

A special meeting of the Board of Aldermen was held Tuesday, March 31, 2020, at 7:00 p.m. in the Auditorium at City Hall, 3rd floor.

President Lori Wilshire presided; City Clerk Susan K. Lovering recorded.

Prayer was offered by City Clerk Susan K. Lovering; Alderwoman Shoshanna Kelly led in the Pledge to the Flag.

President Wilshire

Before I ask the Clerk to take the roll, many of you will be participating by telephone or virtually and under the terms of the State law that allows them to do that. You need to explain why they can't attend, if they can hear us, and who he or she is with, if anyone.

City Clerk Lovering called the roll and asked them to state the reason he or she could not attend, confirmed that they could hear the proceedings, and stated who was present with him or her.

The roll call was taken with 14 members of the Board of Aldermen physically present (Wilshire, O'Brien), Alderwoman Kelly, Alderman Dowd, Alderman Caron, Alderman Clemons, Alderman Lopez, Alderman Tencza, Alderwoman Lu, Alderman Jette, Alderman Schmidt, Alderman Laws and Alderman Cleaver virtually present; and Alderman Harriott-Gathright arrived after roll call at 7:15 PM.

Mayor James W. Donchess and Corporation Counsel Steven A. Bolton were also in attendance.

Alderwoman Kelly

I am here. I am practicing social distancing; I am by myself and I can hear everybody.

Alderman Dowd

Yes, I am practicing social distancing and I am on-line and by myself.

Alderman Caron

Yes, I am here and I am practicing social distancing and I am here by myself and I can hear everyone.

Alderman Clemons

I am here, I am participating via telephone, I got home late from work and I am by myself.

Alderman Lopez

I am here and practicing social distancing and I am by myself.

Alderman Tencza

I am here, the same, practicing social distancing and I am by myself.

Alderwoman Lu

I am here alone and I can hear everyone and I am practicing social distancing.

Alderman Jette

I am here, I am alone and I am obeying the advisory to stay at home.

Alderman Schmidt

I am here with my bird if you hear a cracking in the background I apologize. Except for that, I am alone and I am practicing social distancing and I can hear you. Thank you.

Alderman Laws

I am here, I am alone, I am practicing social distancing and I can hear you.

Alderman Cleaver

I am here, I am practicing social distancing, trying not to be antisocial. I am here and I am alone in my apartment.

Alderman Wilshire

I am here.

President Wilshire

Alright tonight we have the Mayor and I think that the Mayor would like to address us before we get into the discussion, so Mayor Donchess.

Mayor Donchess

Thank you Madam President; I wanted to take a moment to update you on the incredible efforts that our City Employees and many others throughout the community are making to keep our community members safe and to try and limit the spread of the Coronavirus as much as possible. We should be very proud of everyone who works for the City. This has been an incredible group effort, team effort, everyone is working very hard, some people 7 days a week. Beginning with of course Public Health, Bobbie Bagley and our Public Health Nurses. As of last night around this time, and I am sure we have more now, we had 28 cases. Public Health is tracking all of those cases, investigating them, to identify contacts and try to figure out who might have the virus and to limit contact with those people. So Public Health is doing a great job.

Of course we have Justin Kates in Emergency Management. They, along with the hospitals and others, the CERT Volunteers, Community Emergency Response Team volunteers and our hospitals, Police Department, Fire Department have worked on putting together the alternative recovery center which is located at the high school. There is still some progress that needs to be made there for those who are State Reps, there are no clear answers on exactly what the State is going to pay for. There have been sort of vague commitments, but nothing specific, so we are working on that. But that will be available for the overflow if the hospitals become overburdened with Coronavirus cases.

Director Kleiner and everybody in City Hall, Cheryl Lindner has been working very hard to put the operation you see together right now; our remote operations as well as to keep all of the essential functions within City Government going and they've done a great job on that. Ms. Kleiner has headed that up. Cheryl Lindner, Ms. Lindner, has been involved in this communicating, heading up the team that communicates with the public. So everybody there is working very, very hard. And of course there are many community members who are doing the same thing.

As you know, the School Department is involved in remote learning and the teachers are very involved there. Our transit system along with United Way is delivering meals and the Soup Kitchen is delivering meals to kids every day, kids who might otherwise not have enough to eat. And, of course, all of our efforts to increase and enforce social distancing as we call it, physical separation between people, I think we are now seeing scientific proof in the form of the work done by the Kinsa Health. I can detail it but I will just say that their work

in taking temperature readings from thousands and thousands of people across the country demonstrates that the social distancing is reducing the overall level of fever, meaning the overall level of Coronavirus and Flu, both. So all of the efforts that we are undertaking here really are having an effect.

We are definitely going to see more cases grow and we will see the numbers grow in Nashua but not nearly what they would have been if everybody hadn't been working so hard. So that will continue. We have multiple conference calls everyday on various aspects of what we are doing. Everybody, as you know, is working remotely. And again I want to thank the people who put this meeting together. Bruce Codagnone and everybody from IT who are enabling us to meet in this fashion.

It is good to see you all, even though it is remotely, I see Alderman O'Brien smiling as usual, so it is nice to at least have this level of contact. I could go on with more detail but I think you all understand pretty well what is going on and so I will get to the subject at hand which is the proposed changes to the plan design which we have put forward in order to encourage people to move to the high deductible plan and will save both employees and the City considerable money if we undertake this change.

I have talked with you a little bit about the details in the past, but rather than getting into the details now, I will turn it over to Ms. Kleiner and Mr. Budreau who will fill you in with slides and other information to give you all of the detail regarding what is before you. So thank you, Madam President, and again I think everybody should be very proud of our City Employees. I didn't mention yet our First Responders, Fire and Police Departments, they are both very involved in trying to keep the community safe as well. So again, thanks to everybody and I will sign off.

President Wilshire

Thank you, Mayor, and just know that this Board does appreciate everything you are doing and everyone, all the City employees, so thank you for all that. OK, Director Kleiner and Director Budreau? Who is going to be up first?

Kim Kleiner, Director of Administrative Services

Good evening President Wilshire, Members of the Board. I am Director Kim Kleiner, and I am going to be joined by Director Larry Budreau shortly. So we prepared a presentation for you that I believe was delivered to the Board via e-mail earlier today. It is hard for me to tell from here if you can see it or not so I will nod as yes.

So the first slide is current challenges, so this slide should not be new to the Board. This was actually a slide that was shared with you back in December. We wanted to show you the actual spend when we talk about benefits for City Employees. Quite often we hear and we think about healthcare and what our healthcare claims costing but to have a rich benefits program like the City offers to its employees, it is much more than just health claims.

This spend, as you look at it and you look at the increase over several years, really relates to the whole fund. So there are costs to having benefit employees who administer the plan. There is cost for our stop loss, there is cost for the dental which we often don't talk about as much as we talk about Anthem and the medical claims. There are all types of costs. So this is inclusive of all of that which is different than just looking at healthcare claims.

The next slide, we wanted to show was an internal exercise that we did in turn. So last fall, the Mayor had asked us, "how do we know that the HAS is saving the City money". And it is a fair question, we put it out to WBS our Healthcare Consultant. They prepared an analysis which you will see in a couple of slides down. But we went back and we started the data here as well. And when I say "we" there has been a group of us that have been involved in preparing this recommendation for the Mayor. It has been Human Resources and our Benefits Team. It has been several members from Financial Services including CFO Griffin. It has been

certainly Mr. Budreau and all of WBS Team.

So we looked at these claims and we looked at our average claims by employee per plan and that's what you see here. This is Fiscal 19 Plans, what WBS had come back and indicated to us was that if the City saw all of our subscribers move to the high deductible health plan, we would save an estimated \$6.8 million dollars. So we went back and did this type of exercise. If you move to the next slide in Fiscal 20, you will see that this year we had 2,136 subscribers, 745 of those are single, 519 are two person and 872 are family. The family and the single subscribers are fairly balanced throughout the City. But what this does prove to us is that WBS's research, not that we didn't believe it to be true, they have been spot on. on most everything they have delivered to the City over the years, but it did prove to us that \$6.8 million dollar figure, if all of our employees converted from the HMO and the POS to the high deductible health plan.

So the next slide is the actual data that we received from WBS last fall. I want to note a couple of things here. This was early last fall so the claims had only been approximately 2 to 3 months in. You see a large fluctuation when you look at our health plan. Right now, Anthem has done a shift in reporting. So it used to be that they reported the claim as the claim came in, excuse me, they reported it as it was paid. And now they are trying to report it as the claims are received by them. Right now, we only have claims data through the end of February even though they have been receiving claims through the end of March.

This shows that the high deductible healthcare claim cost for the City has actually decreased 21% since Fiscal 17, or 7.6% annually, where the HMO costs have increased 24% since Fiscal 17 or 7.4% annually. The expected difference between the HMO and the HSA Plan is approximately 15% and the current actual claim differential is about 31%. With that I am going to turn it over to Mr. Budreau for a few minutes.

Larry Budreau, Human Resources Director

Thank you, Kim, may I have the next slide please? Health Maintenance Organizations or HMO's came into being in the early 1980's. They followed historical health insurance which was known as indemnity plans in which you would go to the doctor and you would pay a portion, say 20% and the healthcare plan would pay the rest. HMO's were marketed in the early 1980's as providing managed care, the thought being that the patient would have a primary care provider who would direct the patient's care through the medical care system and therefore do so more efficiently. The trouble became over the next 40 years that the HMO's were so convenient, you go to the doctor, pay the \$20.00 copay, do what the doctor says. The doctors are certainly most interested in their patient's care, but they were not necessarily most interested in economizing healthcare. HMO Members are really unaware of their claim's costs in New Hampshire, there is no EOB provided and they pay \$20.00 copay for most services.

An HSA or what we refer to as an HSA is known as a Consumer Driven, High Deductible Health Plan with a Health Savings Account. It is a type of a plan that is endorsed by the IRS. You have to have a high deductible health plan in order to have a Health Savings Account. The mechanism here is different. Every time a patient goes and receives medical service, they do get an EOB. The awareness of that claims cost and the fact that there is a deductible that has to be paid just fosters a natural interest in consumer involvement. So the concept between high deductible health plans is it is bringing some elements of consumerism back into healthcare.

The Health Savings Account is a tax-free savings plan. I read a description today that said it is not taxed when you take it from your pay, it is not taxed when it is invested, it is not taxed when you spend it. The balance carries over from one year to the next, so unlike the earlier flexible spending accounts, this keeps growing and growing and growing. It is portable at retirement or resignation; that means that when an employee leaves an organization with an HSA, that money is theirs, that account is theirs. In addition to health claims, the tax-free funds may be used to pay other qualified medical expenses.

Mayor Donchess did an earlier message about this plan and mentioned that someone in the City had said, "Gee I've accumulated a fair amount of money" and that is possible for a number of people who are able to

contribute up to the maximum, as much of the maximum if they like and who don't spend all that money every year. That can be a terrific advantage to people because you can carry on beyond retirement to continue to fund healthcare.

May I have the next slide please? Not exclusive to the High Deductible Health Plan but also available for HMO participants, Smart Shopper is one of the consumer involvement tools that we introduced in July 1st and this slide is simply a report to show you that we are progressing better than Smart Shopper would have expected. So the activation rate, that is the number of the employees who have opened up the Smart Shopper app and logged in is 10%, versus an expectation based on their book of business of 3% at this point. Similarly the activated shopping rate, those people who have gone beyond just logging in but actually shopped for a procedure or a test is 68% comparing favorably to the 47% that they would have expected. And the shop conversion rate or their term for meaning those people who actually shopped, used the program and got an incentive was 26%, well ahead of the 8%.

So the total gross savings thus far is \$28,000.00, members have received \$3,100.00 in incentives so that netted to \$25,000.00 of savings. We have viewed Manchester's history with Smart Shopper, they had done it for a number of years before us and it grew slowly and steadily and built and built over the years. So we are encouraged about the future of this product. The next slide please.

These three bullet points are really the three changes that are proposed to be made to the current HMO. What we propose is that this July 1st the \$20.00 copay is increased to \$25.00. The \$250.00 or \$500.00 two-person family inpatient and outpatient deductible is increased to \$1,500.00 and \$3,000.00. That is a substantial increase, we are well aware of that. And pharmacy copays would increase from \$5, \$15, \$35, that's for a 30-day supply at a pharmacy or \$5, \$30, \$70 for 90-day mail order supply to \$10, \$30, \$50; \$20, \$60 and \$100. The three levels refer to tiers of prescriptions, so generic, brand name, specialty drugs.

Now the next slide? Until now we have had the Health Savings Account Plan for a number of years, but the contribution that the City makes which is \$1,500.00 for an individual member of \$3,000.00 for two person or family has never been committed to in writing sort to speak. It has been our practice since we launched these plans, but as we were considering this change it became apparent that people were concerned that this was not memorialized. And so for the first time and we would expect and have openly spoken to Unions already, if this continues to roll forward, we would at the same time, we ask for plan design in the HMO, also volunteer to memorialize these contributions to the high deductible health plan. So the contribution is \$1,500.00 and \$3,000.00 and the high deductible is \$2,000.00 and \$4,000.00.

Effective in July with this change if it is approved, our contribution will be distributed in two installments: one on or about July 1 and one on or about October 1. We have another slide that we will discuss in a moment about some of the discussion that we've had with employees about this change and one remark or one concern that was brought forward and the Mayor is meeting on March 12th rang home to us. So what we said was that we will do that, if you'd have the \$3,000.00 contribution we will give you \$1,500.00 on July 1st and we intend to give you the second \$1,500.00 in October, but if you experience the need to spend more than that prior to October 1st, just tell us that and we will contribute the remaining 50%. When I say "just tell us" we would probably ask for some record, but it would not be invasive medical information, it would just be a record that said they had exceeded the \$1,500.00 and we think that is an important improvement that we have made.

May I have the next slide? Is this my slide Kim?

Kim Kleiner, Admin. Services Director

No, thank you Director Budreau, I'll take this slide. So we understand and we are very sensitive to the cost that is incurred by our employees. As I stated earlier that slides 2 and 3, the breakdown of our employees between the single / two person and family plan is somewhat balanced. So in order to give you an analysis tonight, we just took the most common plan which happens to be the family plan and we thought we could

discuss this and break this out, a little easier for everyone to understand.

So the cost right now in Fiscal 20 for a family plan is approximately \$30,590.00; 80% of which is borne by the City or \$24,000.00 roughly for 72%. The employee pays annually \$6,118.20. With the Fiscal 21 the employee cost would change. So what happens when you have plan redesign is as deductibles are raised the cost of the plan decreases. So in this plan for the HMO Plan, if we were to accept the redesign, there would be about a 15% reduction from the \$6,118.00 in cost to \$5,181.36 annually. So roughly that is about a savings of \$936.84.

