Career Service Board Meeting #2315
Minutes
Thursday, July 6, 2017, 4:30 p.m.
Webb Municipal Building
201 W. Colfax Ave, Fourth Floor, Room 4.G.2

Patti Klinge (Co-Chair)
Neil Peck
Patricia Barela Rivera
Tracy Winchester

I. Opening:
   Meeting called to order at 4:31 p.m.
   1. Approval of the Agenda for the July 6, 2017 Board Meeting.
      The board unanimously approved the agenda for the July 6, 2017 meeting.
   2. Approval of the Minutes for the June 15, 2017 Board Meeting.
      The board unanimously approved the minutes for the June 15, 2017 meeting.

II. Board Comments:
    None.

III. Public Comments:
    None.

IV. Public Hearing:

    1. Public Hearing Notice No. 546 – 2018 Employee Health Insurance

       Heather Britton, Benefits and Wellness Director from the Office of Human Resources,
       presented Public Hearing Notice No. 546 to the board.

       Ms. Britton said this is simply a public hearing and that no vote from the board members is required.

       She then began her presentation with an overview of the Employee Health Insurance Committee (EHIC) and its members.

       She said that this is a unique year in that a request for proposal (RFP) is due for the city’s medical and dental plans. She said RFPs are required for these plans every three to five years as mandated in Executive Order 8.

       Ms. Britton said that the EHIC voted to keep United Healthcare as a medical plan provider in addition to Kaiser Permanente and Denver Health. She also said each of these providers will still offer the same high deductible health plans (HDHP) and deductible HMOs (DHMO) as in 2017 and she provided an overview for each.

       Although the HDHP and DHMOs will remain the same, she said the EHIC recommends the following changes for 2017:
       - 2018 premiums will increase for each medical plan
       - HSA contributions will be potentially equal to previous years, with these delivery modifications:
a) Employees must contribute their own money
b) Contributions are received monthly
c) A portion of the contribution will be received through a monthly match and the rest via the wellness incentive
   • DHMO participants may receive a premium reduction with the completion of the wellness incentive

Ms. Britton provided details for earning HSA contributions and premium reductions. She also emphasized the purpose and importance of the city’s wellness program.

Board member Patricia Barela Rivera asked if the wellness incentive is something new.

Ms. Britton responded that the incentive is not new, but that the method of tracking it is. She said with the new wellness portal that is in place, the wellness team can track the data without having to rely on obtaining this information from the insurance companies.

Ms. Britton also pointed out that there will be no changes to the following for 2018:
   • Dental (the EHIC voted to retain Delta Dental)
   • Vision
   • Life/disability insurance
   • Flexible spending account

Board co-chair Patti Klinge asked Ms. Britton how competitive the city is compared to other employers in the area.

Ms. Britton said the city is competitive, but said it is difficult to make comparisons because the its government peers have not yet moved to HDHPs. She went on to say that employers in the private sector do have HDHPs, but their deductibles are higher and their HSA contributions are lower or non-existent.

Public hearing speaker Leo Nava, Heavy Equipment Mechanic from the Public Works Fleet Maintenance team, said that Ms. Britton has been very helpful in explaining the details of the medical plans to him. He said he takes the information she provides him back to his coworkers to ensure that they have a better understanding of the city’s health insurance plans.

Mr. Nava asked if any trends have been identified in the chronic conditions experienced by city employees.

Ms. Britton responded that the data shows chronic conditions are increasing.

Mr. Nava also asked what the wellness incentive requires.

Ms. Britton responded that to earn the wellness incentive, employees need to do the following:
   • Log into the wellness portal at cityofdenverwellness.com
   • Complete the health risk assessment found on the wellness portal
   • Have their doctor complete the physician screening form and then upload the completed form to the wellness portal
   • Input the dates of three recent preventive care appointments

Ms. Barela Rivera asked about the purpose of collecting medical information for the wellness incentive.

Ms. Britton said the aggregate data simply provides a baseline so that an evaluation can be made as to whether the health of the employee population is improving from year to year.
Ms. Britton said the 2018 employee health insurance proposal will be brought before City Council’s Finance and Governance Committee on July 11 for approval.

Ms. Klinge said she believes the city is providing employees with great, highly competitive healthcare options.

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

V. Director’s Briefing: None.

VI. Pending Cases:

1. Krishna Colquitt v. Department of Human Services, Appeal No. 34-15A
   The Career Service Board affirmed the Hearing Officer’s decision, written order to follow.

