Career Service Board Meeting #2289  
Minutes  
Thursday, June 2, 2016, 5:00 p.m.  
Webb Municipal Building  
201 W. Colfax Ave, Fourth Floor, Room 4.G.2

Gina Casias (Chair)  
Patti Klinge (Co-Chair)  
Neil Peck  
Derrick Fuller

I. Opening:  Meeting called to order at 5:08 p.m.
   1. Approval of the Agenda for the June 2, 2016 Board Meeting.  
      The Board unanimously approved the agenda for the June 2, 2016 meeting.
   2. Approval of the Minutes for the May 19, 2016 Board Meeting.  
      The Board unanimously approved the minutes for the May 19, 2016 meeting.

II. Board Comments:  None.

III. Public Comments:  None.

IV. Public Hearing:
   1. Classification Notice No. 1523 – Lead Child Support Technician

      Brandi Miller, Senior Classification and Compensation Analyst from the Office of Human Resources, presented Classification Notice No. 1523 to the Board.

      Ms. Miller explained that current federal regulations do not allow anyone who is not paid by Title IV-D funds to access the ACSES mainframe. As a result, the Performance Improvement Accountability Division (PIAD) within DHS cannot utilize quality assurance measures that would identify performance issues which are currently impacting the Child Support Division service delivery model. To address this issue, a new classification of Lead Child Support Technician is proposed. This new position would carry a small case load and be paid via Title IV-D funds to allow access to the ACSES mainframe. The pay grade and range for the proposed classification is 616-A ($43,170-$63,028).

      The Board unanimously approved Classification Notice No. 1523.

   2. Public Hearing Notice No. 521 – 2017 Plan Medical Carrier/Plan Design Changes

      Heather Britton, Benefits and Wellness Manager from the Office of Human Resources, presented Public Hearing No. 521 to the Board.

      Ms. Britton provided an overview of the Employee Health Insurance Committee (EHIC) and reviewed the healthcare changes that occurred in 2016.

      Ms. Britton also explained the consumerism campaign that has recently been launched for employees.
Ms. Britton said the EHIC recommends the same medical benefits as those introduced in 2016 with the following changes for 2017:

- The out-of-pocket maximum for United Healthcare Navigate and Denver Health DHMO enrollees will increase to $3,000 single/$6,000 family
- Kaiser HDHP enrollees will have prescription copays rather than coinsurance. Once an employee with this plan meets the deductible, he or she will pay the following: $10 (generic)/$35 (preferred brand)/ $60 (non-preferred)
- Premiums will increase for each healthcare plan

Ms. Britton noted that the City will continue its contribution to HSAs in 2017 for employees enrolled in a high deductible health plan. The contribution will be the same as in 2016 ($600 single/$1,200 family).

Board member Neil Peck asked if the EHIC has the authority to decide whether the City will contribute funds to HSAs.

Ms. Britton responded that the EHIC does not exactly have the authority to make this decision. However, she said the EHIC makes a recommendation to the Executive Director of the Office of Human Resources who can then accept, reject, or modify the recommendation. The recommendation is then presented to City Council who can also accept, reject, or modify it. Finally, it is presented to the Mayor, who can accept, reject, or modify it as well.

Public Hearing speaker Leo Nava from the Public Works fleet maintenance team expressed concern that no one has obtained feedback from any of the Public Works employees at the Roslyn facility regarding their health plans. He said he would appreciate it if Ms. Britton would obtain feedback from these employees as well. He said a lot of employees with the high deductible health plans are concerned with how they are going to be able to afford healthcare. In addition, he expressed concerns with the increasing premiums and also suggested that the EHIC look into providing an employer match for contributions to HSAs.

Board Chair Gina Casias asked Ms. Britton if her slide presentation was posted anywhere for employees to see. Ms. Britton responded that it is not, but said she will post it to the Benefits and Wellness website.

In response to Mr. Nava, Ms. Britton also said that the City and County of Denver has about 300 locations. She said they have to focus the communication campaigns on the core locations. She also pointed out that they will hold the consumerism campaign at the Roslyn facility.

The Career Service Board unanimously approved Public Hearing No. 521.

Ms. Britton’s slide presentation is included at the end of this document.

V. Director’s Briefing: None.

VI. New Cases:
1. Wayne Jochem v. Department of Safety, Denver Sheriff’s Department, Appeal No. 25-15A.
   The Career Service Board deferred their decision on the case.