I want to be careful when we talk about the inpatient and the outpatient exposure because this is a deductible and an employee is only going to incur this if they have an inpatient experience with being hospitalized or an outpatient surgery, whether that be a day at the hospital or whether it be at a surgical care center. I reached out because I wanted to have something to put it in perspective, so I reached out to WBS earlier today and I asked them if they could tell us what percentage of our HMO and POS population had an inpatient claim. And they responded very quickly as they always do after doing research. They said in Fiscal 19 only 5% of that population had a hospitalization claim. What they couldn't nail down for me in this short amount of time was how many of those employees had an outpatient, that requires a little bit more detail. But they did note that in Fiscal 20, to date, that is like I said earlier only paid claims through the end of February, we've only had 2% that have had an inpatient hospitalization.

So I think that provides a little bit more of a perspective on what percentage of the population might incur that \$3,000.00 deductible. If an employee was to take their new cost and they did have an inpatient experience, the savings that they are saving in the premiums, their exposure after that premium change would be roughly \$2,000.00, plus any routine copays. Now we want to note again preventative care is always free, that does not fit into this model. If you are having an annual exam, whether it is on the HMO or the HSA, preventative care is free, that is 100% covered.

So move over to the HSA which is what we are encouraging our employees to do. Let's look at that for a minute. If you go from the current HMO Plan to the new, well it's our existing HSA but it hasn't been memorialized in our literature before as far as the merit plan. If we look at that, it is 19% savings annually from \$6,118.00 to \$5,274.00. Again, the City gives you \$3,000.00 for a family which is contributed to your Health Savings Account. There is a \$4,000.00 deductible, so the employee's exposure after the City has contributed the \$3,000.00 is \$1,000.00. But let's look at that savings that they are getting from moving over from the HMO, which is another \$843.00, that exposure now is \$156.00.00. True, again, we want to – there's other costs. If you were to go to the doctor during the year, all you are going to incur after that, because of the \$4,000.00 deductible is \$1,000.00 less the savings for \$156.00. So while we realize we are changing that HMO Plan it is not to shift the healthcare cost on to employees, but it is to encourage the employees to enroll in the high deductible health plan because we do believe it is the most cost effective plan and it offers the same quality of healthcare that our employees deserve.

Next side – and back to Mr. Budreau.

Larry Budreau, Human Resources Director

Thank you, Kim. We are talking about making a change that would only affect the unaffiliated employees on July 1st, that's about 135 people. We do know that the conversation is already being broached at least one negotiating table this spring. But relative to insuring employees had some opportunity to understand what we were seeking to do. We invited all employees to have a meeting with Mayor Donchess and that invitation went out on March 9th. We also on March 9th, aware of the piece of the Merit Ordinance, Nashua Revised Ordinance 50-3 Amendments, requires that any changes being presented to the Board by the Mayor, to the unaffiliated plan should be discussed with City Directors and Department Heads, and providing them a specific opportunity for comment. We accomplished that by inviting them to an open house in Room 208 with myself, Larry Budreau and Kim Kleiner.

If you drop down to the bottom of the slide for a moment to two people stopped by and asked a couple of questions and we felt that their inquiries were successfully responded to. On March 12th earlier that afternoon before the open house, Mayor Donchess led a meeting and spoke at some length explaining the pressures on this year's budget and the pressures that healthcare costs had been adding to the budget particularly in the last couple of years with about a \$6.3 million dollar increase to cost over two years I believe. And he let people know that he intended to submit this Legislation to change the – primarily the deductibles in the Health Maintenance Organization, that's obviously the big change. As Ms. Kleiner just said, not as an effort to impose those deductibles on people which do shift costs but rather to encourage them to move en masse to the Health Savings Account Plan. That meetings also was cordial and a couple questions were asked and as I had mentioned earlier, one of the questions led directly to a change in the proposal before it was finalized. Thank you, Kim, next slide please.

Kim Kleiner, Admin. Services Director

So a number of years back 2014 Govers Magazine had actually done a study, it is certainly not the only study that has been out there, you know, healthcare challenges, the cost of healthcare, is a challenge both in municipalities and in private industry. There's been a number of studies but Governance Magazine's study was specifically around municipalities and how do we look at these increasing costs of healthcare? And they went through a number of steps; we did review that. We realized that plan design by itself is not going to solve our healthcare cost problem. It takes many measures to make that happen and it can't be done in a one-year period, this is a process that the City has to embark on and we need the employees and the employer boards and everyone to buy into this. But these are some additional measures that we started back in the fall.

So WBS, Workplace Benefit Solutions, our Healthcare Consultant has been extremely helpful and has been out to our Divisions, Public Health, Public Works. They have also gone to the Teacher's Union and had sessions at City Hall talking to people about healthcare costs and how they can manage healthcare costs and how we should look at that and how it benefits everyone, both our employees and the employer. Walking them through the high deductible health plan and the Health Savings Account.

Employee education is a very large piece to solving this problem. We will continue to work with Workplace Benefits Solutions on further education, on some creative videos. We have been having conversations with the School District on ways we can engage their workforce which is more difficult when you have 17 schools throughout a district. But we are very devoted to building our employee education.

Wellness and Alternative Resources – so we are going to continue to look at options that Anthem has as well as to pools that Workplace Benefit Solution has in their wheelset, whether it is things like telehealth, which right now is waiving all costs to our subscribers during the next 3 months because of the COVID 19 event. Whether it is Smart Shopper or Sidney Care or our Employee Assistance Program. We are going to look at new and creative ways and offer as many programs as we can to benefit our employees. Another solution that was highlighted was doing a dependent mirror audit. This is important, we realize that day to day as you are doing open enrollments and you are busy, employees may forget that either in 4 months when a divorce takes place or to remove a child that is no longer a dependent, one thing we do have in place with Anthem is they do automatically alert as our dependents are about to hit the 26 year old cutoff. So we feel we are very good on that, we have very good control systems put in place, but we are committed to do a full dependent audit next year, during Fiscal 21.

Data upgrades – we just signed a contract with a consultant, Clear Sky, we are working with our Information Technology Department to build data feeds that will update between our Lawson, HR System and the Anthem system. Currently there is a lot of transfer of benefit information that is still manually done and we are looking to improve that efficiency and productivity and we hope to have these data feeds built in time for open enrollment this year.

The last measure that we have put in place as of November of last year, is our CBA Strategy Team. So this consists of members of our employer boards as well as members from city management. Last November we started discussing health and wages. We started looking at how we strategically develop uniformed language and proposals for all of our union contracts. I have to say that everyone has been very engaged, we have had good conversations. We do believe that taking this team forward will build a very positive relationship between not only our City Management and our Employer Boards, but just in how the City delivers wages and health benefits to our employees.

So we wanted to let you know that while tonight we are talking about Plan Design, there is a lot of other things that we have and that we are actively working on.

Larry Budreau, Human Resources Director

Could I have the next slide please? Thank you. Before I just rattle this off, I would like to let you know that I come to this subject with quite a bit of experience actually. I have been a Human Resources Director for over 30 years; 15 years in public sector and 15 years in private. I also have had a high deductible health plan myself for about 12 years now and I would not have it any other way. So when I come to this decision it is both with the responsibility to the City, fiduciary responsibility to the City to try to provide employee benefits as cost effectively as we can and also from the perspective of a user of a high deductible health plan, knowing that it has been the best deal I ever could have had. Great health insurance, great coverage and the opportunity for me to amass enough tax free savings that as I have aged and needed new glasses and dental work and hearing aids, those thousands and thousands of dollars that I was able to achieve on a tax free savings.

So I urge you genuinely, along with Mayor Donchess and Administrative Services Director Kim Kleiner, we urge the Board of Aldermen to pass this Ordinance this evening. Thank you and Kim and I are available for questions.

President Wilshire

Thank you Director Kleiner and Director Budreau, I appreciate your efforts in this and the presentation this evening. I will open it up to the Board for questions. Does anyone have questions?

Alderman Tencza

Thank you very much Madam President, just a couple of questions just to clarify things to make sure I understand correctly first about the HSA Plan and the out-of-pocket maximums per year that Director Kleiner was talking about. The \$4,000.00 deductible, that is per household and not per individual, per household?

Kim Kleiner, Admin. Services Director

That is correct.

Alderman Tencza

Ok so their exposure for a whole family or an individual is \$1,000.00?

Kim Kleiner, Admin. Services Director

\$4,000.00.

Alderman Tencza

\$4,000.00 yes but with the \$3,000.00 HSA Plan it would only be \$1,000.00 out of their pocket?

Kim Kleiner, Admin. Services Director

Correct.

Alderman Tencza

And if I may just to – another question. We had talked about this dependent audit and one of the very important points in the study is that there are no penalties for anybody, any employee who had knowingly or unknowingly carried a dependent past when they should have. I would hope and I would expect that is going to be part of any process that the City undertakes next year in looking as to who is, if we may be covering dependents that we shouldn't be covering, is that correct?

Kim Kleiner, Admin. Services Director

That is correct.

Alderman Tencza

OK and if I can just say one more thing Madam President?

President Wilshire

Yes.

Alderman Tencza

Thank you. So I too, I get healthcare through the county, through Government or through employee sponsored healthcare for a long time and had more recently been in high deductible plans for myself and my family. I just wanted to share for the Board or for anybody who is listening, I went back and I looked at what our healthcare costs were for the last couple of years. So we are lucky, we are a family of four, and we are all relatively healthy, but you know my kids have strep throat more than I think is humanly possible, every year and we have all of our usual trips to the doctors. So I went back and I looked and in 2018 our out-of-pocket expenses for healthcare was a little over \$1,500.00. And then in 2019 our out-of-pocket expenses were a little under \$1,200.00.

To me, the takeaway from that is if I was in the City's high deductible HSA Plan and \$3,000.00 a year was being put into an account for my family, at the beginning of the third year, we would have about \$6,300.00 in that health savings account that we could use for various health costs and you know, God willing, things kept going well, you know? I remained healthy, that we just continue to grow, but even if it didn't continue to grow, we would be covered for six years without having to pay any out-of-pocket expenses for healthcare through the City. So I know we are here tonight to talk about the piece of Legislation that is being proposed but you know I think when Director Budreau and Director Kleiner talk about this HSA Plan and it being a good option for people, I believe that they are being genuine and honest about that and I hope that employees will take a second look at that if they have not already. Thank you.

President Wilshire

Thank you Alderman Tencza. I just want to say for the record that Alderman Gathright did join us at about 7:15 this evening.

Alderman Lopez

So I have a question for Director Budreau if I can. Given the fact that we are in the middle of a pandemic which is specific to respiratory issues, and that this plan also would increase the deductible rate for hospital

treatments, are you aware of any stimulus packages that might provide relief for COVID-19 related medical treatment?

Larry Budreau, Human Resources Director

No I am not Alderman Lopez. I do know that a couple of Emergency Legislation Acts in both the State and the Federal Government have actually imposed some mandates that insurance plans provide cost without copay for COVID 19 testing and initial evaluation appointments. But I have not seen any indication that anyone is going to help reimburse us for those.

Alderman Lopez

OK well we know an answer I would have liked to hear.

Alderwoman Kelly

Did Linda want to speak? I didn't want to take her turn; I know she maybe said something but she's not on video.

President Wilshire

I'll recognize her after you speak, thank you.

Alderwoman Kelly

OK just making sure. So I had a question if I could ask potentially for Ms. Kleiner or Mr. Budreau. My question is around employees in education, it seems like you guys have done a great job of holding a number of meetings, but I am wondering if for the record, you could talk a little bit about maybe some of the most frequently asked questions in terms of switching plan. I know that we also as a family just switched to the high deductible plan and I personally had a lot of questions. So if they could answer that would be great.

Larry Budreau, Human Resources Director

OK thanks, Ms. Kleiner and I can't see each other to give cues. Well actually the biggest question that we've heard in Nashua, the number one question that we are seeking to resolve, was because the contribution of \$3,000.00 to the \$4,000.00 deductible had not been codified anywhere, people repeatedly asked, "this plan sounds great, but what assurance do we have that the City won't change that". And that actually was the biggest questions.

There were other questions as to how it works and, in all honesty, it is more of a hassle than having an HMO Plan. In fact that's the reason that some people may choose to pay more for health insurance as we go forward because no EOB's, \$20.00 when you go to the doctor and this does require getting an EOB, taking a look at how much the insurer paid and then paying the balance bill during the first \$4,000.00 if you are a family. So questions about mechanics and questions about assurance that the City would continue to foot the \$3,000.00 are the two that come to mind the most.

Kim Kleiner, Admin. Services Director

President Wilshire if I could add to that? So many of our employees have questions surrounding the actual mechanics of it. So like Director Budreau said, it actually it requires you to do a little finance sort to speak and to investigate those health claim costs. You actually watch and make payments on things that you are not normally used to making if you've been a part of an HMO. Several years ago, the private company that I worked for instituted the health savings account and a few of us were trained on it so that we could help other employees walk through that process.

The Police Department has done an excellent job; they actually have a couple officers that are going around and providing that type of training to their other officers. We can offer that same training right here because we have our wonderful benefits people down on the first floor and they are fully versed in it. But it is just that education piece and building it and people catch on and most of them; love the plan.

Alderwoman Kelly

If I could respond please? Thank you, Ms. Kleiner I really like that idea of having people who are almost ambassadors to the plan so I would love to see us implement that. Everyone knows that HR person can tell you but when a friend sits down and says, "Hey this is what I did; This is how I did it", it can be pretty powerful and helping people to make that shift.

Alderman Harriott-Gathright

Director Budreau, currently how many employees do we have in the City today?

Larry Budreau, Human Resources Director

The School has about 2,000; the City about 850.

Alderman Harriott-Gathright

I'm sorry, the School has what?

Larry Budreau, Human Resources Director

The School District employs around 2,000 people and the City employees around 850.

Alderman Harriott-Gathright

All set so we will round off to 3,000 people, but what we are talking about today is 135 people, am I correct?

Larry Budreau, Human Resources Director

Yes, we are starting with one group.

Alderman Harriott-Gathright

OK I know awhile back when Director Kleiner talked about this process, it was going out to all of the employees? Am I correct? I am just curious at this point, have we had others that have come aboard.

Larry Budreau, Human Resources Director

May I address that Ms. Kleiner?

Kim Kleiner, Admin. Services Director

Please.

Larry Budreau, Human Resources Director

Well, most of the employees for the City and the School District belong to Unions and the Union Contracts specify the insurance coverage, they describe the plan design of the current HMO and so the unaffiliated or the non-union employees are our starting point.