2. Ryan Bosveld v. Department of Safety, Denver Sheriff Department, Appeal No. 53-16A
   The Career Service Board reversed the Hearing Officer’s decision and remanded the case back to the Hearing Office for reconsideration of the penalty.

3. Sonya Leyba v. Department of Safety, Denver Sheriff Department, Appeal No. 25-16A
   The Career Service Board affirmed the Hearing Officer’s decision, written order to follow.

4. Jose Santistevan, Jr. v. Denver Parks and Recreation, Appeal No. 75-16A
   The Career Service Board denied the Respondent’s Motion to Dismiss Agency’s Appeal as Moot.

VII. Executive Session:

The Board went into executive session at 5:28 p.m.

The Board re-convened the meeting at 6:30 p.m.

VIII. Adjournment: Adjournment was at 6:30 p.m.
2018 Health Insurance

Office of Human Resources
Heather Britton, Director of Benefits and Wellness

Health Insurance Committee

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...

Current members, as follows, are appointed by the Mayor:

Councilman Wayne New       Bill Mitchell (Police)
Stephanie Adams (Budget)    Robbie Gilmour (Police)
Gisela Shanahan (DIA)       Toni Jones (Sheriff)
Arthur Gilkison (PR)        Connie Coyle (Sheriff)
Roni Kirchhevel (DERP)      Anne Carter (OHR)
                           John Utterback (GS)
Career Service Board

Sec. 18-2 (a) (3) of Denver Revised Municipal Code

“Powers and duties of the career service board...
Conduct at least one (1) public hearing on any proposed change to employee benefits prior to the director making any recommendation to the mayor and city council as provided in section 18-5 (c). ...”

Sec. 18-5 (c) Annual setting of classifications, pay plans and benefits.

Benefits. The director [of OHR] shall consult with and obtain a recommendation from the employee health insurance committee as provided in division 2 of article VI of this chapter prior to recommending any change to health insurance benefits. The mayor and the city council may accept, reject or modify any benefit recommendation made by the director pursuant to this section.

Executive Order 8 (XO 8)

“Agencies should limit the duration of contracts to three to five years at which time a new solicitation should be initiated...”

– 2017 is the fifth year of both the medical and dental contracts
– OHR along with the City’s consultant, Lockton, solicited competitive proposals (RFP) of all vendors interested in providing medical and dental to City employees.
Review of the Vendor Selection Process

- 01/17/17 - The EHIC approved the scoring criteria and corresponding matrix and a subcommittee was selected.
- 01/26/17 - Medical and Dental RFP’s were released to the market with scoring matrix.
- 02/02/17 - A Bidder’s conference was held.
- 02/24/17 - Proposals were due to Lockton
- 04/04/17 - Medical finalist meetings conducted by subcommittee.
- 04/05/17 - The subcommittee reconvened to finalize scoring on Medical and Dental finalists
- 05/10/17 – Full committee voted to retain UHC and Delta Dental

Medical RFP, continued

- Nearly 14,000 employees and retirees plus 20,000 dependents:
Medical Plan Offering Options

**Current Structure**
- Three carrier offerings to all employees
  - Traditional model (UHC)
  - Integrated Managed Care (Kaiser)
  - Local Hospital Model (Denver Health)

**Sole Carrier**
(Denver Health has contractual obligation)
- ‘Kaiser only’ potential for saving $3-7M, concerns:
  - Bargained group requires three options
  - Significant disruption in provider relations
  - Significant disruption within retiree population
  - Significant disruption for out of state dependents

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**Recommended 2018 Medical Structure**

1. Continue partnering with three carriers
   a) Kaiser
   b) UHC
   c) Denver Health
2. Continue offering two plans per carrier (for a total of six plans):
   a) High Deductible Health Plan (HDHP)
   b) Deductible HMO (DHMO)
3. Continue with current City premium contribution – Insurance premiums subsidized on the same percentage basis established in 2016.
4. Continue with current plan designs (no changes to copays, deductibles or out-of-pocket maximums).
5. Modify City HSA contribution
Medical Plan Review

