CITY OF RIVIERA BEACH
PALM BEACH COUNTY, FLORIDA
CITY COUNCIL WORKSHOP MINUTES
MUNICIPAL COMPLEX COUNCIL CHAMBERS
MONDAY, AUGUST 8, 2011 AT 5:30 P.M.

I. ROLL CALL

Chairperson Davis was present and presided. Upon a roll call by Deputy City Clerk Anthony, the following were present: Chairperson Judy L. Davis, Chair Pro-Tem Billie E. Brooks, Councilperson Cedrick A. Thomas, Councilperson Dawn S. Pardo and Councilperson Shelby L. Lowe. Also present were City Manager Ruth Jones, Deputy City Clerk Claudene Anthony, and City Attorney Pamala H. Ryan.

II. INVOCATION AND PLEDGE OF ALLEGIANCE

Everyone stood for a Moment of Silence with the pledge led by City Attorney Ryan

III. PURPOSE OF WORKSHOP

City Manager Jones stated that the purpose of the workshop was to have Coventry give a brief overview of the insurance renewal and to answer any questions.

IV. Presentation by Coventry and McKinley Insurance Services

Cathy McAgurrie, Coventry Vice President of Account Management stated that the renewal process was arranged with city staff and consultants. She stated that the national average was 11% and the city was performing better in utilization than expected. She stated that Coventry looked at the benefits of prescription drugs, which was one of the main concerns for employees and enhanced the prescription drugs benefits to add a $3 co pay for select drugs, and change the second tier copayment from $15 to $10. The savings would be of significant dollars to the employees. She stated the Value-Added Benefits was a great incentive to employee wellness and Coventry was devoting $10,000 worth of wellness incentives and programs in addition to what was already in place. She stated that in addition to the wellness program, Coventry added programs to support members with chronic conditions.

V. Discussion

Councilperson Thomas inquired about whether a RFP would have given the city a better savings. He suggested that Coventry get more involved within our community and around city hall to make sure we get the best from our partnership. He stated that he was satisfied with the office visit and the prescription details. He inquired about the amounts being doubled for the city and the employees if the decision was put off to another day.

Doretha Perry, Human Resources Director stated that open enrollment should start in August, so that deductions could start in September for October. She stated if held off until late September then the premiums would be doubled in October due to premium being paid a month in advance.

Councilperson Thomas stated that his issue was that if the decision was not made today then two payments would be due by the employees.

Chairperson Davis stated if the city council did not move forward at this meeting, come September 30 the city would not have coverage even though Coventry would be extending covering until the city and Coventry came to some type of agreement. She stated when the city does open enrollment payments have to be made in advance. September deductions would take care of October and since the city would not know what deductions to take until an agreement was reached the agreed deductions would need to be doubled to make up for the October payments.

Councilperson Thomas inquired of the specific date Coventry was paid by the city.

Marie Sullin, Risk Manager stated the payments for Coventry were due by the 15th of each month.

Chair Pro-Tem Brooks inquired how was it worked out for the current year when the city council did not take any action until September 22nd.

Marie Sullin, Risk Manager, stated that it was very difficult and last year the deductions were stretched out through December.

Doretha Perry, Human Resources Director, stated that it was very difficult to complete all the 400 plus employees and retirees information. She stated that every year the city has been late and it took time to complete the total process.

Paul White, Assistant City Manager stated that generally providers want as much data as possible in order to figure the rates. He stated most providers want at least nine months of utilization information to determine rates.

Councilperson Thomas stated concerns of the city council having time to discuss these issues. He also inquired about the number of months of utilization did Coventry used to provide the rates.

Doretha Perry, Human Resources Director, advised that they had six months of utilization and that Coventry provided the city with data from October to March.

Councilperson Thomas inquired as to when Coventry give the city the 2.5% increase.

City Manager Jones stated that the information was received on July 7, however the rate came in at a 5.68% increase and the city spent the month of July to bring the rate down to 2.5%.

Councilperson Thomas stated that the industry standard an 11% increase and if the city negotiated it down then the RFP process a should have been reviewed..

Carlton Moore, Vice President of McKinley Insurance Company stated that the city staff was very diligent in making sure that information was distributed as soon as possible and Coventry stepped up to the plate in meeting the deadline. He stated that Coventry made sure that all of the concerns were addressed expeditiously and utilized the last carriers' utilization to offer the suggested rate per individual in an effort to be as close to exact as possible. He stated that once the utilization was reviewed a 5.7% increased was proposed as well as changes were made to the plan to make it user friendly, adjustments were made in the prescription and physician co-pay as well as the wellness program. He stated that McKinley went back to the table with Coventry to see what could be down to make the cost less and Coventry agreed to a 2.5% increase.

Councilperson Thomas inquired about a two year agreement.

Mr. Moore stated that insurance companies did not consider two year agreements. He stated that rates were based upon utilization and there were variables that could spike the cost or lower the cost. He stated if the insurance company guaranteed the rates for two years their chance of losses was much greater over that time period.

Councilperson Thomas inquired if it was appropriate to go out for bid if the insurance companies look every year to see if there would be an increase.

Mr. Moore stated that McKinley Insurance negotiates with the existing carrier and get a nine month period to see if it was appropriate to advertise an RFP by reviewing the month to month calculation of the utilization of the plan. He stated when reviewing the utilization entities were able to find what percentage of the premium was being used in meeting the coverage necessary for the workforce.

ADJOURNMENT

There being no further business, the meeting was duly adjourned.

APPROVED:

THOMAS A. MASTERS

JUDY L. DAVIS
CHAIRPERSON

ATTEST:

CARRIE E. WARD
MASTER MUNICIPAL CLERK
CITY CLERK

BILLIE E. BROOKS
CHAIR PRO TEM

CEDRICK A. THOMAS
COUNCILPERSON

DAWN S. PARDO
COUNCILPERSON

SHELBY L. LOWE
COUNCILPERSON

MOTIONED BY: _____
SECONDED BY: _____

J. DAVIS	aye
B. BROOKS	aye
C. THOMAS	aye
D. PARDO	tardy
S. LOWE	aye

DATE APPROVED: 11/02/2011