Alderman Harriott-Gathright

President Wilshire can I have another question?

President Wilshire

Alderman Gathright.

Alderman Harriott-Gathright

Alright so our starting point is with the unaffiliated, I think, for me, where I am struggling with this, because I think our starting point should have been with the Union, because if we pass this tonight, and the Union says, "no" – where is the savings?

Kim Kleiner, Admin. Services Director

So whenever we institute health care changes in our City because we do have 17 Unions, we have to start somewhere.

Alderman Harriott-Gathright

Yes.

Kim Kleiner, Admin. Services Director

And we can always say "Oh we should have started with negotiating with this group" or "we should have started with that group". You have to deal with the groups that have contracts that are expiring and that's where you have to start. Because you have to start at the beginning of the process. We do know that each group, as they come on, will save the City money. As we see people shift over to the HSA, there will be savings. That is not to say that we can't engage in having employees shift during every open enrollment from the HMO to the HSA without any Plan Redesign. But what we do know is that you have to start with some group, the unaffiliated of course doesn't have a contract that expires; it is managed between the Mayor and the Board of Aldermen and that's where we decided. There are other conversations that are happening and we will deal with that through the CBA Strategy Team and we will have active conversations with 17 other different Unions.

Mayor Donchess

Can I answer Alderwoman Gathright's question a little bit more? First of all there is a group of unionized employees who seems likely now to agree to this change and there are a number of factors that would be included in the agreement. But it seems like that will probably happen. Number Two, oftentimes changes we make with the unaffiliated occur first and when we – or by themselves or only to the unaffiliated and those are often very favorable things. For example the last time we revised the Ordinance governing affiliated employees, we raised the pay scales, we increased the number of steps, we raised the steps and a number of people benefited very substantially from that. This was not anything that was available to other employee groups. So we, in the past, have done a lot for unaffiliated employees. And Number Three – this will mean that whoever gets in on this, their weekly contributions will go down significantly. So if this becomes effective for July 1 for the unaffiliated employees, the amount the unaffiliated employees have to give into the City will be reduced by about 15%. So that's, you know, \$50.00 a week on a family plan. It could be that, maybe even a little bit more, so they will save money along with the City. It's not just the City that is saving money. The vast majority of unaffiliated employees will actually see a weekly benefit out of this. I think that's why we didn't get many questions. I mean people are thinking, "Well I'm now paying \$350.00, maybe I'll only pay \$300.00 starting July 1, that sounds pretty good". So the bottom line of all three points is I don't think we are – and I think the point of your question, is that I don't think we are being unfair to this group of employees. I

think we have done very well by them in the past and this doesn't really, it isn't really a disadvantage, it's just a realignment of the plan where people, including the employees, will do better.

Alderman Harriott-Gathright

Thank you. Alright, let me just say this that I hear what you are saying but what you are saying is not the truth of unaffiliates and I am going to say that OK? Last year when we made the change and I was against that change of some of the things that were happening with the unaffiliated, OK? I have a background from Verizon for 35 years, OK? And as management as well as management in the Union, I know the difference. So what I am saying to you is that when I ask the question about the monies, that's what it is about the monies, who is paying what and no disrespect to Alderman Tencza, but it depends on the families involved, it really depends on the family involved. If your family is fairly healthy and guess what? Usually if you are at a certain pay scale, your family is. And at other certain pay scale, your family is not.

So when you make those types of changes as to who can afford to pay for medical care it makes a difference and that is my point. I feel like you've got 135 employees OK that you are asking to do this and they probably will do it not because they think that's the best for their family but because they want to keep their jobs. That's the reality here. And I know that you know that. And I'm sorry if I am getting upset about it because I am tired of this game that we play, literally play. If you are fairly healthy and even at my age, I am fairly healthy and I have certain insurance through Verizon, very good insurance. But when I look at people that don't have what I have even insurance-wise, there's a whole different ballgame for those people. And I think if you were to really, really, I know that you had a meeting I know that Kim had a meeting and Director Budreau, all of you guys had meetings with these folks. But do you truly believe that they were going to tell you what they really felt? And that's where I am struggling with this. I feel as though any employee in this City should be able to talk and be honest about how they feel about what is happening with them.

Mayor Donchess

Well they would, you know, we asked. If someone disagreed with this, you know, there are no repercussions. Now these are all fairly well-paid employees, these are not hourly workers, these are middle management and up. So these aren't the people down doing automobile registrations, these are people that make probably at low end, probably \$60,000.00 up to \$120,000.00 or \$130,000.00 apiece. These are not your hourly workers?

Alderman Harriott-Gathright

\$120,000.00 to \$160,000.00 a year is that what you're saying?

Mayor Donchess

Ms. Kleiner and Mr. Budreau can correct me but I think on the low end, these employees make in the \$60's and on the high end, some of the high end as high as in the \$120's. And a lot of people over in six figures, so these are not poorly paid workers who are giving a huge amount out of their paycheck to healthcare. These are employees that at least within the City universe are relatively well paid.

Alderman Harriott-Gathright

If you tell me that somebody is making \$60,000.00 a year and they have a family and they live in Nashua and they are paying rent, you are telling me they are doing OK? Literally?

Mayor Donchess

I guess I'm telling you that if they can save \$50.00 a week on healthcare, that helps them.

Alderman Harriott-Gathright

OK well I will just stop at this point because I see where we are going. I am against this. And I will not vote for it.

President Wilshire

Are you all set Alderman Gathright?

Alderman Harriott-Gathright

Yes, I am thank you.

President Wilshire

Thank you. Who else would like to speak? Alderman Dowd?

Alderman Dowd

Just a couple questions, I am going to ask one at a time. First of all, I could be wrong but I think there are already some people in the other unions that are already on the high deductible. In fact, I may be wrong, but I think that half the fire department is on the high deductible is that correct?

Kim Kleiner, Admin. Services Director

That is correct.

Larry Budreau, Human Resources Director

May I respond?

Alderman Dowd

So it's correct, thank you. It's not just this 135 people that are going to be in the high deductible, we've already had people start to change. So one of the questions I had from some of the non-affiliated is "why are we paying them twice a year rather than putting all the money in July 1st" and they are also concerned that ok, now that's two times, it could change to three times and they are concerned about what documentation that they are going to – like we said we would pay them over if they ran out. But they afraid that they are going to provide serious documentation and it is going to take time. That's the one portion that I would be OK with if we say it is a simple form and it happens quickly and they are not out on a limb with payments. And also the other part of the question is, don't we as a City keep track of every employee's use of the funds and don't, we know when they are getting close?

Larry Budreau, Human Resources Director

Thank you, Alderman Dowd. You may have to remind me of a couple of the questions but to actually to start and go backwards. No the City does not track the claims activity of the employees so we don't have that information in our system. We do get weekly bills but they are only segregated between the School and the City. The purpose for splitting the contributions into two segments is that, on occasion, it doesn't happen a lot but on occasion someone will come and join the City and we will pay them \$3,000.00 on July 1st and then they won't stay very long. It creates two problems – one is it makes you feel that you've been taken advantage of and that's not a comfortable feeling. And the other is and I can't speak eloquently on it right now but you have to be a high deductible health plan in order to have so much money in a health savings account. If someone goes in and doesn't stay for very long and they leave and we've given them \$3,000.00

we may have exceeded the IRS limitation.

Earlier you had said and I think I may have missed part of your question but to confirm a couple points that you made. Yes we had been marketing and this has been growing very successfully, we picked up over a couple hundred people last year, we are now at 675 employees enrolled throughout the organization, throughout the City and the School and obviously most of those are unionized employees because most of our employees are. The Fire Department does have the highest percentage of people enrolled as that group. We believe that's because they have the opportunity at the Fire Stations to discuss these things and we've seen now every new employee at the Fire House, they come back and when they sign their benefits they are joining the health high deductible plan because their colleagues are imploring or not imploring but recommending that they do. And in the Police Department there's a craze going on, it feels like they are highly enthusiastic and I believe that regardless of this Legislation and some regardless of what happens with Unions, they are getting it. These plans cost everybody less money and so I think we are going to see a surge on July 1st this year just because of all of this discussion. And if I've missed something and you want to catch me while I'm still on please do.

Alderman Dowd

I think you've caught most of it. I have heard from some of the people in the education department and they seem to think that the sales pitch to the teachers and staff has not been significant enough to change. So I am not sure how we address that and give them more presentations. I think part of it is a trust factor. They want to make sure that everything is ironclad and people are very subject to issues with changes as we've found out with all the stuff going on lately. So I think once you get more and more people on, it'll snowball.

The question related to that is Manchester's health insurance costs have only gone up 2% a year is that because they are so far ahead of us? Nobody wants that question?

Kim Kleiner, Admin. Services Director

No I'll be happy to, so Workplace Benefit Solutions does work with the City of Manchester and they have been actively moving people to the high deductible health plan for over four years now. So are they ahead of us? Yes, they are ahead of us. Most of their School population is on the high deductible health plan. They have certainly seem some benefits in savings from that. You know when we had Tom DeLacey from WBS go over and meet with the Union Leadership, I think they were working on some ways that they could further address teachers, you know, through their team leads and the Union Leadership and that might create that trust that you were just speaking of, Alderman Dowd. But yes, the City of Manchester has realized savings embarking on this type of worth.

Larry Budreau, Human Resources Director

I'm sorry I didn't mean to interrupt you but I recalled that one of your concern or concern that had been expressed to you was wondering how difficult it would be to access this second half of the contribution if necessary. This is my most recent EOB, I received it earlier this week and at the bottom of it, it tells me how much of my deductible I have reached. Our plan is to make this very simple and just show us a copy of that, that shows that you have exceeded the \$1,500.00 on your deductible spending thus far, it does have a little provider information but I can block it with one finger, that's not our interest. Just show evidence that you have exceeded the \$1,500.00 and we will pay the second half.

Alderman Dowd

OK my last question is I looked at the slope of one of the first charts you had Ms. Kleiner and that insurance growth is, if it keeps going, it is going to take a significant chunk of our budget and we won't have increases for anything else. So not only do we have to work to lower that number but I am just wondering if we need to take a one time hit and say we need a new baseline to work from, otherwise, we are never going to get there

with the budget.

President Wilshire

Director Kleiner did you want to respond?

Kim Kleiner, Admin. Services Director

Well I certainly couldn't have said it better than Alderman Dowd. It cannot continue, we can't continue on the course we are on. I do believe that with the processes that we are putting in place, all the additional measures, as well as moving everyone over to the HSA even though it may take time to negotiate these into contracts, we can still move people on annual enrollment. I mean we can still do it through employee education while we are negotiating contracts. WBS estimated \$6.8 million dollar savings and I think that is what we strive for.

Alderman Dowd

I just got another thing on-line while we were discussing and that is what is going on now with the pandemic and City Hall closed. Is there any way we can extend the sign-up period or even make it an on-line system because otherwise you could have a problem with people signing up period.

Kim Kleiner, Admin. Services Director

So again Alderman Dowd raises a really good point because we just had a phone conversation on that this morning, Director Budreau and I and his benefits team. It is going to be a challenge this year. We are reaching out to WBS to see what they have in their wheelhouse, what products we can rely on. We will be working with IT to see what recommendations that they have. But there's a conference this Friday that we know of that because people are starting to discuss this, now your open enrollment becomes a virtual one because of the on-going situation. So we will have to work through those challenges.

Alderman Dowd

OK I am all set.

President Wilshire

Thank you, Alderman Dowd. I have Alderman Jette.

Alderman Clemons

And can I speak when you have a chance too, this is Alderman Clemons, thank you.

Alderman Cleaver

Alderman Cleaver as well.

President Wilshire

OK I have Alderman Jette, Alderman Clemons and Alderman Cleaver.

Alderman Jette

This is Alderman Jette can you hear me?

President Wilshire

Yes.

Alderman Jette

OK good. So I understand, you know, we've been told for some time about the increase and the rise in healthcare cost and how that is so difficult for the City to deal with in light of the fact that there are so many other pressures being put on the City like the State Government is doing less and less to support us. But I think this comes at a difficult time. I am thinking about our employees and from what I've heard this evening is that the high deductible health plan is not being changed at all and it is something as attractive as it is, is an option for employees to choose even without this Legislation. What this Legislation does is increase the deductibles for the HMO Plan and so you know, I saw the chart that was part of the PowerPoint Presentation and it showed how much greater the healthcare costs for the people in the HMO is or are and how that when you divide it by the number of employees there, it is the higher average per employee. But I wonder if that's a reflection on the fact that the employees that have chosen the HMO have done so for whatever reasons, probably because they see it as initially cheaper for them. But they could, in fact, be people with greater need for healthcare and that if we move them into the high deductible plan, their cost will continue to be higher than others and it will just increase the cost of what we are paying for health care for the people in the high deductible health plan. I am just wondering, you know, are we just pushing those high claimants, the people with the higher claims into a different group?

I also am concerned about the employees that are going to be affected by this, not probably in this first wave but as we try to implement this with the other employee groups, the Unions, that are represented by Unions. You know we are talking about people who are on the front lines and what this Coronavirus crisis that we are facing, I am wondering are they more at risk and I wonder about people in the high deductible health plan when they go to the doctor now, that \$3,000.00 that's in their health savings account and the \$1,000.00 that they are going to have to pay eventually, that initial \$4,000.00 that they have to pay before the City takes over, are they going to regard that really as their money and be more reluctant to seek health care. And with this Coronavirus Crisis, the longer they wait if they need health care, the longer they wait to get healthcare, the more expensive it is going to be. And I am just wondering what your comments are in that regard and what our consultant or whether our consultant has weighed in on that issue?

President Wilshire

Director Budreau or Director Kleiner?

Kim Kleiner, Admin. Services Director

So I'll start off, President Wilshire and then Director Budreau can fill in any piece I've left out. We do understand with COVID-19 Virus this is uncharted territory. We don't know what that will do to claims, we don't know, we certainly encourage all of our employees, no matter what health plan you are on to seek healthcare. That is one of the reasons we have waived those costs for the telehealth, cost for Sidney for the Sidney App you can get a virtual call with a doctor and they can point you into the right direction; the cost for that evaluation is waived as is the cost of testing. But I don't think realistically that we are going to give much information on what we expect to happen with claims as related to the current crisis.

Having said that, with the HSA if you are a family, the most you are going to pay out-of-pocket is that \$1,000.00. Now studies do not show that people have refrained from getting healthcare in order to save that money. Studies realistically, time after time show that people become better educated consumers. You know we used to say it is like having some skin in the game; yes it is their money and they'd like to keep it and they'd like not to have to pay it so they are going to use some education and make some realistic decisions in how that money is spent. And that has been what industry studies have shown over time. I'll give it to Director Budreau.

