

**GENESEE COUNTY COMMUNITY MENTAL HEALTH
420 W. FIFTH AVENUE
FLINT MI 48503
RETIREE HEALTH CARE ADVISORY COMMITTEE
October 29, 2009**

RETIREES PRESENT:

P. Jordan, *Chair*, P. Casey, G. Stimson, D. Lee, N. Bartkiw, M. Marcot, G. Kennedy
Via Phone Conference: S. Higashi, L. Smith, R. Sprague

RETIREES ABSENT:

L. Smith, R. Sprague, P. Primel, L. Allen

BOARD MEMBERS PRESENT:

A. Bailey

UNION MEMBERS PRESENT:

D. Simonds, L. Hamilton

STAFF PRESENT:

S. Mason, J. DeLay

Meeting called to order at 10:16 a.m.

Public Comment

None.

Approval of/Additions to the Agenda

P. Jordan informed the committee that he has designated a time frame for all items on the agenda, to assist in keep the committee within its' time frame.

County Retirement Office Supervisor and Benefits Coordinator Presentation

Ms. Deborah Tocarchick and Ms. Martina Royster distributed and reviewed information, which included coordination with the County Human Resources Director and attempted to answer various questions. Ms. Royster reviewed that prior to Genesee County CMH administering they own Retiree benefits; she did not have appropriate information in relation to Union contracts, and made every attempt to place retirees in the appropriate benefit program. The program at the time was Blue Cross/Blue Shield with a \$2.00 co-pay for prescriptions.

M. Royster reviewed the risk pools, which is used by health insurance companies to determine rates. Water and Waste, General County Administration, and CMH current manage their own employees and retirees healthcare benefits. M. Royster informed the committee that she believed the separations occurred in 2008. Prior to that these groups where together in one risk pool. M. Royster believed that the separation of Genesee County CMH was due to the Agency being self-insured.

G. Stimson ask for more detail on the question at the top of page 2. M. Royster informed the committee that at age 65 plus the rate for prescriptions triple, which is why, coverage for under age 65 is cheaper. M. Royster reviewed that the County cut out prescription drug coverage and the rates

become much lower. The County manages a self-insured program for prescriptions of retirees. The retirees are reimbursed. They have only one co-pay system for all retirees. With the lower rates, they do have enough funds to reimburse retirees, after the co-pay.

P. Jordan asked what supplemental secondary to Medicare does the county provider. The county provides Blue Cross/Blue Shield.

G. Kennedy asked if Genesee County CMH is self-insured. S. Mason informed him that the agency is not. Reviewed that the high deductible plan out of pocket expenses are changing every year. Inquired about the possibility of working with a Consultant, as the County did. The consultant the County worked with was Buck Dependent Verification. D. Tocarchick reviewed the cost for the consultant, which was \$125,000 for the first year, \$95,000 for the second year, and lower for the third year.

G. Kennedy as for a history of benefit changes. He explained that when he retired in 1998 he was afforded the benefits listed in the current union contract; however, those benefits have now changed. M. Royster explained that she was not aware of changes that were made and older contracts were not so specific.

G. Stimson asked what the acronym VEBA was. VEBA is Voluntary Employee Beneficiary Association. The organization helped the County to build a trust for Post retiree healthcare benefits. D. Tocarchick informed the committee that the trust was established in 2006.

N. Bartkiw asked what groups were not parts of the County risk pool. D. Tocarchick stated that Genesee County CMH, General Accounting and Water and Waste have their own separate risk pools and are not connected anymore. N. Bartkiw inquired about the Road Commission. The Road Commission was never included with the County.

N. Bartkiw suggested that Genesee County CMH check into combining with other entities to combine the risk pool and possibly lower premiums and stabilize costs. Suggested that different avenues could be pursued.

G. Kennedy stated that the Genesee County CMH language is ambiguous and the language in the Contracts, when he retired, was more specific and spelled out.

Healthcare Insurance Plan Options

J. DeLay reviewed the Retiree Healthcare Analysis provided to the committee members.

G. Kennedy informed the committee that he was told by his primary care physician's office that they don't participate in the Advantage program. J. DeLay informed Mr. Kennedy that Blue Cross/Blue Shield has many various plans; however, if a physician takes Blue Cross/Blue Shield coverage, they will accept all the plans under them. Due to new products coming out frequently, physician's office staff may not be aware of the new product. Currently Advantage programs are a fee for service and have no provider network; however, CMS has mandated that all Advantage programs must be part of a network by January 2011.