Denver Medical Plans

<table>
<thead>
<tr>
<th></th>
<th>DHMO</th>
<th>HDHP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrier</td>
<td>Kaiser UHC (Navigate) DHMP</td>
<td>Kaiser UHC DHMP</td>
</tr>
<tr>
<td>Office visits</td>
<td>Copay (may also involve deductible/coinsurance)</td>
<td>Deductible/coinsurance</td>
</tr>
<tr>
<td>Hospitalization</td>
<td>Deductible/coinsurance</td>
<td>Deductible/coinsurance</td>
</tr>
<tr>
<td>Procedure</td>
<td>Deductible/coinsurance</td>
<td>Deductible/coinsurance</td>
</tr>
<tr>
<td>Prescription</td>
<td>Copay</td>
<td>Deductible/Copays</td>
</tr>
<tr>
<td>Savings Vehicle</td>
<td>FSA</td>
<td>HSA</td>
</tr>
</tbody>
</table>
High Deductible Health Plan (HDHP)

- Low up-front pay check cost (premium)
- Member is responsible for all costs to a preset deductible:
  - $1,350 deductible individual coverage and
  - $2,700 deductible if dependents enrolled.
- Member pays 20%* coinsurance for services after deductible is met.
- All expenses, including deductible, count toward annual out-of-pocket maximum of $2,700 individual and $5,400 family.
- Paired with a Health Savings Account (HSA)

* 10% for Denver Health

Health Savings Account (HSA) with HDHP

- 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.
- Portable - because it’s the employee’s account.
- Flexible - can stop/start/change contribution at any time and unused funds roll over to next plan year.
Health Savings Account (HSA) with HDHP

High Deductible Health Plan (HDHP)
- Preventive care always free.
- Member responsible for all non-preventive costs up to a preset deductible.
- Once deductible is met, employees pay 20% of remaining costs, called coinsurance.
- Once expenses hit the out-of-pocket maximum, member pays nothing.
- An HSA is used to pay for expenses.

Deductible HMO (DHMO)
- Copays for Doctor Visits and Prescriptions
- Deductibles and Coinsurance for all other services
  - $500 single / $1,500 family Deductible
  - 20% Coinsurance
- Out-of-Pocket Max:
  - $3,000 single / $6,000 family
- Paired with Flexible Spending Account
- UHC calls their plan Navigate. Navigate has per occurrence deductibles (POD) for some services.
2018 Changes

Summary of 2018 Recommendations

1. Medical Premium Increases (shared equally between City and Employee)

2. HSA contribution potentially equal to previous years, with delivery modifications:
   a. Employees must contribute their own money
   b. Contributions are received monthly
   c. Portion received through monthly match and the rest through wellness incentive.

3. DHMO participants may receive up to $300 in premium reductions with completion of wellness incentive.
## HDHP Rates

<table>
<thead>
<tr>
<th>Tier</th>
<th>City Contribution</th>
<th>2017 Employee Monthly Rates</th>
<th>2018 Employee Monthly Rates</th>
<th>Monthly Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee Only</strong></td>
<td>95%</td>
<td>$19.90</td>
<td>$21.97</td>
<td>$2.07</td>
</tr>
<tr>
<td><strong>Employee + Spouse</strong></td>
<td>87.5%</td>
<td>$109.42</td>
<td>$120.82</td>
<td>$11.40</td>
</tr>
<tr>
<td><strong>Employee + Children</strong></td>
<td>90%</td>
<td>$79.58</td>
<td>$87.87</td>
<td>$8.29</td>
</tr>
<tr>
<td><strong>Family</strong></td>
<td>85%</td>
<td>$190.99</td>
<td>$210.85</td>
<td>$19.86</td>
</tr>
<tr>
<td><strong>Employee Only</strong></td>
<td>95%</td>
<td>$31.19</td>
<td>$34.21</td>
<td>$3.03</td>
</tr>
<tr>
<td><strong>Employee + Spouse</strong></td>
<td>87.5%</td>
<td>$171.54</td>
<td>$188.18</td>
<td>$16.64</td>
</tr>
<tr>
<td><strong>Employee + Children</strong></td>
<td>90%</td>
<td>$124.76</td>
<td>$136.86</td>
<td>$12.10</td>
</tr>
<tr>
<td><strong>Family</strong></td>
<td>85%</td>
<td>$299.40</td>
<td>$328.44</td>
<td>$29.04</td>
</tr>
<tr>
<td><strong>Employee Only</strong></td>
<td>95%</td>
<td>$23.18</td>
<td>$25.96</td>
<td>$2.78</td>
</tr>
<tr>
<td><strong>Employee + Spouse</strong></td>
<td>87.5%</td>
<td>$127.50</td>
<td>$142.80</td>
<td>$15.30</td>
</tr>
<tr>
<td><strong>Employee + Children</strong></td>
<td>90%</td>
<td>$92.73</td>
<td>$103.86</td>
<td>$11.13</td>
</tr>
<tr>
<td><strong>Family</strong></td>
<td>85%</td>
<td>$222.55</td>
<td>$249.26</td>
<td>$26.70</td>
</tr>
</tbody>
</table>