Larry Budreau, Human Resources Director

Thanks Director Kleiner, Good Evening Alderman Jette.

Alderman Jette

Good evening.

Larry Budreau, Human Resources Director

I think that one speculation or the reason that people join HMO is that they perceive that it may cost them less which I believe you indicated. I think that's a reasonable speculation, the reason that so many people are in the HMO is because it has been the predominant healthcare plan for the last 40 years in this country. So people have because that's what they had and high deductible plan is much newer than that. If you are comfortable with the plan you had at the last company then you join it when you come here.

So the high deductible health plan is, for the whole country, a new opportunity. I don't believe perhaps some cases it would be true, but I don't believe that you could find many comparisons between two people with the same healthcare conditions who would save money through having the HMO. And to the point of whether people can access healthcare, the speculation will the higher cost payments move into the HDHP and therefore the difference will go away? We would hope not and over time, as the data builds, and there's now probably 15 years of data that Anthem has that WBS can access, it continues to be consistently lower, it is still \$4,000.00 on average all these years later. So I think there's a good chance that the lower cost continues to prevail and I'm not sure that when people make healthcare decisions, I have been party to those first day of employment decisions people make for a long time. It is not necessarily analysis because they think they are choosing the least expensive; they are often choosing the one that they are most comfortable with. Thank you.

Alderman Jette

Thank you.

President Wilshire

Anything further, Alderman Jette?

Alderman Jette

No, thank you very much.

Alderman Klee

Thank you and this probably goes to Director Budreau. Alderman Dowd had asked this question about the breaking up of that \$3,000.00 between July 1st and October 1st. First my question is it common practice to do a lump sum or is it something – I mean so is that just part of the way that the program would work, you would just pay it all at once or with an equal amount of payments. And the second part of that is what is the expected loss, do we know on average how many people leave?

Larry Budreau, Human Resources Director

May I Madam President.

President Wilshire

Talk to Director Budreau.

Larry Budreau, Human Resources Director

So Alderman Klee again, I am going to start with the last question first because that's the one I remember. And that is relative to phasing the contribution payment, basically is that necessary, how many people leave? Well we did look at that, I don't have the numbers in my head but it's not really a lot of people. One of the timing phenomena that this also considers and of course we are not talking about the schools yet in general. Because the school year starts in September, but the Fiscal Year for the City and the Fiscal Year for the health plan starts in July, there's the possibility sometimes that we enroll a teacher and we provide the full benefit for \$3,000.00 and then they don't return to school that school year. And so we could have in that case paid the \$3,000.00 to the contribution intending for that to be for the next 12-month period and it might only end up being for the next 2 months, July and August.

Secondly, we have mostly been communicating with Manchester about their plan and they do pay their plan in installments also.

Alderman Klee

I am in complete agreement with paying it in payments, I just didn't know if it is common practice for one big lump sum or is it more common to have it kind of drawn out whether it be July and October or four times a year or three times a year. I would feel more comfortable if it was paid out that way but I also understand if you have one major incident at the beginning of the year you want that \$3,000.00 there. But again if they then did have that care and got the \$3,000.00 and then left as you said whether they took it with them or used it, it still is in the same kind of boat. So thank you.

President Wilshire

Alderman Clemons?

Alderman Clemons

Thank you very much. So I have a few questions, I'll let whoever wants to answer them answer them. So just so I am clear, there are no copays on the high deductible plan correct?

Larry Budreau, Human Resources Director

Correct.

Alderman Clemons

So like if you go to the pharmacy or you have a prescription or whatever, you are just paying whatever the prescription costs and then once you reach that, in the case of a family, once you reach that \$4,000.00 then what happens?

Larry Budreau, Human Resources Director

Then you don't pay anything.

Kim Kleiner, Admin. Services Director

Just to note Alderman Clemons there was some question on this so I just want to be clear. They are paying

the negotiated rate. So you continue to get, even though you are on the high deductible plan, you continue to get the negotiated rate that Anthem has with either the pharmacy on the medical drug or the doctor on the provider rate.

Alderman Clemons

Ok thank you. So overall on a month to month basis, you know the cost that comes out of the employee's paycheck, I am thinking that you explained it, the high deductible is less?

Kim Kleiner, Admin. Services Director

So currently as it is right now, the HMO is more than the high deductible health plan, and significantly, for a family you are looking at \$6,100.00, I'm rounding to a high deductible plan for you know \$4,300.00. That changes a little bit and with the HMO and the change you are dropping from that \$6,000.00 to \$5,100.00 and the high deductible HSA Plan is just a tad bit more expensive at \$5,274.00. So right now on the current HMO it is considerably higher. And then with the shift in plan design the HMO will be just a tad bit less expensive.

Alderman Clemons

OK so they are about the same as far as the cost for what is coming out of my paycheck every week roughly?

Kim Kleiner, Admin. Services Director

With the new plan design yes. Now the employee with the HMO pays significantly more.

Alderman Clemons

OK so my other question is on the HMO Plan the deductibles are going up but if you take the HMO Plan the City is contributing basically the exact amount the deductibles are is that correct?

Kim Kleiner, Admin. Services Director

So with the change in the deductible for the HMO which if you are to be hospitalized or have an outpatient surgery you could be charged on a family that \$3,000.00 deductible. The cost is going down 15% if you stay on the HMO. It will drop 19% from the current HMO to the HSA if you were to switch over and I'm not sure if that answers your question Alderman Clemons.

Alderman Clemons

So right now it's a \$250.00 deductible for an individual and a \$500.00 for a family on the HMO correct? That's what it is right now?

Kim Kleiner, Admin. Services Director

Correct.

Alderman Clemons

OK so it's going to change to \$1,500.00 and \$3,000.00?

Kim Kleiner, Admin. Services Director

Correct.

Alderman Clemons

However, the City is going to give a health savings account to anyone with the HMO of \$1,500.00 and \$3,000.00?

Kim Kleiner, Admin. Services Director

With the HSA yes. With the HSA we give the contribution, the Health Savings Account.

Alderman Clemons

Ok so this is where I am confused; so if you have the HMO you aren't paying that, we are not giving you a health savings account is that correct?

Larry Budreau, Human Resources Director

Thank you may I jump in? Alderman Clemons the deductible for the HMO is not a first dollar deductible as it is for the High Deductible Health Plan. You could go in fact according to one of the statistics that Ms. Kleiner had earlier this evening, 95% of the people on the HMO were not hospitalized in 2019. But if those same people did not have an outpatient procedure either, then none of them paid a penny towards the deductible; it is only applied for inpatient admission and outpatient surgical procedures.

With an HMO, an HMO is a plan designed for which the IRS does not approve a Health Savings Account. You can only have a Health Savings Account if you have a high deductible health plan. I'll stop there so you can clarify if you like. Thank you.

Alderman Clemons

Thank you. So basically what you are saying is that with – if you have the high deductible plan you will get a health savings account and the City will put either \$2,000.00 or \$4,000.00 into it for your out-of-pocket expenses that you can use? But if you have an HMO you are responsible for the full deductible if you incur one?

Larry Budreau, Human Resources Director

That was merely correct Alderman Clemons, the only difference is that the City is going to contribute \$1,500.00 and \$3,000.00 towards the deductibles of \$2,000.00 and \$4,000.00 respectively. And in the HMO, you are correct, there is no contribution to help allay those expenses.

Alderman Clemons

So essentially the, so this is what I was trying to get to. So essentially what we are really looking at here is if you have the HMO effectively if you are an individual, the cost to you is going to go up by what \$250?

Larry Budreau, Human Resources Director

If you have the HMO today and you stay with it, the cost is going to go down and Ms. Kleiner may have been a better person to answer. The cost is going to go down about 15% so that the cost for both the high deductible health plan and the HMO are about the same in terms of their premium contribution, their 20% share of the premium. The current HMO is much more expensive than the high deductible plan.

Alderman Clemons

OK so I guess what I am asking is this, right now what I am asking is this, if I go into the hospital and I am on

the HMO in let's say August of this coming year, and I have to pay the whole amount of money for my deductible, let's say it is \$3,000.00. How much of that is the City going to pay?

Kim Kleiner, Admin. Services Director

So Alderman Clemons if you are on that HMO currently, and you ...

Kim Kleiner, Admin. Services Director

In August? If you are hospitalized in August then you are going to run into that \$3,000.00 deductible.

Alderman Clemons

And how much is the City going to pay?

Kim Kleiner, Admin. Services Director

That is your deductible. So if you are a family if you are on a family plan that's your deductible, up to that amount the employee would occur. What we are saying is because the cost of the plan has been reduced, if you saved that cost, you could apply it toward that deductible and that would bring that exposure to \$2,000.00 and he put the slide back up for us so we could see it. Because you are saving \$936.00 annually because of the plan change.

Alderman Clemons

I understand now. Ok I understand that now, thank you. My last question is I think this is pretty straight forward, just that the copays are increasing on the HMO from \$6 to \$10 if you were going to get a prescription at the pharmacy? I think I have that correct.

Larry Budreau, Human Resources Director

I'm sorry Alderman Clemons' voice was choppy. I think it had something to do with going to the pharmacy but could he repeat the question?

Alderman Clemons

I think this is the most straight forward part of it is that the copays on the HMO are basically doubling from where they are now?

Larry Budreau, Human Resources Director

Yes that is true for the pharmacy.

Alderman Clemons

Ok I just want to make a couple of comments I guess if I can. Thank you. The reality is that right now for me we are in a tough, this is a tough place we are in right now. We want to try to balance what we can do for our employees with the understanding that we have a limited amount of resources to do it with. You know the economy right now has never been worse and that happened overnight. When the economy was doing fine the Mayor came to us with budgets that had an over per cent increase in the tax rate. So my thought is that that's going to have to change if this economy doesn't turn around with this Coronavirus. So you know this is a pretty good proposal to try and help us mitigate some of those costs. I understand that it is difficult to try to budget and things like that and you are doing something completely different that you've never done before. But the reality is that you know we can't keep going down the road we are going. We have to be able to do

something to change our healthcare cost until either the State or more likely the Federal Government does something to bring down the cost. So we have to do what we can do locally to do that. And I think this is a pretty good proposal. It gives people a clear choice and you know it is unfortunate that we can't keep things the way they were, but it is just not sustainable unfortunately. And I would rather have all of these people working as opposed to laying them off because we have to pay for the healthcare for some of them and lay off the rest in order to do it. So for those reasons, I am going to support this proposal. Thank you.

President Wilshire

Thank you, Alderman Clemons. Next, we have Alderman Cleaver.

Alderman Cleaver

Thank you very much, a couple of questions. First of all, who are the providers besides Anthem and has there been any shopping?

Larry Budreau, Human Resources Director

We moved to just one provider purposefully because last year we had two before, Harvard Pilgrim and Anthem. We are self-funded; the City of Manchester and the City of Nashua are the only two self-funded municipalities in the State because of our size. There are economies of scale that come from having just one administrator instead of two. That may not answer all your questions just part of it.

Alderman Cleaver

The follow up is when is the last time we approached another provider for processing?

Larry Budreau, Human Resources Director

Oh I'll continue I forgot that. We did RFP's just last, not for Fiscal 21 but for Fiscal 20. WBS the consultant that Director Kleiner has mentioned a number of times this evening has done that for us. We usually do it about every 3 years and Anthem was the best choice.

Mayor Donchess

Could I add to that answer? Keep in mind that we are self-insured so the City is paying the claims just out of tax money. So we are not paying an insurance company to insure people, we are paying them only to administer the claim. Either Ms. Kleiner or Mr. Budreau can correct me if I'm wrong on this figure, but out of the approximately \$50 million dollars we are projected to spend on healthcare, only like \$1.2 is for administration. So you know it's 2% of the entire cost. So whether it goes up or down a little bit with the administrator, obviously we want to save every dollar, but even if it goes up or down a bit on the administrator, that being Anthem or someone else, it doesn't really affect, because it is only 2% of the budget, it doesn't really affect the overall picture. In addition, we say an 11% increase but that was after we reduced the number of administrators from 2 to 1 and thereby saved \$400,000.00. So we think having a single administrator is not the same as just having an insurance company that covers everybody. Again we are self-insured so we are paying only for the administration of the claims. We are not paying Anthem for the claims themselves; we are to provide the insurance.

Alderman Cleaver

Thank you very much. The next question is somebody or a family has medical issues early on, they could be out \$4,000.00 until they get \$1,500.00 reimbursed on July 1 and then the following \$1,500.00 October 1st. Do I understand that correctly?

Larry Budreau, Human Resources Director

Our plan year runs from July to the following June so immediately upon signing up effective July 1st you get the first \$1,500.00 the next day and then the second \$1,500.00 would come on October 1st unless you needed it before that in which case we would provide it when you needed it. Does that answer the question?

Alderman Cleaver

Yeah that answers the question, thank you very much. Next is just a comment and not a question but it seems to me that this issue and this presentation is a ringing endorsement for Medicare for all.

President Wilshire

Are you all set Alderman Cleaver?

Alderman Cleaver

Yes, thank you very much.

President Wilshire

You're welcome. I think I had somebody before you Alderwoman Kelly. Linda, did you have your hand in the queue.

Alderwoman Lu

I do have some questions OK?

President Wilshire

OK.

Alderwoman Lu

This is Elizabeth.

President Wilshire

OK Linda you go first please.

Alderman Harriott-Gathright

Is it an either or in terms of the different insurances, if you don't go with the HMO then you have to go with the HSA is that correct?

Larry Budreau, Human Resources Director

We have offered a third alternative and will continue to; it is a point of service plan. It is considerably more expensive than either of the two and the whole City has only about 120 people enrolled on it, most of whom are retirees living away.

Alderman Harriott-Gathright

Another question, the HSA there was somewhere I read that it carries over for or you can carry it over to the

next year. Is that the end of it or does it continue to carry over year after year.

Larry Budreau, Human Resources Director

Sorry Director Kleiner, it is not the end of it. It carries over year after year and when you retire or resign it becomes your money the instant you first get that \$3,000.00 and it continues year after year when you retire or you resign, you take that with you.

Alderman Harriott-Gathright

OK and my one last question. So for the unaffiliated, that's their choice to choose one of those three options, correct?

Larry Budreau, Human Resources Director

Correct.

Alderman Harriott-Gathright

Ok thank you.

President Wilshire

You're welcome.

Alderwoman Kelly

Yeah, I have a few questions, actually the first one was actually something that you just said Director Budreau. So you said you would take that money with you when you retire. Does it still stay in an HSA so you can only access it for healthcare?

Larry Budreau, Human Resources Director

It does stay in an HSA; however HSA's like other tax deferred savings accounts, you can take the money and spend it on anything but you do pay the taxes at that point.

