

**PUBLIC SESSION MINUTES
EMPLOYEE BENEFITS ADVISORY COMMITTEE MEETING
THURSDAY, SEPTEMBER 08, 2022**

A meeting of the Employee Benefits Advisory Committee was held at 11:00 a.m., Thursday, September 08, 2022, in the City Council Conference Room – 7th Floor/Mesa City Plaza Building, 20 E. Main St.

MEMBERS PRESENT: Councilmember Kevin Thompson, Councilmember Mark Freeman, Andrea Alicoate, Natalie Lewis, Mary Cameli

MEMBERS EXCUSED: None

OTHERS PRESENT: Teri Overbey, Human Resources Director
Janice (Jan) Ashley, Employee Benefits Administrator
Cecilia Damron, Assistant Employee Benefits Administrator
Erica Navarro, Employee Benefits Supervisor - Secretary

The meeting was called to order at 11:20 a.m. by Councilmember Thompson

Agenda Item #1: Hear a presentation, discuss, and provide direction on Summary of Health Plan Document Change Recommendations for 2023

- Jan Ashley provided an overview of the Summary of Changes to the City's Health Plan Document Summary Plan Description for calendar year 2023 and answered questions for the Committee.
- The recommended changes include:
 - **Compliance and Enhancement:** Health care FSA annual election maximum increased to \$2,850 and health rollover maximum increased to \$570 to align with IRS indexed maximums.
 - **Language Clarification:** Eligibility for survivor health insurance benefits for sworn officer families – updated definition of line of duty death: "died in line of duty or from injuries suffered in line of duty, including presumptive illnesses, defined under Arizona state law".
 - **Language Clarification:** Coordination of Benefits (Prescription Drugs) language edit to clarify Plan non-coordination of benefits for prescription drugs if a member has other group coverage that is primary and City plan is secondary coverage. "You may not choose to use the City's Prescription Drug benefit in primary position if it should be in secondary position, regardless of which Plan has the best out-of-pocket outcome for you or your covered dependents."
 - **Plan Enhancement:** Diagnostic Procedures and Radiology Services - outpatient high-tech radiology services e.g. MRI's, CT scans etc., are covered 100% in-network in the Basic and Choice medical plans (aligns with Copay medical plan benefits for these services) to optimize member in-network access and remove out-of-pocket cost barriers.
 - **Plan Enhancement:** Behavioral Health and Substance Abuse Services - outpatient behavioral health and substance abuse services covered 100% in-network - no deductibles, copays, or coinsurance in all three medical plans. Aligns out-patient coverage levels to current inpatient behavioral health and substance abuse care levels at 100% coverage and maximizes access/adherence by removing out-of-pocket cost barriers to care.
 - **Plan Enhancement:** Maternity Services – align Global Maternity Fee \$300 approach for professional maternity services (pre/post-partum care and delivery) to current Basic and Copay medical plans' in-network provisions for this fee.
 - **Plan Enhancement:** Vision Plan Benefits - annual Retinal Screening (Digital/Photographic) - fixed \$20 copay - all three plan designs.

- **Recruitment/Retention Benefit Enhancement:** Enhance/consolidate service eligibility and City contribution/funding requirements for participation in City retiree medical, dental and vision programs effective January 1, 2023. Definitions section of 2023 Plan Document for "Retiree", defines cumulative 20-year service requirements (with 10 years consecutive service immediately prior to retirement), and removal of no City contributions/funding for future retirees who were hired in 2009 or later. Effective 7/1/22 - expand access to Employee Health and Wellness Center primary and preventive care services to all retirees/dependents enrolled in City retiree medical plans (and allow participation in wellness classes and events - generally virtual).
- **Cost Containment:** Medical Plan Exclusions and Definitions sections - Gene and Cellular Therapy products and services defined in the Plan definitions section of the Plan Document and excluded from coverage in the Exclusions section, except for third-party administered medical management processes to determine medical necessity, safe and effective outcomes etc., under both the pharmacy and medical benefits of the Plan.
- **Voluntary Benefit Plan Change:** Short Term Disability Insurance – current plan design with a 7-day waiting period requirement will be changed to a 14-day waiting period requirement to mitigate the premium rate increase that would otherwise have applied to a larger degree as of January 1, 2023. Two other plan designs (STD29 and STD44) have no changes in benefit levels or premium rates.
- Andrea Alicoate asked what would be a reason that a retiree would not be eligible for retirement system subsidies towards their retirement health coverage cost?
 - Erica Navarro replied, this is a rare occurrence, but could include: if a retiree removes their funds from the retirement system (ASRS or PSPRS); or if the retiree continues employment with another entity that requires enrollment in the same retirement system they retired from with the city. In these instances, no retiree health subsidy would be received on the retiree's behalf.
- Natalie Lewis asked about a husband-and-wife scenario where the wife works for the city and spouse works elsewhere and both carry insurance coverage on each other?
 - Jan Ashley explained that each person's employer coverage is their primary and their spouse's coverage is their secondary coverage. The City's coordination of benefits provisions in the Plan Document require members to use their coverage in the correct order of primary and secondary coverage and not make their own selection of which plan is primary or secondary.
- Andrea Alicoate asked if the new Behavioral Health 100% coverage will also include virtual care.
 - Jan Ashley replied, yes. If the provider is contracted with Cigna Behavioral Health network in the medical plan, the coverage will be at 100%.
- Natalie Lewis asked if the city's medical plan has any issues with contracting "top notch" behavioral health providers?
 - Jan Ashley replied, no, Cigna has an extensive credentialing and "recruiting" process for all providers that are in network and has placed focus on developing a large and qualified network of behavioral health providers. Cigna has doubled their network size in the last 5 years, including the largest virtual network of behavioral health providers in the country and a member service feature that will research first available appointments when members call in seeking a behavioral health provider.
- Natalie Lewis asked if the city has had any examples of gene and cellular therapy or product usage?
 - Jan Ashley replied, not as far as we know. These treatments are for extremely rare conditions, but this is an emerging bio-technology area of care that is projected to release new FDA approvals in the next several years, that we want to closely monitor for both cost and safety concerns around medical necessity and reliable outcomes.

- Andrea Alicoate asked how many tiers the STD plan currently has?
 - Jan Ashely explained that there are 3 tiers currently and there will be 3 tiers in 2023. The update will be to the 07-day waiting period plan that will be replaced with a 14-day waiting period plan. The city's 29-day and 44-day waiting period plans will remain as is for coverage and for cost.
- Council Member Thompson asked if an RFP was completed this year for the medical plan?
 - Jan Ashley responded yes; we had several third-party administration vendors show interest, and Cigna received the award recommendation in the procurement process.

Natalie Lewis motioned to recommend approval of the Summary Plan Document Changes for 2023 as presented. Council Member Freeman seconded the motion, and all were in favor. The vote was unanimous.

Agenda Item #2: Adjournment

Council Member Freeman motioned to adjourn the meeting, Andrea Alicoate seconded the motion, and all were in favor. The vote was unanimous.

The meeting was adjourned at 11:56 a.m.

Prepared by: Erica Navarro, Secretary to the Board