effective Date |
|-----------------|------------|------------------|-----------------|----------------|
| Curtis Mitchell | Water | Carolyn Mitchell | B | 06/20/05 |
| Frank W. Morton | Pensioner | Mary Lee Morton | Old City | 09/03/05 |
| Frank Church | Pensioner | Esther Church | Old City | 08/01/05 |
| Lucian Stewart | Pensioner | Martha Stewart | Old City | 09/07/05 |
| Gerald Scurlock | Pensioner | Donna Scurlock | A | 09/23/05 |

BENEFIT BOARD ITEMS

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

1. Return to work status - Robert Watts.

Shannon Beehan reported to the Board that this individual's attorney has requested this item be deferred.

Edward Mason moved deferral to the next meeting. Thomas Storey seconded and the Board approved without objection.

2. Family premium structure for Medicare eligible pensioners.

Shannon Beehan stated that previously the Board approved coordinating with Medicare Part D on medical plans for the 2006 plan year and those pensioners that did would receive a reduction in their medical premium with Metro. She stated there are situations in which a pensioner is eligible for Medicare but pays a family premium because of a spouse and dependents who are not Medicare eligible, therefore not getting the reduction in premium. Ms. Beehan stated that staff is recommending for those Medicare eligible pensioners that have the family premium be exempt from enrolling in Part D while in the family premium structure. She stated that once the pensioner moved to a premium structure

2. Family premium structure for Medicare eligible pensioners.

other than family pensioner, the pensioner would be required to enroll in Part D at that time with no penalty.

Betsy Walkup moved approval of the recommendation. Charles Trost seconded.

After discussion of the 28% subsidy allocation on the plans, B.R. Hall amended the motion for the 28% subsidy for those in Blue Cross Blue Shield to go into the self-insured plan with review of the subsidy allocation on the remaining health plans.

A vote was taken on the amended motion and approved unanimously.

3. IOD disability pension request.

Dr. Christopher Fletcher reported to the Board that there is no new recommendation for the Board on this request and he continued to recommend denial of the request based on the lack of additional medical information provided by the individual.

Shannon Beehan informed the Board that the individual has requested this item be deferred.

After some discussion on the deferral and timeframes of the new medical information requested, B.R. Hall moved deferral of this request. Edward Mason seconded and the Board approved without objection.

4. RFP status update: FSA and COBRA administration.

Greg Drennan introduced Barry Stokes of 1 Point Solutions to the Board.

Mr. Drennan reported to the Board that the COBRA RFP will have to be released again due to an administrative oversight by Purchasing. Mr. Drennan reviewed the FSA process and the current plan design. He reviewed the list of vendors that submitted proposals and stated that the evaluation committee chose 1 Point Solutions based on scoring. He also stated that 1 Point Solutions will administer a debit card program at no additional charge and pointed out possible administrative issues with the card on unauthorized purchases.

Barry Stokes reviewed how the debit card program will work, turnaround on reimbursements, how 1 Point Solutions recoups funds on unauthorized purchases, educating employees and answered Board members specific questions related to the debit card program.

Edward Mason moved for approval of the FSA debit card program. B.R. Hall seconded and the Board approved without objection.

5. Self-insured medical plan document – adding dependents at loss of coverage.

Christi Mayo stated that at the last Board meeting, the Board requested clarification of the plan language to allow pensioners to add dependents when there was a loss of coverage. She stated that the language has been made consistent with the other applicable sections of the plan document and staff recommends approval of the language.

Russell White moved approval of the language. B.R. Hall seconded and the Board approved without objection.

At this time, the Board took a short break and then reconvened with the remainder of the agenda.

6. Blue Cross Blue Shield LifeMasters update.

Debbie Sims introduced Dr. Ken Patric, Chief Medical Officer and Laura Rayburn, Program Manager. Ms. Sims stated they will be giving an update on the LifeMasters program.

Dr. Patric reviewed the background of the program and current level of participation. There was discussion on initiating contact with those eligible to participate in the program and those currently participating, corresponding with participants, tracking and monitoring.

There was also some discussion of the Custom Care Solutions program and its relationship with the LifeMasters program.

7. Deferred compensation RFP update.

Tom Eddlemon reported to the Board that the deferred comp and investment advisory service RFPs are being finalized and a timeline is being provided for the Board.

8. Updated policy for eligible change in status events for core and optional benefits.

Shannon Beehan reported to the Board that there has been previous consideration on extending the eligible change in status from 60 days to 90 days. She stated this matter was referred to the Legal Department for review.

Nicki Eke reported that in order to make the change an actuarial study would have to be completed to determine the effect of the changes on the system's design and cost; financial and contractual impact it would have on the plans and related vendors, and amendments to various plan documents.

Shannon Beehan addressed some concerns with changing from 60 to 90 days.

After some discussion, the Board concluded that this should be monitored to see how often this is a problem and possibly revisit at a later date.

9. Motion of David L. Manning to discharge from the Board & Office Administration Committee and rescind the action taken at the May 3rd Board meeting directing that the Board & Office Administration Committee to: a) solicit applications based upon the Code provisions; b) conduct initial interviews; and c) report back to the Board within 60 days with a recommended list of candidates for Executive Secretary.

Shannon Beehan stated that Mr. Manning has requested this item be withdrawn.

Clyde Smith stated that the appropriateness of this item needs to be assessed and requested that Human Resources follow through with the motion as passed by the Board and proceed forward in filling the position of Executive Secretary. He stated any other positions that have or will be announced that seem to, by functional definition, mirror the duties outlined by the Committee should not be processed. He further stated that is a direct undermining of the action by the Board and this is a requirement of the Metro Code. Mr. Smith also noted that he would like to be made aware of actions taken to move forward on this matter.

10. Committee Reports:

a. In Line of Duty Committee: (Chair Charles Trost; Vice-Chair Edna Jones; Members B.R. Hall, Sr., and Betsy Walkup)

Shannon Beehan reported to the Board that the In Line of Duty Committee met on September 6, 2005 prior to the Benefit Board regular meeting and also on September 22, 2005. Ms. Beehan stated that the minutes from the September 6th meeting are ready for approval and there is a recommendation from the September 22nd meeting to utilize the pharmacy benefit manager for the IOD prescriptions in the IOD network.

10. Committee Reports: (continued)

a. In Line of Duty Committee: (Chair Charles Trost; Vice-Chair Edna Jones; Members B.R. Hall, Sr., and Betsy Walkup)

Committee Vice-Chair Edna Jones asked if there were any amendments, corrections or questions of the September 6, 2005 Committee minutes. With there being none, Edna Jones moved for approval. Betsy Walkup seconded and the Committee approved the minutes without objection.

Committee Chair Charles Trost stated that the Committee recommends to the full Board to utilize the pharmacy benefit manager, Walgreens Health Initiative for the IOD prescriptions in the IOD network.

Charles Trost moved approval. Betsy Walkup seconded and the Board approved without objection.

11. Correspondence:

- a. Utilization report from Blue Cross Blue Shield.
- b. Utilization report from CIGNA.
- c. Utilization report from HealthSpring. (not available)

Items 11.-a. through 11.-c. were for information only and no action was required.

12. Reports for your information:

- a. Return to work.
- b. Social Security approvals.
- c. Refund of pension contributions.
- d. Repayment of pension contributions.
- e. Reports from Treasury.
- f. Social Security referrals.

Items 12.-a. through 12.-f. were for information only and no action was required.

There was a correction noted on item 12.-a.

13. Late item(s):

There were no late items reported.

With nothing further presented, the meeting adjourned at 11:56 a.m.

ATTEST:

APPROVED:

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

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