Alderwoman Kelly

OK thank you. So my second question is around projections so I know our projects on terms of how much our health care was going to go up were done you know earlier this year. I'm not sure anyone will be able to answer this but I am assuming given the state of the world and the crisis we are in that those numbers will adjust?

Larry Budreau, Human Resources Director

President, may Director Kleiner take that question?

President Wilshire

Yes.

Kim Kleiner, Admin. Services Director

So the numbers that we see, Alderwoman Kelly, are always an estimate and they do fluctuate and we see

that throughout the year. We did speak with WBS today. I think we have some concerns but you can look it this way; so you saw a big push in elective procedures being canceled because of the crisis, so those costs weren't realized. What costs we will see now towards the end of the year as a result of the crisis are really an unknown. So we could actually have a drop in claims for people that have had these elective surgeries now postponed, or we could see a surge towards the end when we receive them in May and June. We would be happy to keep the Board informed on that but we do see it fluctuation. And then with Anthem's change in reporting this year, that has made things a little different as to when we are comfortable making the projection and we actually delayed it and didn't inform the Mayor of the production until later than normal.

Alderwoman Kelly

Thank you. I had one more follow up if that's ok Madam President. Thank you. So my I think this makes sense, I know we came to you guys and asked you to look at plan design as a way to potentially mitigate the cost to the City. My question is, so much of the savings that we are talking about is predicated on people actually making that shift. So what is the plan that we will put in place, I know you talked about ambassadors, to help people make that shift? Because we are going to have to build a budget based on a number that we are not sure we will hit unless those people decide to make the change.

Kim Kleiner, Admin. Services Director

So let's look at the employee group we are talking about; there are 113 subscribers. 51 of those are already on the HSA; 59 on the HMO and then 3 on the POS Plan that Director Budreau talked about. We are going to have a lot of education for those 59 current HMO subscribers to try to switch them over to the HSA for the next plan year. We can, with this small group of 113, you know, we can really reach out and have those conversations. With the larger group, the total population as a whole, each Division is having those conversations. So DPW is talking with their people; Police are actively talking with their people and the Teacher's Union is talking with teachers. That's how we realistically think that we are going to drive the largest shift.

Our budget projection in the Fiscal 21 Budget is the entire increase that we recommended to Mayor Donchess. So any potential savings that we see as a result of plan change, will be to our benefit.

Alderwoman Kelly

Great thank you very much.

President Wilshire

All set Alderwoman Kelly? Alderwoman Lu. Alderwoman Lu are you there?

Alderwoman Lu

Hello, can you hear me now?

President Wilshire

We can, thank you.

Alderwoman Lu

Thank you, Madam President. Just a few quick questions, the EOB is that Estimate of Benefit?

President Wilshire

That is an Explanation of Benefits.

Alderwoman Lu

OK. Great. So that's something that you receive to explain how much you owe and how the City picked up, correct?

President Wilshire

Correct.

Alderwoman Lu

Thank you. On the invitation that was sent to the members of the Unaffiliated Group, it was sent out on March 9th. What date were they invited to come and learn about this proposal?

Kim Kleiner, Admin. Services Director

They received an e-mail from the Mayor directly on the 9th for a meeting on the 12th.

Alderwoman Lu

I see, so they had a 3-day notice, but only a few came, right?

Kim Kleiner, Admin. Services Director

No, we had a fantastic attendance, I would say roughly 60 to 70 attended the meeting with the Mayor.

Alderwoman Lu

Oh OK it must've been the Director's Meeting that I am remembering that only a few came to. So 60 or 70 of the 135 we able to come and discuss it and learn about it? Is that right?

Kim Kleiner, Admin. Services Director

That is correct. Yes it was held in the City Auditorium.

Alderwoman Lu

OK and just the Fire Department it has been mentioned that they have a large enrollment in the High Deductible. But it is not the same plan is it? I mean we are not talking about the same plan. There are a Union and they probably have some kind of a slightly, you know, every plan is specific is that correct? So when we say a lot of them have signed up, we don't mean a lot of them have signed up for this particular plan? Correct?

Kim Kleiner, Admin. Services Director

The High Deductible Health Plan with the Health Savings Account is the exact same plan across the City.

Alderwoman Lu

Oh OK is that true of – so going forward is that how these plans work. Are they sometimes, I was under the

impression they are tweaked by the Union or they can be? I mean it is negotiated so they may be slightly different from one Union to another.

Kim Kleiner, Admin. Services Director

I think the confusion is that the proposed healthcare plan design that is proposed this evening is for unaffiliated employees that has to be negotiated into any Union agreement going forward with our 17 Unions. So their HMO would remain the same unless the Union agreed to negotiate that change.

Alderwoman Lu

OK I was just trying to clarify, I was trying to understand what had been discussed about the Fire Department having highly signed in, but was that comment about this high deductible plan as it is? As it currently is?

Kim Kleiner, Admin. Services Director

Yes, they have been very active with their members in educating them on the benefits of the high deductible health plan which we think results in the change and the shift to the high deductible.

Alderwoman Lu

OK and just after retirement, I don't know whether our City employees stay on the health plan after retirement but do we continue to pay into the HSA's for retired employees?

Larry Budreau, Human Resources Director

May I respond? Thank you. When employees retire from the City of Nashua, if they retire before they are 65 years old, they are eligible to continue the City's Health Plans but the employee pays the full premium. They are able to choose any of the health plans that the active employees have; so they could pick the current high deductible health plan or the current HMO or the current Point of Service Plan. If they choose the high deductible plan the answer is yes, we do contribute the \$3,000.00 for the family deductible.

Alderwoman Lu

I guess my concern is couldn't that become an increasingly, kind of like a pension, you know, almost as though we are building pensions into our retiring, you know, we are adding to pensions almost. So thank you. And another question is just about that Smart Shopper. So I have been on high deductible plans before and I understand the benefit of you know healthy living incentives and incentivizing your employees to shop and to know the benefits, rather to know the cost of healthcare so that they can be an agent in maybe change. But I wasn't clear on that slide of the Smart Shopper and whether, is there a commission that we pay for Smart Shopper or is just part of the package that this WBS offers?

Larry Budreau, Human Resources Director

Smart Shopper is a for profit organization and they generally do business with a per employee. So Smart Shopper usually is paid on a per employee per month basis. The City of Nashua was reluctant to find ourselves paying more for the service than we reaped in savings. So we began our relationship with sharing the cost savings 70% / 30%. So if you were to look at that slide again, sorry I'll just tell you. There was a net savings of \$25,000.00 by Smart Shopper. We actually retained 70% of that, less the 30%. So two thirds of the way down – oop go ahead.

Alderwoman Lu

So what is Smart Shopper?

Larry Budreau, Human Resources Director

I recall you last asked I think what Smart Shopper and it is is an organization that is constantly mining the data from Anthem so it knows what facilities have charged how much for certain procedures. And then through a web portal and also with telephone assistance, when someone has to get an MRI for example, and I did this before Smart Shopper, when I switched to the Health Savings Plan the first time I was ordered to have an MRI, I participated in where it was going to be. Now I would call Smart Shopper, they would take a look at the doctor's order and they would look at facilities and say, "If you go to this facility, we will give you \$250.00 incentive".

Alderwoman Lu

Thank you. And am I muted?

President Wilshire

No we can hear you.

Alderwoman Lu

Is that built into the price of the plan; is that service part of the plan?

Larry Budreau, Human Resources Director

I will answer part of this question; Director Kleiner may want to help with the budgeting piece. So the cost of the plan is only a projection because we are paying claims as they come and we can only guess what they are going to be. So we have guessed at kind of the high end, they projected the increases from last year's and this year we introduced this so we are ostensibly saving a little money from what was projected.

Alderwoman Lu

Excuse me, I'm not sure you understood. I am just asking about the cost of Smart Shopper. Is that paid for by the cost of the high deductible plan?

Kim Kleiner, Admin. Services Director

No the Smart Shopper, we are realizing 70% of the savings and Smart Shopper is retaining 30% of the savings. That is not incurred in the cost of the high deductible health plan; it is its own benefit.

Alderwoman Lu

OK alright, I think I understand. OK. And just last of all, Oh CBA strategy you mentioned, since I don't know it was quite awhile ago that you talked about the CBS Strategy but I was not clear on what you were referring to. Charlie, Baker, Adam.

Kim Kleiner, Admin. Services Director

My apology for using the acronym in the first place; Collecting Bargaining. So we have a Strategy Team between members of management for the City, HR, Legal, and the members from the Employer Boards, whether it is you know a member of the Fire Commissioners and the Police Commissioners, so when I speak of Employer Boards that is what I am referring to.

Alderwoman Lu

Thank you.

Kim Kleiner, Admin. Services Director

You're welcome.

Alderwoman Lu

Sorry that makes sense, I just wasn't clear. Thank you very much for having this meeting. I think there were so many questions; we all had so many questions and certainly we needed a meeting. And I hope that in the future, that we could consider, I think a lot of our questions could have been answered if some of us had the time, we might have been willing to go to the employee meeting and we would have been, you know, so much more well informed to even take a vote in the first meeting. But I'm all set, I have no more questions, thank you.

President Wilshire

Thank you. Anyone else have any questions. Can we take that slide down? Anyone else have questions?

Alderman Harriott-Gathright

Yes. Can you hear me?

President Wilshire

Alderman Gathright.

Alderman Harriott-Gathright

OK lastly, of the roughly 3,000 employees, approximately how many have signed up or could it be a percentage of it today as of today.

Kim Kleiner, Admin. Services Director

I apologize Alderwoman Gathright broke up a little. Was the question the difference between the HSA the HMO?

Alderman Harriott-Gathright

No. Well I should have said how many have signed up for the newer program, not the HMO...

President Wilshire

The high deductible plan?

Alderman Harriott-Gathright

Yeah, the high deductible, that one.

Kim Kleiner, Admin. Services Director

So currently out of all of our subscribers, we have 581 on the High Deductible Plan with the HSA.

Alderman Harriott-Gathright

Follow up? And the timeline for this, let's say 581, did this start back last July, this this plan the high-density plan? Started 2 years ago?

Larry Budreau, Human Resources Director

Madam President? I believe it was 2013 and it has been a slow growth since.

Alderman Harriott-Gathright

OH I had thought this was something that last year, for myself, I heard for the first time I think in an Aldermanic Meeting and it was brought up that this was something that we were looking at. So I apologize, I didn't know this was something that has been going on for a very long time.

President Wilshire

Anyone else? Sorry Alderman Gathright I thought you were done.

Alderman Harriott-Gathright

I am, thank you I'm all set.

President Wilshire

Yes you are welcome. Anyone else have any questions? Seeing none, Alderman O'Brien, do I have a motion?

DISCUSSION**MOTION BY ALDERMAN O'BRIEN TO TAKE FROM THE TABLE ORDINANCE O-20-011 BY ROLL CALL**

Yea:	Alderman O'Brien, Alderman Klee, Alderwoman Kelly, Alderman Dowd, Alderman Caron, Alderman Clemons, Alderman Lopez, Alderman Tencza, Alderwoman Lu, Alderman Schmidt, Alderman Laws, Alderman Cleaver, Alderman Harriott-Gathright, Alderman Wilshire	13
Nay:	Alderman Jette, Alderman Harriot-Gathright	2

MOTION CARRIED**O-20-011**

Endorser: Mayor Jim Donchess
Alderman-at-Large Michael O'Brien
Alderman Patricia Klee
Alderman-at-Large Shoshanna Kelly
Alderman Richard Dowd

REVISIONS TO THE HEALTH PLAN SECTION OF THE UNAFFILIATED EMPLOYEES PERSONNEL POLICIES

Given its third reading;

MOTION BY ALDERMAN O'BRIEN TO RECOMMEND FINAL PASSAGE OF O-20-011 BY ROLL CALL

ON THE QUESTIONPresident Wilshire

Is there discussion? Alderman Jette?

Alderman Jette

So I appreciate the presentation that we have received this evening and I especially appreciated getting the PowerPoint Presentation ahead of time that was really helpful. It gave us a chance to review that before tonight's meeting so that we could be better able to ask intelligent questions. But the truth of the matter is that we've just received the presentation in great detail, all of our questions have been answered, but the Agenda called for just a discussion on this Ordinance and in fact I asked you Madam President whether there would be any vote on this and you said "No it was just for discussion". So I don't see that there is an emergency that requires that we vote on this tonight. We are having a meeting coming up that would give us, that was the original plan and that would give us time to implement this if we so choose in time for the sign up which may, in fact, be extended. There was a lot of information given to us tonight, I would like the opportunity to digest that and I would like the opportunity to hear from anybody who is going to be affected by this to weigh in with me or any of the other Aldermen before we vote on its final passage. So I am opposed to voting on this and I would move to table this until our next regularly scheduled meeting.

MOTION BY ALDERMAN JETTE TO TABLE 0-20-011 UNTIL THE NEXT BOARD OF ALDERMEN MEETING

Yea:	Alderman Jette, Alderwoman Kelly, Alderwoman Lu Alderman Harriott-Gathright,	4
Nay:	Alderman O'Brien, Alderman Klee, Alderman Dowd, Alderman Caron, Alderman Clemons, Alderman Lopez, Alderman Tencza, Alderman Schmidt, Alderman Laws, Alderman Cleaver, Alderman Wilshire	11

MOTION FAILEDPresident Wilshire

Alderman O'Brien do you have amendment to your motion? It is not to recommend it is for final passage.

Alderman O'Brien

Right I would like to amend my original motion to amend it for final passage, it's not recommended.

MOTION BY ALDERMAN O'BRIEN FOR FINAL PASSAGE OF 0-20-011ON THE QUESTIONPresident Wilshire

So the motion before us is for final passage of Ordinance 20-011. Further discussion on that motion?
Alderman O'Brien.

Alderman O'Brien

Thank you, Madam President. I think we sat in these Chambers and we did hear from the Mayor that there

is someone of some critical need of this. He did have like a timeline that he was dealing with and he kind of encouraged this but some of my brethren on the Board of Aldermen brought up the good point that they wanted some information so we delayed it. Well I think the information has been adequately brought forward and I think that because of the time constraints that are involved, I would recommend to move my motion forward for final passage.

President Wilshire

Further discussion? Alderman Lopez.

Alderman Lopez

As it is the apocalypse, I thought I should agree with Alderman O'Brien. I think we have reviewed this pretty thoroughly tonight. We had an opportunity to approach City Employees if we thought there were concerns. The previous Board of Aldermen meeting was public and the Legislation was posted. So last week I was concerned that we need to make sure that we are doing our due diligence and engaging in public discussion so that the public knows we are not just making decisions on a limb but this is two hour's in. There's no way anybody can think we are doing that. So I think we've done plenty of vetting of this. I understand that there may be additional questions that other Aldermen have and I respect that but for myself I think we can make a decision that is pretty well informed.