## DHMO Rates

<table>
<thead>
<tr>
<th>Tier</th>
<th>City Contribution</th>
<th>2017 Employee Monthly Rates</th>
<th>2018 Employee Monthly Rates</th>
<th>Monthly Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee Only</strong></td>
<td>85%</td>
<td>$74</td>
<td>$81.70</td>
<td>$7.70</td>
</tr>
<tr>
<td><strong>Employee + Spouse</strong></td>
<td>77.5%</td>
<td>$244.19</td>
<td>$269.62</td>
<td>$25.43</td>
</tr>
<tr>
<td><strong>Employee + Children</strong></td>
<td>80%</td>
<td>$197.33</td>
<td>$217.87</td>
<td>$20.55</td>
</tr>
<tr>
<td><strong>Family</strong></td>
<td>75%</td>
<td>$394.65</td>
<td>$435.75</td>
<td>$41.09</td>
</tr>
<tr>
<td><strong>Employee Only</strong></td>
<td>85%</td>
<td>$97.97</td>
<td>$107.47</td>
<td>$9.50</td>
</tr>
<tr>
<td><strong>Employee + Spouse</strong></td>
<td>77.5%</td>
<td>$323.30</td>
<td>$354.66</td>
<td>$31.36</td>
</tr>
<tr>
<td><strong>Employee + Children</strong></td>
<td>80%</td>
<td>$261.26</td>
<td>$286.60</td>
<td>$25.34</td>
</tr>
<tr>
<td><strong>Family</strong></td>
<td>75%</td>
<td>$522.60</td>
<td>$573.29</td>
<td>$50.69</td>
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<tr>
<td><strong>Employee Only</strong></td>
<td>85%</td>
<td>$88.23</td>
<td>$104.07</td>
<td>$15.83</td>
</tr>
<tr>
<td><strong>Employee + Spouse</strong></td>
<td>77.5%</td>
<td>$291.18</td>
<td>$343.42</td>
<td>$52.25</td>
</tr>
<tr>
<td><strong>Employee + Children</strong></td>
<td>80%</td>
<td>$235.29</td>
<td>$277.51</td>
<td>$42.22</td>
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<tr>
<td><strong>Family</strong></td>
<td>75%</td>
<td>$470.59</td>
<td>$573.29</td>
<td>$84.44</td>
</tr>
</tbody>
</table>
2016/2017 HSA Contribution

- Since the introduction of the high deductible health plans (HDHP) in 2016, the City financially assisted employees with a health savings account (HSA) contribution.
- In 2016 and 2017 the contribution was a lump sum grant – employees were not required to contribute their own money.

<table>
<thead>
<tr>
<th>HDHP Coverage Tier (OPM)</th>
<th>Annual City HSA Contribution</th>
<th>Timing of City Contribution</th>
<th>Required Employee HSA Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single: $2,700</td>
<td>$600</td>
<td>Immediately</td>
<td>$0</td>
</tr>
<tr>
<td>Family: $5,400</td>
<td>$1,200</td>
<td>Immediately</td>
<td>$0</td>
</tr>
</tbody>
</table>

2018 HSA Recommendation - Match

1. **Employees electing the single HDHP**: for every $1 per month the employee deposits into their HSA, the City will provide a $2 match to a maximum of $25 per month or $300 annually.
2. **Employees enrolling dependents on the HDHP**: for every $1 per month the employee deposits into their HSA, the City will provide a $2 match to a maximum of $75 per month or $900 annually.

<table>
<thead>
<tr>
<th>HDHP Coverage Tier (OPM)</th>
<th>Max City HSA Match</th>
<th>Required Employee HSA Contribution</th>
<th>Timing of City Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single: $2,700</td>
<td>Up to $300/year ($25/month)</td>
<td>At least $150 ($12.50/month)</td>
<td>Monthly</td>
</tr>
<tr>
<td>Family: $5,400</td>
<td>Up to $900/year ($75/month)</td>
<td>At least $450 ($37.50/month)</td>
<td>Monthly</td>
</tr>
</tbody>
</table>
Wellness Incentive: $300

$300 Wellness Incentive for participants who complete the established requirements of the wellness program, administered by the Office of Human Resources, prior to the program deadline of October 31, 2017:

1. HSA contribution for HDHP participants: the City will provide a $25 per month HSA contribution with a maximum annual contribution of $300.
   - OR -
2. For DHMO participants: the City will provide a $25 per month premium reduction

Why Wellness?

