



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:

1. Marion Stewart v. Denver Sheriff's Department, Consolidated Appeals 38-15 and 60-15.
The Career Service Board granted a motion to stay, written order to follow.
2. Frank Espinoza v. Department of Safety, Denver Sheriff's Department, Appeal No. 42-15.
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.*

Ms. Britton's presentation for Public Hearing No. 521:



City of Denver

Office of Human Resources
2017 Benefits Hearing



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

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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.

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Review of 2016 Changes



Significant 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.

	2015	2016	2016 (New)
Kaiser	HMO	DHMO	HDHP
United Health Care	HMO	DHMO (Navigate)	HDHP
DHMP	HMO	DHMO	HDHP



Total Enrollment

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

Plan	Total Count	Percent
Kaiser DHMO	1536	18%
Kaiser HDHP	3153	38%
DH DHMO	167	2%
DH HDHP	304	4%
UHC Navigate	710	8%
UHC HDHP	1560	19%
No coverage	925	11%
Grand Total	8355	

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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.

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

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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



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:

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



2017 Changes



Deductible HMO

Plan Overview

Summary of Covered Services	Denver Health DHMO*	Kaiser DHMO	UHC Navigate
	Single/Family	Single/Family	Single/Family
Preventive Visit	Free	Free	Free
Deductible <small>(Does not apply to Office visits and RX)</small>	\$500 single/\$1500 family	\$500 single/\$1500 family	\$500 single/\$1500 family
Coinsurance <small>(Does not apply to Office visits and RX)</small>	20% after deductible	20% after deductible	20% after deductible + POD
Out-of-Pocket Maximum (OPM) <small>(copays, deductibles and coinsurance count toward OPM)</small>	\$3,000 single/\$6,000 Family*	\$3,000 single/\$6,000 Family	\$3,000 single/\$6,000 Family*
Office Visits and Prescriptions	Member pays flat copay based on service (no deductible)		
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

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Summary of Covered Services

**Indicates change from 2016, previously 20% coinsurance*

	Denver Health				Kaiser		United Health Care			
	In Network		Cofinity Network		No Out-of-Network coverage		Choice Network		Out-of-Network	
	Single	Family	Single	Family	Single	Family	Single	Family	Single	Family
Preventive Visit	No cost to member									
Deductible	\$1,350	\$2,700	\$1,350	\$2,700	\$1,350	\$2,700	\$1,350	\$2,700	\$3,000	\$6,000
Coinsurance	10%	10%	20%	20%	20%	20%	20%	20%	20%	20%
Out-of-Pocket Max	\$2,700	\$5,400	\$2,700	\$5,400	\$2,700	\$5,400	\$2,700	\$5,400	\$6,000	\$12,000
All Medical Services	<ol style="list-style-type: none"> 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	After Deductible:		After Deductible:		*After Deductible:		After Deductible:		Not Covered	
Generic	\$10 copay		\$20 copay		\$10 copay		\$10 copay			
Preferred Brand	\$15 copay		\$40 copay		\$35 copay		\$35 copay			
Non-Preferred	\$30 copay		\$60 copay		\$60 copay		\$60 copay			

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Health Savings Account HSA

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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:

Coverage Level	Yearly Maximum	★ City Contribution	Max Employee Contribution
Single	\$3,400*	\$600	\$2,800
Employee + 1 or more	\$6,750	\$1,200	\$5,550
Employees > 55	Additional \$1,000		

*Indicates change in federal maximum from \$3,750 in 2016.

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Proposed
Monthly
Premiums

Carrier	Proposed Increase	Employee only		Employee + Spouse		Employee + Children		Family	
		2016 Cost	2017 Cost	2016 Cost	2017 Cost	2016 Cost	2017 Cost	2016 Cost	2017 Cost
Kaiser DHMO	8.66%	\$68.10	\$74.00	\$224.73	\$244.19	\$181.60	\$197.33	\$363.20	\$394.65
Kaiser HDHP	8.66%	\$18.31	\$19.90	\$100.70	\$109.42	\$73.24	\$79.58	\$175.77	\$190.99
Denver Health DHMO	4.40%	\$84.52	\$88.23	\$278.91	\$291.18	\$225.38	\$235.29	\$450.76	\$470.59
Denver Health HDHP	3.03%	\$22.50	\$23.18	\$123.75	\$127.50	\$90.00	\$92.73	\$216.01	\$222.55
UHC Navigate	2.33%	\$95.74	\$97.97	\$315.95	\$323.30	\$255.32	\$261.26	\$510.71	\$522.60
UHC HDHP	3.90%	\$30.02	\$31.19	\$165.10	\$171.54	\$120.07	\$124.76	\$288.17	\$299.40



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

Year	Total cost	City Cost	City % of Premium	Employee Cost
Actual 2016	\$97,156,385	\$84,568,874	87%	\$12,587,511
Projected 2017	\$101,820,949	\$88,507,345	87%	\$13,313,604
Annual Change	4.8%	4.6%		5.8%



Disability Plans

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

- Basic Life – City paid, 2 X 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

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Next Steps

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

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