President Wilshire

Thank you, Alderman Lopez. Alderwoman Kelly?

Alderwoman Kelly

Yeah thank you. I understand that we have taken the time to vet this as Aldermen and I appreciate that. The reason that I voted to put it back on the table is that we did say that and I understand that the City has done a great job of engaging people and getting the information to them. But if something has come up in this meeting that anyone wants to speak to, I feel uncomfortable not allowing them at least a week. And I think we did say that next week's meeting was fine to pass this. So if that is not the case, can someone respond to me in terms of the timing because I thought that was how we left it, we were going to table it and bring it back and next week's meeting.

President Wilshire

We were going to bring it back at next week's meeting until we had this meeting. I mean it was just being put off until the next meeting and this happened to be the next meeting.

Alderwoman Kelly

OK.

President Wilshire

Anyone else? Alderwoman Lu.

Alderwoman Lu

Comment please? Yes. Thank you, Madam President. Well my feeling is that we have spent 2 ½ hours discussing this. We did receive information five hours before we met but not all of us had the time to look at it with much advance time before the meeting. So my expectation, I mean I would have hoped that this information is available to inform us that we can be availed of it sooner than the day of the vote. My

understanding that this is not something that is needed to be voted today and I know two of my colleagues have just gathered the information and they feel that they would be better prepared with time to reflect and maybe do some further whatever they need to do. And out of respect for them, I feel why do we feel that we have to rush a vote when some of our colleagues want to go by the originally proposed schedule for a vote at our regularly scheduled meeting? Thank you.

President Wilshire

Anyone else? Alderman Jette?

Alderman Jette

Could I ask through you, could I ask the Mayor whether the original plan to vote on this at our next regularly scheduled meeting would give him enough time to implement this or does he feel that we have to vote on this tonight?

President Wilshire

Mayor Donchess? Mayor Donchess you are muted we can't hear you.

Mayor Donchess

Oh sorry, sorry, sorry.

President Wilshire

OK you're good.

Mayor Donchess

Can you hear me now?

President Wilshire

Yes.

Mayor Donchess

I would defer to some extent to Ms. Kleiner and Mr. Budreau on timing. We do have an open enrollment period coming up quickly and as somebody has already pointed out, we need to be creative about how we engage employees who are now working remotely in terms of trying to get them involved or get them informed so that if they wish to make a change they can do it. And they realize that the time is up and they can have their questions answered. I mean I would say the sooner the better but beyond that I will refer to Ms. Kleiner and Mr. Budreau.

Kim Kleiner, Admin. Services Director

Thank you, President Wilshire. It is going to be a challenge now with the fact that we have to reach out to all of our employees who are working, most of whom are working remotely. Having said that, we wanted to allow WBS some time to incorporate some of these new changes into our Annual Enrollment Documents. To be honest it would be better if we could have a decision this evening but we would make next Tuesday work as well. It's just all about having that extra time for employee education.

President Wilshire

Thank you Director Kleiner and I know education is really an important piece of this Ordinance so I would agree that the sooner we can get this done, the more time we have to educate employees and get the Open Enrollment going. So thank you. Anyone else?

Alderman Caron

Me. Hello?

President Wilshire

Who is me?

Alderman Caron

Alderman Caron. Hi.

President Wilshire

Alderman Caron.

Alderman Caron

OK so we are talking about taking a vote today for an enrollment that is supposed to take place the beginning of April for about a month or so. We don't meet at the Board again for 2 more weeks. It is not next Tuesday because that's only the first Tuesday of the month and we usually meet the second. So this is really going to make it difficult for HR to notify employees of these changes. So I think it is important that we move forward with the vote. I have been looking at this all day and I have listened to the questions and the answers and I think that it is important for the Board of Aldermen to do this vote tonight so that staff has the time to get this ready for all its employees.

The other thing is that changes in benefits or deductibles happen all the time. That doesn't preclude the employees from staying in their HMO or moving to the high deductible insurance plan. I've seen it over the years being an employee of the City. So I think it is important at this time that we look at what is good for our employees and I will be voting "yes" on this particular piece of legislation. Thank you.

President Wilshire

Thank you, Alderman Caron. Anyone else? Seeing none, would the Clerk please call the roll?

Yea:	Alderman O'Brien, Alderman Klee, Alderwoman Kelly, Alderman Dowd, Alderman Caron, Alderman Clemons, Alderman Lopez, Alderman Tencza, Alderwoman Lu, Alderman Jette, Alderman Schmidt, Alderman Laws, Alderman Cleaver, Alderman Harriott-Gathright, Alderman Wilshire	15
------	--	----

Nay:		0
------	--	---

MOTION CARRIEDPresident Wilshire

And that motion carries. Ordinance 20-011 is duly adopted. I think that's all the business we have before us this evening. Alderman Dowd?

Alderman Dowd

Yes I just want to address that given the guidance that we are getting from the Governor of the State of New Hampshire of not wanting to have more than 10 people gathered at any one spot, I think that we probably should be considering not allowing public comments at our meetings until after the epidemic is over. It has nothing to do with R-20-009. We have access that people can watch it on TV, a lot of the other State meetings and City meetings are being done that way. And it is not that we are precluding them from coming to the meeting, but in lieu of having a larger group than we should have by State guidance during the epidemic, we should probably eliminate public comment to minimize the public that might want to come.

President Wilshire

Well I think that's worthy of a discussion. I guess I feel kind of mixed about it. I think you know; I understand that there haven't been people here for public comment at the last couple of meetings, but I am concerned for the public coming in and maybe gathering and maybe not following the social distancing recommendations. The public does have the opportunity to watch this on TV; they have an opportunity to e-mail us or to send us in writing something. So I'd like to throw it out there and see how other people on the Board feel about it? Alderman O'Brien?

Alderman O'Brien

Thank you. I would generally support Alderman Dowd's proposal and the reason is, is like you said Madam President, there are many ways I think that people can get ahold of us. So e-mail, phone numbers, our contact number has been published. So people can feel free that they can get ahold of us. I know if I'm not around, you hit my answering machine, I do try to get back to you and everything else. So coming to the meetings in this type of environment that we are currently going around right now, does cause a hazard and even we are trying to take the precaution. People can see it on TV, we are more than 6 feet away from each other, many did not show up here in person. They are exercising their virtual rights in doing so. And also, I take solace in the notion that I don't think there is a State Law that requires the public to speak at an Aldermanic Meeting. I can refer it to maybe Corporate Counsel to put us into that mud pile, but I may stand corrected. But I have watched the Aldermanic Meetings over the years and this seems to have been something that was invented by previous Boards that was brought in and not necessarily required by City Statute or order.

President Wilshire

Is that a question to the Corporation Counsel? Attorney Bolton.

Steve Bolton, Corporation Counsel

Yes in a few instances State Law requires Public Hearings. So if we were to authorize a bond issue, zoning ordinance, the budget resolution every year, you have to have a public hearing and the essence of that is the public gets a chance to come in and speak and provide an opinion. But other than those instances where it is particularly required by statute, there is no requirement for public participation or public comment at an ordinary meeting of this Board or most City Boards.

Alderman O'Brien

Follow up? I just want to clarify to anybody in the public that thinks that I am trying to stifle your voice, that is not the case. What I am talking about is the pandemic that is going through right now and everybody's safety, you know, it is extreme measures I understand that. I am kind of uncomfortable with limiting the input from the public as I am a public service and have been for a long time. But we've got to take some precautions at this time, limiting how, you know, close some parks, that our children traditionally go to and enjoy. This may just have to be one for everybody, regrettably I agree.

Alderman Klee

Thank you and I agree to doing this all virtual would be the best thing, but I'd like to hear from Attorney Bolton as far as do we set ourselves up for any kind of litigation that says that anything that we do here can be undone? Do you know what I am saying? If we don't do certain types of things like allow the people there, they say "the Right to Know". I just want to make sure that nothing that we do during this timeframe can be undone because they said we didn't follow the rules? I mean I've seen, I thought I saw something that stated how our meetings had to go, like public comment at the beginning. As long as we are not violating anything.

Attorney Bolton

You have your own rules and procedures which as they are now, provides for public comment at the beginning of the meeting and issues expected to be dealt with at the meeting and at the end of the meeting on general issues. But that is your rule, that is not imposed on you. You can change that at any time you wish to change and you can ignore them when you wish to ignore them frankly. Were you proceeding in violation of your own rules, that's the equivalent of a unanimous vote to dispense for that purpose? As I said, there are certain things in your power that would require to hear from the public first at a public hearing, so you have to follow the State Laws. You have to follow the State Laws about open meetings and public's right to observe what you do. Under current circumstances the Governor has made some orders to be waived, sometimes waived with conditions, some of those open meeting requirements. But as long as we adhere to those conditions, where they've been made, but the statutes that have not been made, you should be alright as far as the proceedings overruled or undone or what have you. So when in doubt follow the law, when in doubt on the law.

Alderman Klee

Thank you. You and I have had discussion about meetings that if we did this that the public has to have the right to say, "I can't see this meeting and therefore the meeting has to be ended". Is that follow through with this?

Attorney Bolton

Now one of those orders that I was referring to about the Governor was that the portion of RSA 91-A that requires that meetings be physically open to the public, that is they take place at a location, that location is identified in the Notice of the Meeting and the public cannot be physically excluded from coming to that place and observing the meeting; seeing and hearing the meeting. The Governor waived that requirement, you can close the meeting to the physical presence of the public if you make the audio available by telephone simultaneous through the actual time of the meeting and you provide a separate means of communication, another telephone number that would be monitored during the meeting and that other telephone number would provide a way for a member of the public to call in and let it be known that that audio was not in fact being made available, that that person was not able to hear it when he called into the number to hear the telephone broadcast of the meeting. That requires telephone, television doesn't count, computer video doesn't count. You can do that too, but if you are going to exclude physical presence of the public, you have to have a telephone audio simultaneous presentation available with a separate means of communication by the public if that audio presentation fails. (inaudible) presentation by telephone fails, you have to discontinue the meeting. (inaudible) Tonight happens to be no one here, but we did not exclude anyone from coming.

Alderwoman Lu

Could I please just ...

President Wilshire

In a moment, I'll call on you. I've just recognized Alderman Klee.

Alderwoman Lu

I know I am just asking that the City microphones be turned off.

Alderman Klee

They are getting echo. Ok so just to follow up on it, if we do what we say what we are going to do and everybody is in a remote area, all of us, all 15 of us are in a remote area, do we still have to leave this room open for the public?

Attorney Bolton

If we are not going to take advantage of this telephonic procedure with the phone in potential, all 15 Aldermen would be elsewhere and you could notice that the meeting would be available here or whatever room you chose and you set up the video computer monitor and everyone from the public who came in can see and hear everyone of the 15 Aldermen participating in the meeting, that's fine. You've got a physical location and you've got the public being able to observe it, hear it at that location, that's fine.

President Wilshire

If City Hall is closed to the public that would still stand?

Attorney Bolton

You have to have the room open to the public, so if you lock the outside doors that would be in violation of the rules.

President Wilshire

Oh boy, anyone else want to weigh in on this? Alderwoman Kelly?

Alderman Harriott-Gathright

Linda?

Alderwoman Kelly

Yep so I have some questions and then comments. So my question is from a technology standpoint if we were to do the telephonic dial in, is that a fairly easy thing for us to implement. I don't know who answers it?

President Wilshire

Yeah, I don't either. We do have Director Codagnone here from the IT Department. Would you care to weigh in?

Bruce Codagnone, IT Director

Yes you could actually just set up a separate conference bridge, like a conference call type of thing where

people could call in on the conference bridge and somebody, such as the Clerk, could monitor the conference bridge.

Alderwoman Kelly

Perfect. If I could, so my comments are as follows, I think I am kind of with you Alderman Wilshire where I feel somewhat uncomfortable with limiting public comment because I do want to make sure that we are listening and taking public comment as we are bringing up our business. However, I do understand that it is a crisis right now and physically being somewhere is something that we have been recommended against fairly heavily by Government Officials all the way to the CDC. So I would generally be for this, I would like to put it out there that if we do this that if anyone offers public comment I am happy to do it but we should read it in and be a little more diligent if we get an e-mail or something from someone so it still gets read into the record.

President Wilshire

And I don't have a problem with that except if it is a 20 page, I mean we still have our limit, our 15-minute time limit. So I guess I wouldn't be opposed to that.

Alderwoman Kelly

Yeah and I would say clarification, obviously we would ask any public comment that comes through by e-mail or even for calling us we would want it to be succinct as much as we push it to be when you are there in person.

President Wilshire

Very good, anyone care to weigh in? Linda?

Alderman Harriott-Gathright

I've been waiting.

President Wilshire

I can't see you Linda.

Alderman Harriott-Gathright

I can see you guys, I can see my picture there so you can't see me now, literally?

President Wilshire

No.

Alderman Harriott-Gathright

Wow, I can see down in the bottom where I see you guys and I see me too. It's weird. Ok but anyway I agree, I think we can't stop people from being able to be a part of the Hearings that we have. So for me, if we can't set up the phone bank or another line for them to call in when someone is monitoring it, then we should be able to continue to have it open and available for them to come into City Hall for those meetings. I don't think people will come, because I don't think anyone has come thus far, but I think legally, and I agree that we have to have that for them. Thank you.

Alderman Clemons

Thank you. I think I am in support of simply accepting written communications to us in lieu of public comment because the situation is that it is what it is. We should limit it to that, I don't know about reading it into the record, but I have no problem putting it on file and having it be part of the record for that evening. What I would you know recommend is that you know we have, anytime we get any communication that is to the entire Board that we just automatically put that on the agenda until this crisis is over.

President Wilshire

Thank you, Alderman Clemons, anyone else care to weigh in on that. Alderman Klee?

Alderwoman Lu

I have a comment.

President Wilshire

OK I'll get to you in a second.

Alderman Klee

Thank you very much. I guess my question will be, I think we are getting an echo, I think my question is to Director Codagnone: Also, the bridge that you speak of that we could do, they would just listen or would they be able to be part of the conversation?

Mr. Codagnone

You could have it so you could mute them and when you want them to speak be able to unmute them.

Alderwoman Lu

Yes thank you.

President Wilshire

You are welcome.