D. Simonds asked if the Advantage program and the Medicare Plus Blue are the same or separate. J. DeLay explained that the Medicare Plus Blue is an advantage program, so is BCN Advantage.

G. Kennedy inquired about the difference between Medicare Plus Blue and Medicare and supplemental Blue Cross. There are some enhanced benefits and drawbacks. For example: Blue Cross supplemental mail order for a 3 month supply of prescriptions results in only pay 2 co-pays instead of 3, if you were to refill prescriptions monthly. Medicare Plus Blue Advantage mail order results in a 2.5 co-pay, for a 3 monthly supply.

J. DeLay reviewed projected revenues, projected increase in Medicaid eligible consumers and those who are eligible. Reviewed the 5% loss of the general fund dollars for CMH Entities for 2009-2010 budget. Genesee County CMH is in good shape; however, we cannot afford to work under the current budget for 2010-2011. D. Russell informed committee members that P. Casey also attended the conference. P. Casey confirmed the information provided by J. DeLay.

It was requested that all committee members state their name when they have the floor, so the individuals attending via teleconference will know who is talking.

The committee reviewed and discussed buy up options. J. DeLay explained that the buy up option to BCN 5 would cost several hundred dollars more as opposed to Flex Blue, with is approximately \$50 more.

Reviewed that the Blue Cross Advantage plan is cheaper as it manages both what we cover and what Medicare covers, which lowers our cost. J. DeLay explained that currently the Federal Government has been supplementing funding to Medicare. The Agency is attempting to offer plans as close to current coverage as possible.

J. DeLay reviewed the difference in co-pays and high deductible funding between the various plans, as outlined on the Retiree Health Care Analysis. As well as who may be affected by out of pocket costs. Individuals, who do not exceed the deductible, will have no out of pocket costs.

D. Simonds inquired about what happens to the remainder of the deductible, issued to individuals, that is not used at the end of the year. J. DeLay informed the committee that this is the individual's money and it does carry over to the next year.

N. Bartkiw questioned and wanted to know why the Agency was not choosing Health Plus coverage instead of Blue Cross/Blue Shield, as it is a lower cost. Reviewed the issue with portability. Retirees living out of state will not be able to use Health Plus, as it only covers individuals who live in Michigan.

P. Casey believes that 47% have Traditional, which was the base plan for those 65 and older.

M. Marcot expressed that she believes several individuals have a fear of change and more education should be provided.

G. Stimson expressed that she believes the issue is portability and agreed that more education is needed.

D. Lee asked if the Retiree Healthcare Analysis was going to be placed on the website. J. DeLay assured him that it would.

Reviewed that Medicare Plus Blue Advantage and BCN will be the only insurances offered to those retirees who are 65 or older. Those already on Health Plus will have the option to remain with Health Plus and pay the difference in the premium.

D. Lee inquired about the coverage for a 65 or older, or under disability, retiree who has a dependent who is under 65. J. DeLay informed Mr. Lee that the plan would stay the same.

D. Simonds asked if the Agency is considered Traditional as a supplemental coverage for Medicare eligible retirees. J. DeLay informed her that Blue Cross will not allow individuals to be on Medicare Plus Blue and offer Traditional. It is all or nothing. J. DeLay did say that the Agency could offer BCN Advantage and Traditional as an option, if the Agency chooses BCN Advantage.

G. Stimson clarified that if the base plan is Medicare Plus Blue Advantage, Traditional will not be offered or available anymore.

P. Jordan informed the committee that the time allotted was up and asked if committee members wanted to extend the time frame. D. Lee motioned that discussion continue for 15 minutes more. Motion seconded. MOTION CARRIED.

G. Kennedy inquired if there will be no loss in coverage with Medicare Plus Blue Advantage. J. DeLay informed him that there will be no loss in coverage, but there are differences in what is covered. Prevention will be covered, which has not been in the past. The cost for 3 months of prescriptions will be a little more than previously. D. DeLay informed the committee that a link will be available when which plan is decided to be offered.

D. Simonds inquired if the Agency chose BCN Advantage can individuals opt for Traditional? J. DeLay stated that this is possible; however, an individual could not be enrolled in Traditional and Medicare Plus Blue Advantage Plan. Blue Cross won't allow that.