Chronic Conditions cost us all:

$104,000,000 = Denver’s Total 2016 Medical Premiums
$90,584,000 = City’s Portion
$13,416,000 = Employee’s portion

27% of Denver’s population has one or more chronic condition
And
They account for 62% of medical spend or
$64,480,000
Why Wellness?

The goal of OHR’s wellness program is to:
• Decrease medical spend, through
• Increased employee understanding of their healthcare and
• Incentivizing employees to engage with their physician to prevent or manage chronic conditions.

OHR Wellness Incentive

After logging on to www.cityofdenverwellness.com, employees earn the incentive by:

1. Completing the member health assessment
2. Taking the physician screening form to their doctor to fill out then uploading to www.cityofdenverwellness.com
3. Entering the dates of three of their most recent preventive care screenings (dentist appointment, cancer screenings, etc.)
# Year-over-Year Costs - Single

<table>
<thead>
<tr>
<th>Year</th>
<th>Plan</th>
<th>Out of pocket Max (OPM)</th>
<th>City HSA Cont.</th>
<th>Required Employee HSA Cont.</th>
<th>Annual Employee premiums</th>
<th>Max employee Liability</th>
<th>Annual City Premiums</th>
<th>Total City Contribution (premium + HSA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>Kaiser HMO</td>
<td>$3,000</td>
<td>n/a</td>
<td>n/a</td>
<td>$1,631</td>
<td>$4,631</td>
<td>$4,893</td>
<td>$4,893</td>
</tr>
<tr>
<td>2016</td>
<td>Kaiser HDHP</td>
<td>$2,700</td>
<td>$600</td>
<td>$0</td>
<td>$219</td>
<td>$2,319</td>
<td>$4,174</td>
<td>$4,774</td>
</tr>
<tr>
<td>2017</td>
<td>Kaiser HDHP</td>
<td>$2,700</td>
<td>$600</td>
<td>$0</td>
<td>$238</td>
<td>$2,338</td>
<td>$4,536</td>
<td>$5,136</td>
</tr>
<tr>
<td>2018</td>
<td>Kaiser HDHP</td>
<td>$2,700</td>
<td>$600</td>
<td>$150</td>
<td>$263</td>
<td>$2,513</td>
<td>$5,008</td>
<td>$5,608</td>
</tr>
</tbody>
</table>

# Year-over-Year Costs - Family

<table>
<thead>
<tr>
<th>Year</th>
<th>Plan</th>
<th>Out of pocket Max (OPM)</th>
<th>City HSA Cont.</th>
<th>Required Employee HSA Cont.</th>
<th>Annual Employee premiums</th>
<th>Max employee Liability</th>
<th>Annual City Premiums</th>
<th>Total City Contribution (premium + HSA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>UHC HMO</td>
<td>$6,000</td>
<td>n/a</td>
<td>n/a</td>
<td>$11,795</td>
<td>$17,795</td>
<td>$21,904</td>
<td>$21,904</td>
</tr>
<tr>
<td>2016</td>
<td>UHC HDHP</td>
<td>$5,400</td>
<td>$1,200</td>
<td>$0</td>
<td>$3,458</td>
<td>$7,658</td>
<td>$19,595</td>
<td>$20,795</td>
</tr>
<tr>
<td>2017</td>
<td>UHC HDHP</td>
<td>$5,400</td>
<td>$1,200</td>
<td>$0</td>
<td>$3,593</td>
<td>$7,793</td>
<td>$20,360</td>
<td>$21,560</td>
</tr>
<tr>
<td>2018</td>
<td>UHC HDHP</td>
<td>$5,400</td>
<td>$1,200</td>
<td>$450</td>
<td>$3,941</td>
<td>$8,591</td>
<td>$22,334</td>
<td>$23,534</td>
</tr>
</tbody>
</table>
No Changes in 2018

The Health Insurance Committee recommends no changes in rates or plan designs from 2017 to 2018 for all remaining City-sponsored benefits, including:

- Dental - Committee voted to retain Delta Dental after competitive bid and retain same benefits and rates for 2018.
- Vision
- Life / Disability
- FSA