VII. Pending Cases:
   The Career Service Board granted a motion to stay, written order to follow.
   The Career Service Board affirmed the decision of the Hearings Officer, written order to follow.
3. Franklin Gale v. Department of Safety, Denver Sheriff's Department, Appeal No. 02-15A
The Career Service Board affirmed the decision of the Hearings Officer, written order to follow.

VIII. Executive Session:

The Board went into executive session at 5:51 p.m. to discuss cases and staffing matters.

The Board re-convened the meeting at 6:20 p.m.

IX. Adjournment: Adjournment was at 6:20 p.m.
EHIC Recommendations

The Employee Health Insurance Committee established per Chapter 18, Article VI, Division 2 of the DRMC. Responsible for advising the Career Service board and OHR Executive Director of the needs of persons in the employ of the City and County of Denver for medical, dental, life, and long-term disability insurance...

Councilman Wayne New
Stephanie Adams (Budget)
Janna Young (Council)
Gisela Shanahan (DIA)
Mitch McKee (DHS)
Arthur Gilkison (PR)
Roni Kirchhevel
Bill Mitchell (DPD)
Robbie Gilmour (DPD)
Toni Jones (DSD)
Connie Coyle (DSD)
Brad Schipper (OHR)
James Whiteman (GS)

Medical Plans

Continue with same medical benefits introduced in 2016, except:

- The Committee recommends two small plan design modifications:
  - Modify prescription benefit for Kaiser HDHP enrollees.
  - Modify the out of pocket maximum for UHC and Denver Health DHMO enrollees.
- The committee agreed to the required premiums increases from the insurance carriers.
Review of 2016 Changes

- Introduced HDHP in place of HMO plans.
- Health Savings Accounts
  - The City gave every individual HDHP enrollee $600 and family $1200 in their Health Savings Account
- Alternative to HDHP was DHMO (Navigate) plans.
- First major change in structure in decades.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2016 (New)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser</td>
<td>HMO</td>
<td>DHMO</td>
<td>HDHP</td>
</tr>
<tr>
<td>United Health Care</td>
<td>HMO</td>
<td>DHMO (Navigate)</td>
<td>HDHP</td>
</tr>
<tr>
<td>DHMP</td>
<td>HMO</td>
<td>DHMO</td>
<td>HDHP</td>
</tr>
</tbody>
</table>
Total Enrollment

- 60% of employees elected the new HDHP, double the industry average for first year.

<table>
<thead>
<tr>
<th>Plan</th>
<th>Total Count</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser DHMO</td>
<td>1536</td>
<td>18%</td>
</tr>
<tr>
<td>Kaiser HDHP</td>
<td>3153</td>
<td>38%</td>
</tr>
<tr>
<td>DH DHMO</td>
<td>167</td>
<td>2%</td>
</tr>
<tr>
<td>DH HDHP</td>
<td>304</td>
<td>4%</td>
</tr>
<tr>
<td>UHC Navigate</td>
<td>710</td>
<td>8%</td>
</tr>
<tr>
<td>UHC HDHP</td>
<td>1560</td>
<td>19%</td>
</tr>
<tr>
<td>No coverage</td>
<td>925</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>8355</strong></td>
<td></td>
</tr>
</tbody>
</table>

2017 Employee Benefits

Total Medical Costs '15 to '16

- By moving to a HDHP, both the City and employees saw a premium reduction.
- Employees saw the greatest reduction in cost at 41.3%, but we’re asked to pay for care differently.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total cost</th>
<th>City Cost</th>
<th>City % of Premium</th>
<th>Employee Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual 2015</td>
<td>$106,936,210</td>
<td>$85,490,897</td>
<td>80%</td>
<td>$21,445,313</td>
</tr>
<tr>
<td>Projected 2016</td>
<td>$99,336,744</td>
<td>$84,144,071</td>
<td>85%</td>
<td>$15,192,673</td>
</tr>
<tr>
<td>Actual 2016</td>
<td>$97,156,385</td>
<td>$84,568,874</td>
<td>87%</td>
<td>$12,587,511</td>
</tr>
<tr>
<td>Annual Change</td>
<td>-9.1%</td>
<td>-1.1%</td>
<td></td>
<td>-41.3%</td>
</tr>
</tbody>
</table>
Employee Feedback

- Huge interest in HSA.
- Want HSA seed money in 2017 as well
- Crave ‘ease’ of usage of HMO plans – no engagement.
- Perceived higher cost. Don’t yet understand the savings from premiums (their paycheck).
- Prescription costs are higher than expected.
- Want to know why – combination of regulatory and market conditions.
- Feel like this was a take away