N. Bartkiw inquired about Health Plus being offered as an option. D. DeLay stated that it will still be offered to those individuals who have it, as well as those who do not at this time.

P. Casey inquired about the availability of Traditional coverage for those retirees under 65. It is still available to those retirees.

J. DeLay reviewed the challenges of co-insurance. Informed the committee that retirees will need to make a decision on coverage by the 3rd week in November. Education for retirees needs to start now.

J. DeLay informed the committee that the Board of Directors will be meeting tonight and making a decision on the coverage's that will be available to retirees. J. DeLay informed members that he will be signing the contracts tomorrow. Stressed that if Medicare Plus Blue Advantage is selected as a coverage plan, traditional will be eliminated as an option.

J. DeLay informed the committee that by next year, 2010, Medicare advantage plans will have to part of network of providers. There are approximately 10% of physicians who not participate, however, 90% do.

P. Casey stated that finances are the bottom line for choosing coverage's.

N. Bartkiw recommended having a contact person, which committee members could contact to ask specific questions about coverage. This would assist retirees in making an informed decision.

G. Kennedy made the following motion: “that this committee recommend to the CMH Board that the current healthcare coverages, insurances, and options for retirees be maintained pending final judicial determination as to whether or not the agency has the authority to change the terms under which an employee retires after that employee has retired”. Seconded by D. Lee.

N. Bartkiw stated that the Declarative Judgment is a different issue.

G. Stimson agreed with that assessment.

D. Lee asked if coverage can be changed in the middle of the coverage year, after final disposition of the Declarative Judgment.

S. Mason clarified that the Declarative Judgment is an issue pertaining to deferred retirement and is separate from the issue of this committee.

D. Lee discussed that the Advantage plans will have an impact on retirees. Reviewed that he feels the Agency wants to keep Non-Union retirees covered.

S. Higashi stated that if the decision made is not in favor of the retirees, will there be anything to stop these individuals from suing the Agency. J. DeLay informed the committee it depends on the decision of the Judge.

L. Hamilton also clarified that the Declarative Judgment was for individuals who differed their retirement when they left the agency. Other avenues are being pursued for current retirees.

A. Bailey stated that this discussion was comparing apples to oranges. What is being recommended is oranges and the issues may or may not be resolved. The committee needs to stay on track with the current issues. He wants practicable input so that a recommendation can be made, which he could support.

P. Casey motioned to call to question the debate of G. Kennedy’s motion. G. Stimson seconded. MOTION FAILED.

G. Stimson stated that the financial health of the Agency is key to benefits offered.

The committee took a vote on ending the debate regarding G. Kennedy’s motion. MAJORITY VOTED TO END DEBATE ON THE MOTION.

G. Stimson assumed the role of Chair pro-tem, as P. Jordan has to leave the meeting.

The vote proceeded on G. Kennedy’s motion. The votes were 4 ayes, and 5 nays. MOTION FAILED.

N. Bartkiw moved to have the committee recommend the options J. Delay proposed, Medicare Plus Blue Advantage for Medicare eligible retirees and Blue Cross/Blue Shield Flex Blue with Co-insurance or Health Plus for non-Medicare eligible retirees, as well as, offer buy up options to BCN 5 with co-insurance, or Flex Blue, or Traditional. P. Jordan seconded. D. Simonds asked for a roll call vote, G. Stimson agreed.

Roll Call

Yes: P. Casey, M. Marcot, G. Stimson, N. Bartkiw

No: D. Lee, S. Higashi, D. Simonds

Abstain: G. Kennedy, L. Hamilton

MOTION CARRIED

The committee, pending the response of the Board of Directors, discussed the need to assist in getting information out to all retirees. This can be discussed at the next meeting, scheduled for November 5, 2009 at 10:00 a.m. in the Board Room.

G. Kennedy asked that follow-up be completed on "the motion within his motion." (Agencies commitment to honor contracts)

D. Simonds informed that committee that review of meeting minutes needs to be completed at the next meeting, as she has corrections to both October meetings.

D. Simonds also informed the committee that it will need to stay within it's time frame for the next meeting, as Teamsters Negotiations are scheduled to begin immediately following this committee's meeting.

Adjourn at 12:48 p.m.

Submitted by: Chris Long, Human Resources Technician