

MINUTES

METROPOLITAN EMPLOYEE BENEFIT BOARD

STUDY & FORMULATING COMMITTEE

December 1, 2020

The Study & Formulating Committee met on Tuesday, December 1, 2020 at approximately 1:01 p.m. This meeting took place via teleconference.

Committee Members present: Chair: Cleophis D. Rucker; Vice-Chair Richard Chapman; Committee Members: Nick Brassell, and Kim Stagg.

Benefit Board Members present: Shannon B. Hall

Other(s) present: Christina Hickey, Metro Human Resources, and Nicki Eke, Metro Legal Department.

Christina Hickey called the meeting to order and stated that the first order of business will be to have roll call for the Committee to establish a quorum.

Christina Hickey stated that under the Governor's Executive Order #65 each time a Committee member, staff or other participant who is using audio only participation wishes to speak he or she shall identify themselves in a manner reasonably calculated to permit the public to ascertain the identity of the person speaking. She also stated that all votes during the meeting shall be conducted by roll call.

Christina Hickey stated that as a result of the COVID-19 pandemic the Governor issued Executive Order #16 extended by Executive Orders #34, #51, #60 and #65 authorizing Committee's to meet and conduct their essential business by electronic means if the Committee determines that meeting electronically is necessary to protect the health, safety and welfare of Tennesseans in light of the COVID-19 outbreak. She also stated that before considering items on the agenda the Committee needs to determine by a roll call vote that the meeting agenda constitutes essential business of the Committee and meeting electronically is necessary to protect the health, safety and welfare of Tennesseans in light of the COVID-19 outbreak.

The Committee members were in agreement to have the meeting electronically.

Christina Hickey stated that the next order of business is approval of the minutes from the October 30, 2020 and November 12, 2020 Study and Formulating Committee meetings. With no corrections, Richard Chapman moved for approval of the minutes. Nick Brassell seconded and the minutes were approved without objection.

Christina Hickey informed the Committee that the current Chair Trish Holliday has moved out of the county and that makes her ineligible to continue with the Committee and thanked her for her diligent work. She also stated that there will need to be an election of a new Chair or Vice-Chair.

1. Update on funding of Guaranteed Payment Plan.

Nicki Eke, Legal Department, stated that there is a state statute that governs the funding of the guaranteed payment plan. She stated that under that state law Metro can not reduce the current funding of the guaranteed payment plan or the amortized funding of the guaranteed payment plan. She stated that the current yearly funding is required to continue until the plans are fully funded under state law.

There was some discussion as to whether or not when the plan is fully funded in approximately 3 years Metro can stop its contribution and the related code section.

Kevin Sullivan, Findley, stated that the plans are expected to be fully funded in a little under three years and then those dollars can be used for other purposes.

2. Healthcare strategy recommendation to address OPEB.

Angela Watts, Deloitte, stated that she and Kelley Lewis will be reviewing the information from the previous meeting regarding the 4.2 billion unfunded OPEB liability in more detail. She reviewed the medical care items outlined in the Administrations memo to the Committee and the Medicare Advantage plan as a sole choice for pensioners and pensioner dependents with Medicare. She reviewed the projected savings for Metro and the pensioner. She stated that if this plan is implemented for 2021 the estimated savings would reduce the liability by 1.1 billion.

There was some discussion as to whether or not the estimated savings included any subsidies.

Angela Watts reviewed the plans available to Metro pensioners with Medicare and the coverages in each one.

There was some discussion regarding the dental coverage under Humana verses Metro's dental coverage and the employer group waiver plan.

Angela Watts reviewed the current enrollment of pensioners in each medical plan.

There was some discussion regarding co-pays, the networks of the medical plans and will the pensioners be limited if the option of Medicare Advantage is selected for pensioners.

There was also discussion that it is a requirement that all pensioners that are Medicare eligible have parts A & B regardless of what plan they are enrolled in and networks have not been an issue.

Kelley Lewis, Deloitte, reviewed some stats on the Medicare Advantage plan. She stated that it is the current leading solution for Medicare eligible retirees nationally, how the plans work, coverages and savings related to the medical premium indexing change made in 2013. Ms. Lewis also reviewed what members currently pay for services in each of the current plans versus the Medicare Advantage plan and what peer cities have done to reduce this liability.

Kelley Lewis stated that it is recommended that in order to reduce the liability that a Medicare Advantage plan would be the only choice for health insurance offered by Metro to pensioners who have Medicare (and for those who are covering dependents, the dependents must also have Medicare), effective January 1, 2023.

There was some discussion regarding what some peer cities have done to reduce the liability and Metro's recommendation.

3. Metro Code change for PPO.

Kelley Lewis, Deloitte, reviewed the recommendation to change the Metro Code language that defines the annual out of pocket maximum for the PPO plan. She stated that it is recommend to remove the language that specifies the out of pocket maximum as it will allow more flexibility for the Benefit Board to make changes.

There was some discussion regarding when this was written, costs of coverage, a low cost health plan, provisions in the Code related to benefits, how many participants go over the maximums, deductibles and plan migration.

4. Election of new Chair and Election of new Vice-Chair (in the event a vacancy arises)

Christina Hickey opened the floor to nominations for Committee Chair.

Cleophis Rucker stated that he would move into the Chair position.

Kim Stagg nominated Cleophis Rucker for Chair. Richard Chapman seconded and the Committee approved without objection.

Nick Brassell nominated Richard Chapman for Vice-Chair. Cleophis Rucker seconded and the Committee approved without objection.

There was discussion regarding the next meeting date and topics of discussion for the next meeting.

With nothing further presented, the meeting adjourned at 3:08 p.m.

ATTEST:

APPROVED:

***Ms. Shannon B. Hall, Director
Human Resources***

***Cleophis D. Rucker, Chair
Study & Formulating Committee***