Alderwoman Lu

It is where there are people who can't, there are, there is probably no one in this category but there is a category of people who can't call, might not be able to call in or write in, but will come in. So I wonder if we could have someone there physically. I am just for liability sake, then the meeting is open. If things get different and we are voting on something that is very, there are a lot of opinions about it, then I would think we could ask people who want to offer in person input, to contact their Alderperson and so we can find out how many people are coming in. If there are five people, we can distribute five people out there safely is my thought.

My other thought is if we are going to proceed this way then we should be careful to not vote on first readings because who in the public knows that something needs to be talked about if we are going to be voting on it the first time it comes up? That's all.

President Wilshire

Thank you, anyone else care to weigh in on it.

Alderman Dowd

Yeah, I don't think we do pass single legislation very often on the first reading, it has to be something that is extremely urgent. I don't like the idea of trying to figure out how many people would show up because there are no criteria for limiting that. You already as I can see of the chamber right now it is looking like 6 or 7 people in the chamber right now and if you had 3 more or 4 more you violate the Governor's rule on meeting in 10, not matter how far apart you are. So at this point, I'd like to make a motion that we suspend all public comment during the duration of the pandemic and that we ask the IT Department to set up the proper communications to meet the criteria outlined by Attorney Bolton and hopefully we will pass that.

MOTION BY ALDERMAN DOWD TO SUSPEND PUBLIC COMMENT DURING THE COVID-19 CRISIS AND HAVE THE IT DEPARTMENT SET UP TELEPHONIC COMMUNICATIONS AS OUTLINED BY ATTORNEY BOLTON

ON THE QUESTIONPresident Wilshire

So that's your motion. Discussion on that motion.

Alderman Clemons

Through you to the maker of the motion, would the maker of the motion consider an amendment to his motion to add that the Board of Aldermen will accept written communication in lieu of in person public comment?

Alderman Dowd

Absolutely. Totally agree.

MOTION BY ALDERMAN DOWD TO AMEND HIS MOTION TO INCLUDE WRITTEN COMMUNICATION IN LIEU OF IN-PERSON PUBLIC COMMENT

ON THE QUESTIONPresident Wilshire

Thank you.

Alderman Clemons

Thank you.

President Wilshire

Further discussion? Alderman Gathright?

Alderman Harriott-Gathright

I like his motion but I still feel as though people have the right to come to be heard. And I realize that the

room is not that large and as he stated I'm not there, so I'm not counting, but I am going to by what Alderman Dowd said that four people would be OK, anything other than that I guess in that room would not be OK. Just like the market, I go to the market I go to different places that I've had to go to, even the Liquor Store and they have Police and other people that don't allow more than a certain amount of people into those locations. So if we want to have a limit of four, then people know if there are four people there, no one else can get in. But I don't feel as though we have the right to say, "you can't come and you can't be a part of this in person", because that's their right.

President Wilshire

Alderman Gathright, you can't limit people, you either have to have it all or none.

Alderman Harriott-Gathright

You absolutely can, because the Governor has stated how many people can be in different locations. So you absolutely can because he did 17 and 17A. So there is, this is you know, we are basically a necessity because you are part of the Government basically. So you absolutely can restrict how many people can be in your presence.

President Wilshire

OK. Anyone else? Attorney Bolton.

Attorney Bolton

There's a procedure by which the Open Meeting requirements of allowing everyone to come in who wishes to come in and be waived and avoided. There is only one way to do that that's why this telephone in with an alternative means of communicating any difficulty with hearing. That is the only exception to the Open Meeting Requirement. It would absolutely be an illegal meeting to let the first four people in and exclude the rest. Anyone who participated in such a meeting would be subject to Civil Penalty, would be subject to being ordered to take remedial education on the Right to Know law. There is no doubt at all in my mind that we can either have fully open meeting or we can comply with the Governor's directive that waives that open meeting requirement. But you cannot have half and half and allow some people in and some people not.

Alderwoman Kelly

If I could ask a question through you to Attorney Bolton? So my question is and I know we are talking right now about our Board and the provisions around that, but my question is how do we handle public comment like you were saying, we have to have those hearings, are we in violation of the orders of the Governor if we have our Budget Hearing and there's 100 people in the room. I don't know that we've been given any guidance on that but I am just thinking ahead.

Attorney Bolton

We've been given no guidance on that. Right now we have to have a public hearing and we are not supposed to have gatherings of more than 10 people. I have some hope that the Governor will weigh in further on these issues.

Alderwoman Kelly

I appreciate that thank you.

Alderman Klee

I just want to clarify Ordinance Number 16 that was the one that limited to 10, I am trying to read this on a very tiny screen so I apologize, it says, "Scheduled gatherings of 10 people or more for social, spiritual, recreational activities including but not limited to community, civic, public leisure, faith-based or sporting events, parades, concerts, festivals ... the prohibition does not apply to the General Court, day to day operations of or for profit or non profit organizations in Government, or gatherings for urgent medical purposes, such as blood drives, meetings of medical personnel to discuss efforts to combat the COVID-19 pandemic. It doesn't speak of municipal government in that such but would do you feel that because it doesn't say it in the either, limited to or the prohibited from, that we would fall within that more than 10?"

Attorney Bolton

As near as practical, I think we should avoid gatherings of more than 10. I think from a legal point of view you are safer and you know you are on the right side of the law if you were not promoting gatherings of more than 10 people. Is there an argument that maybe we can stretch to have a Public Hearing and have more than 10 people? Yeah there is a legal argument for that. Should we do it? I would say "no we should not do it". Modeling the most appropriate behavior that we want our citizens and residents to observe so hopefully there will be some ability to conduct a Public Hearing telephonically or by means of written communication or something else before we face those issues.

Alderman Klee

That's what I wanted to hear, thank you.

Alderman Schmidt

Madam President, I just want to bring up Emergency Order Number 17 "requires the closure of non-essential business and requires Granite Staters to stay at home. This isn't the business of people to come and speak to us if they can talk to us in an e-mail or snail mail or a phone call. I would say that because of this order, that people should stay home and stay safe. Thank you.

President Wilshire

Thank you, Alderman Schmidt. Anyone else care to weigh in.

Alderman Clemons

Yes through you to Corporation Counsel and forgive me if I have this incorrect, but I do believe that the President has given us an order to limit public gatherings to 10 people as well. Does Federal Law supersede the States?

Attorney Bolton

I'm not familiar with an order of the President that would apply to us. If one exists, I would like to read it thoroughly before I opine on that. I know there are extraordinary powers granted to the President in times of great National distress, but generally speaking the Federal Government can't interfere in the day to day operations of localities. Normally, on issues that have a Federal Component, a Federal Law would supersede State Law to the contrary, beyond that I can't really say. I do not know of a specific no gatherings over 10 people that has been erected by the President to local municipalities.

Alderman Clemons

Ok thank you.

President Wilshire

Anyone else? Could the Clerk please read the motion back, I think you have motion.

Susan Lovering, City Clerk

I do I believe. There is an amended motion to suspend all public comment and ask that IT set up the criteria for telephonic audio for if the public cannot hear the meetings to be able to call in and let all communications received be added to the Agenda for acceptance and placed on file. Is that correct Alderman Dowd?

Alderman Dowd

Sounds good to me.

President Wilshire

Any further comment or any further discussion? Would the Clerk please call the roll?

A viva voce roll call was taken to adjourn the Board of Aldermen meeting which resulted as follows:

Yea:	Alderman O'Brien, Alderman Klee, Alderwoman Kelly, Alderman Dowd, Alderman Caron, Alderman Clemons, Alderman Lopez, Alderwoman Lu, Alderman Jette, Alderman Schmidt, Alderman Laws, Alderman Cleaver, Alderman Wilshire	13
Nay:	Alderman Tencza, Alderman Harriott-Gathright	2

MOTION CARRIEDADJOURNMENT**MOTION BY ALDERMAN O'BRIEN THAT THE MARCH 31, 2020, SPECIAL MEETING OF THE BOARD OF ALDERMEN BE ADJOURNED BY ROLL CALL**

A viva voce roll call was taken to adjourn the Board of Aldermen meeting which resulted as follows:

Yea:	Alderman O'Brien, Alderman Klee, Alderwoman Kelly, Alderman Dowd, Alderman Caron, Alderman Clemons, Alderman Lopez, Alderman Tencza, Alderwoman Lu, Alderman Jette, Alderman Schmidt, Alderman Laws, Alderman Cleaver, Alderman Harriott-Gathright, Alderman Wilshire	15
Nay:		0

MOTION CARRIED

The meeting was declared adjourned at 10:05 p.m.

Attest: Susan K. Lovering, City Clerk

FY2021 Proposed Health Care Changes Unaffiliated Employees

March 31, 2020

Board of Aldermen Special Meeting

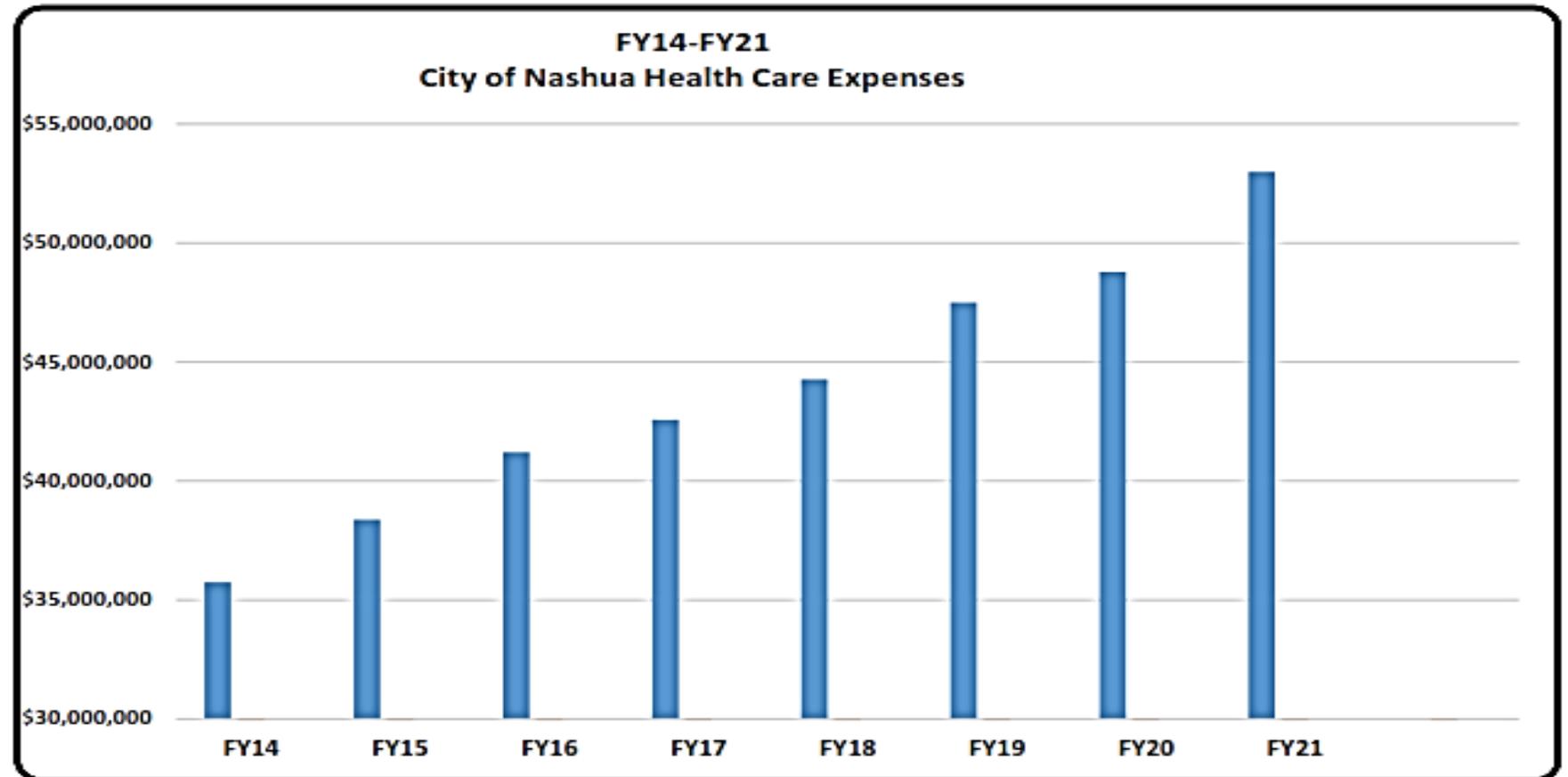
Proposed Ordinance - O-20-011

Current Challenges:

Fiscal 2021 proposed budget health care costs are up 3 million or 8.6%, after an increase of 3.3 million or 11% in Fiscal 2020. The chart below includes all costs including Dental, Administrative costs & fees, Stop loss insurance, Health claims, and Wellness activities.

City of Nashua	
Health Care Expenses	
	Actual Spend
FY14	\$35,725,108
FY15	\$38,365,299
FY16	\$41,195,465
FY17	\$42,566,175
FY18	\$44,255,614
FY19	\$47,484,380
FY20	\$48,780,708 *estimate
FY21	\$52,975,849 *estimate

Note: FY14-FY19 are actual costs, FY20 costs are not finalized, budgeted estimate only. FY21 is an estimate provided for FY21 budget based on trends.