2017 Employee Benefits

Consumerism Campaign

June through September

- The OHR staff continues to monitor questions/concerns.
- Consumerism education campaign will begin June 2016 as a result, topics are as follows:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Know your Health Plan:</td>
<td>How and when you pay, cost estimators, tools, key terms/Preventive vs. Diagostic, limited use FSA</td>
</tr>
<tr>
<td>HDHP and DHMO</td>
<td></td>
</tr>
<tr>
<td>Health Savings Accounts</td>
<td>Never too late to open, increase elections for 2017, eligible expenses, tax savings, nearing retirement?</td>
</tr>
<tr>
<td>Ways to Save on Rx</td>
<td>What you can expect to pay. Generic or mail order options, tools to shop around, rebates.</td>
</tr>
</tbody>
</table>
## 2017 Changes

### Deductible HMO

#### Plan Overview

<table>
<thead>
<tr>
<th>Summary of Covered Services</th>
<th>Denver Health DHMO*</th>
<th>Kaiser DHMO</th>
<th>UHC Navigate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preventive Visit</td>
<td>Free</td>
<td>Free</td>
<td>Free</td>
</tr>
<tr>
<td>Deductible</td>
<td>$500 single/$1500 family</td>
<td>$500 single/$1500 family</td>
<td>$500 single/$1500 family</td>
</tr>
<tr>
<td>(Does not apply to Office visits and RX)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coinsurance</td>
<td>20% after deductible</td>
<td>20% after deductible</td>
<td>20% after deductible + POD</td>
</tr>
<tr>
<td>(Does not apply to Office visits and RX)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Out-of-Pocket Maximum (OPM) (copays, deductibles and coinsurance count toward OPM)</td>
<td>$3,000 single/$6,000 Family*</td>
<td>$3,000 single/$6,000 Family</td>
<td>$3,000 single/$6,000 Family*</td>
</tr>
<tr>
<td>Office Visits and Prescriptions</td>
<td>Member pays flat copay based on service (no deductible)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| All Procedures and Hospitalizations and X-ray | 1. Member pays procedure and hospital costs up to their individual $500 annual deductible. Families pay up to 3 individual deductibles.  
2. After deductible, each member pays 20% coinsurance.  
3. Member pays deductible and coinsurance up to their individual OPM. Once all expenses reach the OPM, insurance pays 100% |
| Lab                         | 20% after deductible | No member cost | 20% after deductible |

*Indicates change from 2016, previously $2,500/$5,000
# High Deductible Health Plan

## Summary of Covered Services

*Indicates change from 2016, previously 20% coinsurance

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Denver Health In-Network</th>
<th>Cofinity/Network</th>
<th>No Out-of-Network</th>
<th>Choice Network</th>
<th>Out-of-Network Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preventive Visit Deductible</td>
<td>$1,350</td>
<td>$2,700</td>
<td>$1,350</td>
<td>$2,700</td>
<td>No cost to member</td>
</tr>
<tr>
<td>Coinsurance</td>
<td>10%</td>
<td>10%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Out-of-Pocket Max</td>
<td>$2,700</td>
<td>$5,400</td>
<td>$2,700</td>
<td>$5,400</td>
<td>$2,700</td>
</tr>
</tbody>
</table>

### All Medical Services

1. Member pays non-preventive costs up to their deductible. Those with employee-only coverage must meet the in-network single deductible ($1,350), those with dependents enrolled must meet the family deductible ($2,700).
2. Then member pays a percentage of costs, or coinsurance. Note: Prescription costs below.
3. Once all expenses reach out-of-pocket maximum, insurance pays 100%

### Prescription Drugs

<table>
<thead>
<tr>
<th>Drug Type</th>
<th>After Deductible:</th>
<th>After Deductible:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic</td>
<td>$10 copay</td>
<td>$10 copay</td>
</tr>
<tr>
<td>Preferred Brand</td>
<td>$15 copay</td>
<td>$15 copay</td>
</tr>
<tr>
<td>Non-Preferred</td>
<td>$30 copay</td>
<td>$30 copay</td>
</tr>
<tr>
<td>After Deductible</td>
<td>$20 copay</td>
<td>$35 copay</td>
</tr>
<tr>
<td>After Deductible</td>
<td>$40 copay</td>
<td>$60 copay</td>
</tr>
</tbody>
</table>

## Health Savings Account (HSA)

### HSA with HDHP

- City will continue with same contribution as 2016.
- Pre-tax account used to pay for qualified health expenses.
- Must be enrolled in a HDHP to contribute.
- Can be funded by employee and employer contributions.
- Optum will be the City’s provider.
- Maximum contributions:

<table>
<thead>
<tr>
<th>Coverage Level</th>
<th>Yearly Maximum</th>
<th>City Contribution</th>
<th>Max Employee Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$3,400*</td>
<td>$600</td>
<td>$2,800</td>
</tr>
<tr>
<td>Employee + 1 or more</td>
<td>$6,750</td>
<td>$1,200</td>
<td>$5,550</td>
</tr>
<tr>
<td>Employees &gt; 55</td>
<td>Additional $1,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Indicates change in federal maximum from $3,750 in 2016.
### 2017 Rates

#### Proposed Monthly Premiums

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser DHMO</td>
<td>8.66%</td>
<td>$68.10</td>
<td>$74.00</td>
<td>$224.73</td>
<td>$244.19</td>
<td>$181.60</td>
<td>$197.33</td>
<td>$363.20</td>
<td>$394.65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kaiser HDHP</td>
<td>8.66%</td>
<td>$18.31</td>
<td>$19.90</td>
<td>$100.70</td>
<td>$109.42</td>
<td>$73.24</td>
<td>$79.58</td>
<td>$175.77</td>
<td>$190.99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denver Health DHMO</td>
<td>4.40%</td>
<td>$84.52</td>
<td>$88.23</td>
<td>$278.91</td>
<td>$291.18</td>
<td>$225.38</td>
<td>$235.29</td>
<td>$450.76</td>
<td>$470.59</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denver Health HDHP</td>
<td>3.03%</td>
<td>$22.50</td>
<td>$23.18</td>
<td>$123.75</td>
<td>$127.50</td>
<td>$90.00</td>
<td>$92.73</td>
<td>$216.01</td>
<td>$222.55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UHC Navigate</td>
<td>2.33%</td>
<td>$95.74</td>
<td>$97.97</td>
<td>$315.95</td>
<td>$323.30</td>
<td>$255.32</td>
<td>$261.26</td>
<td>$510.71</td>
<td>$522.60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UHC HDHP</td>
<td>3.90%</td>
<td>$30.02</td>
<td>$31.19</td>
<td>$155.10</td>
<td>$171.54</td>
<td>$120.07</td>
<td>$124.76</td>
<td>$288.17</td>
<td>$299.40</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 2017 Employee Benefits

### 2017 Recommendations

#### Rate Challenges
- Early City Budget cycle
  - Insurance companies were asked to estimate 2017 costs without 2016 data.
  - Substituted 2015 data, which was a different plan design
  - Still unsure how new plan designs will impact utilization.
- Industry trend significant – cost of care industry wide increased
- Will have a full year’s utilization for 2018 cycle.
### Total Medical Costs '16 to '17

<table>
<thead>
<tr>
<th>Year</th>
<th>Total cost</th>
<th>City Cost</th>
<th>City % of Premium</th>
<th>Employee Cost</th>
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<tr>
<td>Actual 2016</td>
<td>$97,156,385</td>
<td>$84,568,874</td>
<td>87%</td>
<td>$12,587,511</td>
</tr>
<tr>
<td>Projected 2017</td>
<td>$101,820,949</td>
<td>$88,507,345</td>
<td>87%</td>
<td>$13,313,604</td>
</tr>
<tr>
<td>Annual Change</td>
<td>4.8%</td>
<td>4.6%</td>
<td></td>
<td>5.8%</td>
</tr>
</tbody>
</table>

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### 2017 Employee Benefits

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### Other 2017 Changes

**Disability Plans**

Will continue to partner with Standard Insurance as the City’s Life and Disability provider, plans include:

- **Basic Life** – City paid, 2X salary to $100,000 max
  - No change in plans or premiums.
- **Additional, Spouse and AD&D** – employee paid
  - No change in plans or premiums.
- **Disability**
  - Short-term – City paid (PTO)
    - 16.7% decrease in cost, same plan design.
  - Short-term – Employee paid (sick/vacation)
    - No changes in plans or premiums.
  - Long-term – City paid (all)
    - 6% decrease in cost, same plan design.
No recommended Changes

The Health Insurance Committee recommends no changes in rates or plan designs from 2016 to 2017 for all remaining City-sponsored benefits, including:

- Dental
- Vision

Summary of changes:

- Medical premium increases
- Medical plan design changes
  - DHMO Maximum
  - HDHP prescription
- Disability Premium decrease

Career Service Board

Per section 18-2 (a) (3) shall "Conduct at least one (1) public hearing on any proposed change to employee benefits prior to the director making any recommendations to the mayor and city council as provided in section 18-5 (c)."

Next up:

- City Council and Mayoral Approval of 2017 benefits
- 2016 Consumerism education campaign