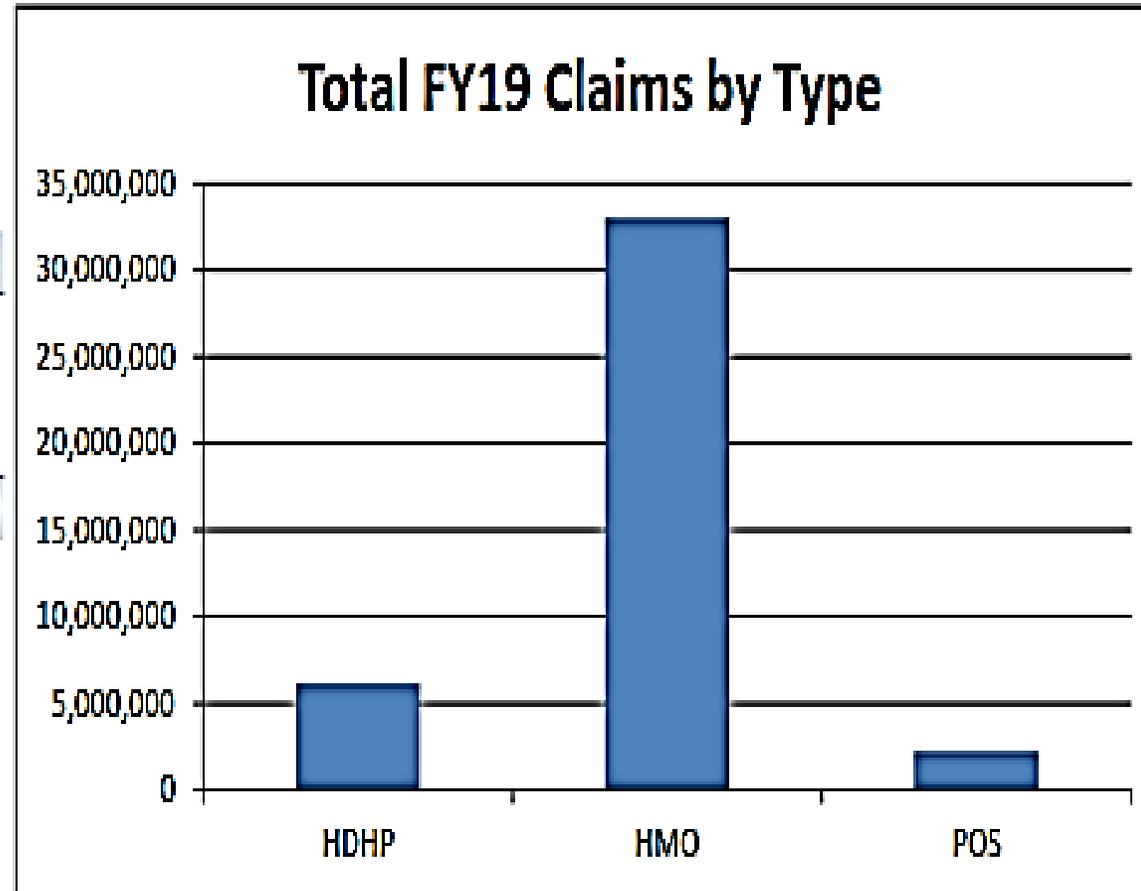


Health Care Claims remain the largest challenge.

FY19 Claims

Type of Plan	Total Claims	Avg. Claims/Employee
HDHP	6,119,217	15,414
HMO	33,035,013	20,046
POS	2,192,436	26,737
Grand Total	41,346,666	19,439

# of Employees by Plan	
HDHP	397
HMO	1648
POS	82
Grand Total	2127



Difference in AVG Claims HMO VS HDHP
(per employee) \$4,632

Estimated Savings with 1/2 HMO Population Changes to HDHP
(Based on Avg Claims 2019) \$3,816,662.56

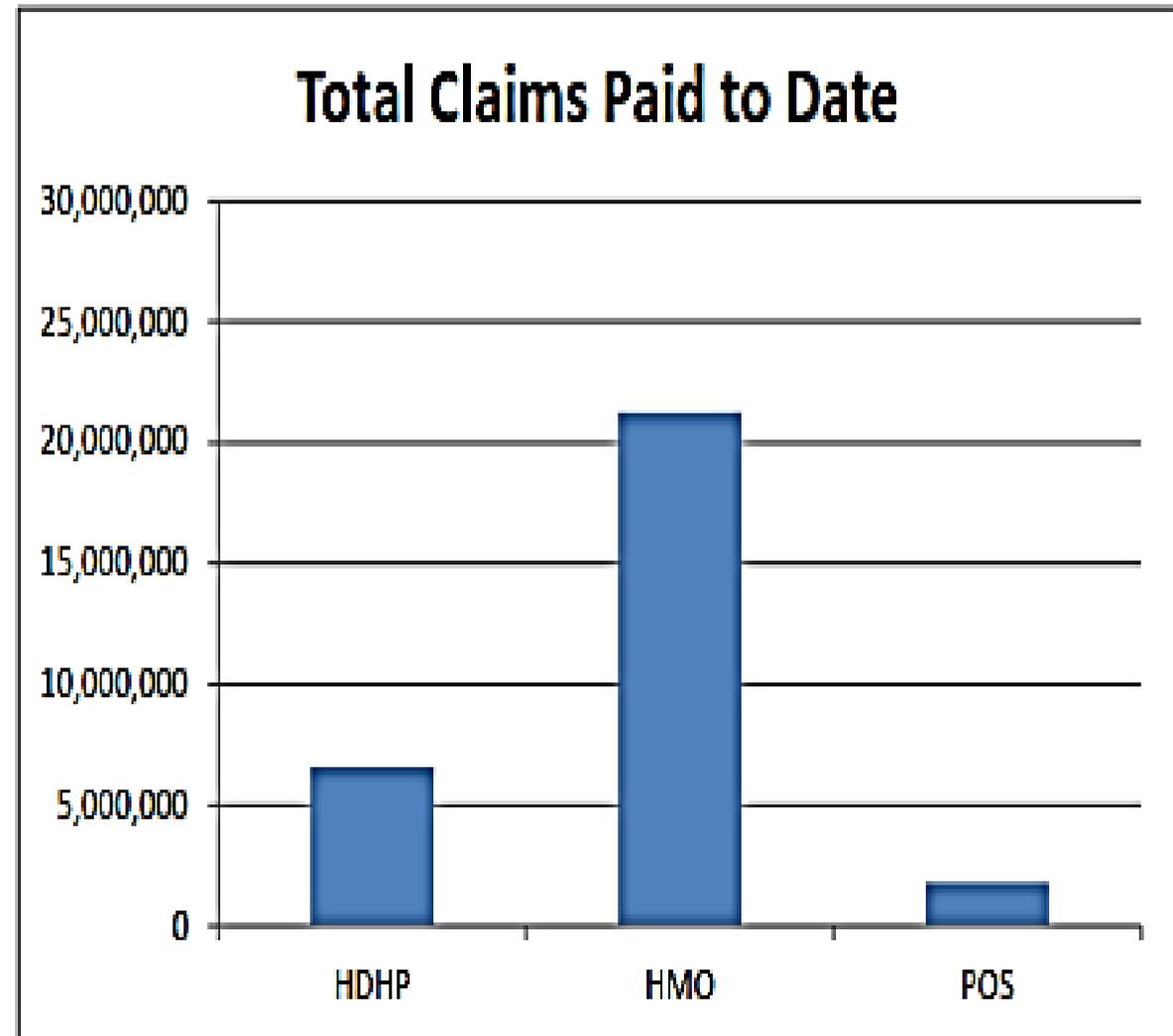
FY20 Paid thru March 24th

Type of Plan	Total Claims	Avg. Claims/Employee
HDHP	6,565,180	10,675
HMO	21,233,021	14,735
POS	1,773,657	22,171
Grand Total	29,571,858	13,845

# of Employees by Plan	
HDHP	615
HMO	1441
POS	80
Grand Total	2136

* 3-4 Months of Claims still Pending

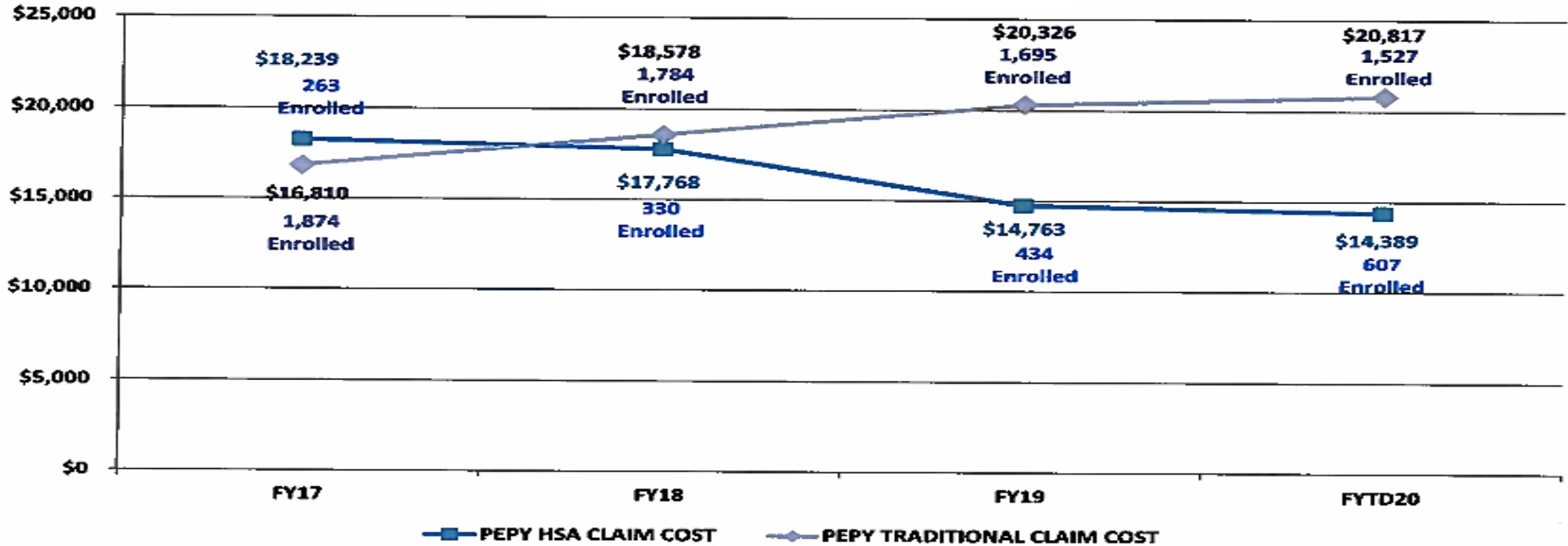
Difference in AVG Claims HMO VS HDHP



\$ 4,059.83 Estimated Savings with 1/2 HMO Population Changes to HDHP \$ 2,923,079.27
 (Based on Avg Claims 2019)

Estimate Fall 2019

City of Nashua H.S.A. vs HMO Claims



- Notes:**
1. HSA Claim Costs include the City's contribution to the employees' HSA Funds.
 2. Traditional Claim Costs have increased 24% since FY17, or 7.4% annually (on average).
 3. HSA Claim Costs have **decreased** 21% since FY17, or 7.6% annually (on average).
 4. The expected (actuarial) difference between the Traditional Plan and the HSA plan is 15%. The current actual claim differential is 31%

Why does H.S.A. save \$

HMO (Health Maintenance Organization)

HMO members are unaware of their claims cost. \$20 copay for most services.

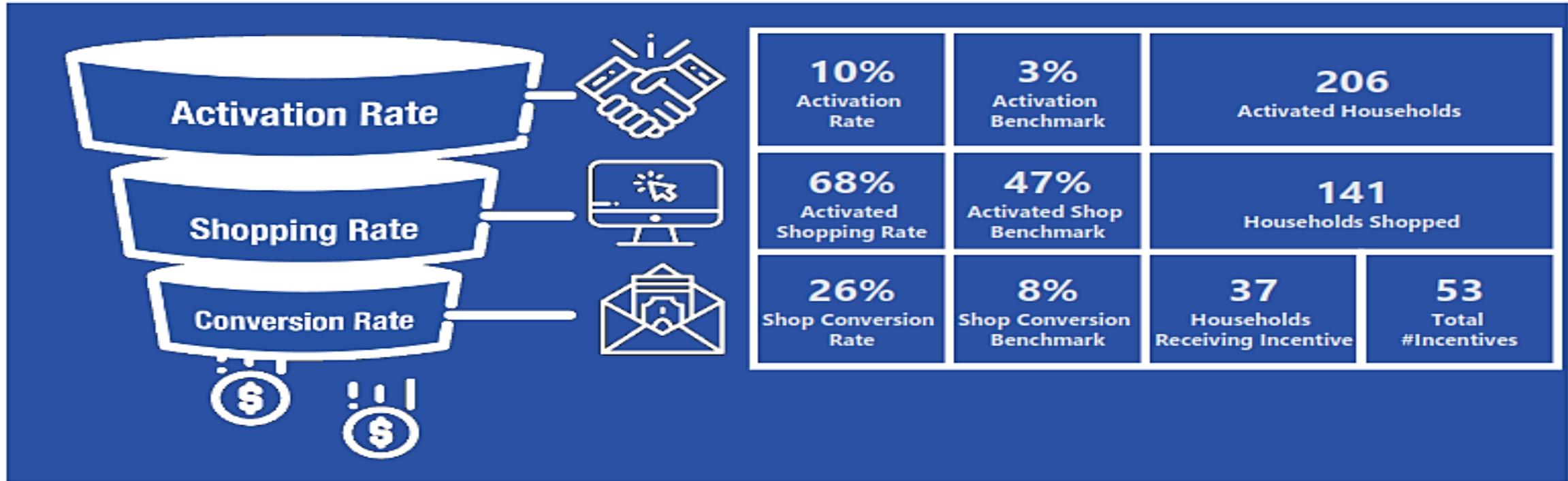
H.S.A. (Consumer Driven High Deductible Health Plan with Health Savings Account)

Patients receive EOBs. Awareness of claims cost fosters natural interest in consumer involvement.

H.S.A. is a tax-free savings plan

The balance carries over from one year to the next. It is portable at retirement or resignation. In addition to health claims, tax free funds may be used to pay other qualified medical expenses such as dentistry, orthodontics, and prescription eyewear.

SMART SHOPPER RESULTS as of February 2020



\$27,786 Total Gross Savings	\$3,100 Total Incentives(\$)	\$24,686 Total Claims Savings
--	--	---

Incentive and Savings Summary				
Timeframe	Gross Savings	Incentives Paid(\$)	Claims Savings	Incentives Paid(#)
MTD	\$4,201	\$625	\$3,576	13
YTD	\$8,852	\$1,000	\$7,852	21
PTD	\$27,786	\$3,100	\$24,686	53

Proposed Changes to the HMO:

Effective July 1, 2020

- \$20 co-pay increase to \$25
- \$250 individual / \$500 2-person or family inpatient / outpatient deductible increase to \$1500 / \$3000.
- Pharmacy copays increase from \$5/\$15/\$35 (\$5/\$30/\$70 mail order) to \$10/\$30/\$50 (\$20/\$60/\$100) mail order.

City contributions to the HDHP w/H.S.A. are now memorialized in the Policy:

The City's contribution to Health Savings Accounts remain at \$1,500 individual / \$3,000 2-person or family. The deductibles in the High Deductible Health Plan with Health Savings Account (HDHP w/ H.S.A.) remain at \$2,000 individual / \$4,000 2-person or family.

Effective July 1, 2020, the City H.S.A. contribution will be distributed in 2 installments, one on or about July 1 and one on or about October 1, provided however that if an employee is required to pay more towards his / her deductible than the initial 50% contribution, upon presentation of suitable documentation, the City will contribute the remaining 50% before October 1.

The primary intent of changing the HMO is not to shift health care costs to employees but to encourage employees to enroll in the HDHP w/H.S.A., the plan that has proven to be the most cost effective and well liked.

Family Plan Analysis:

In Network

HMO

H.S.A.

FY21 Employee Cost: \$ 5,181.36 Annually

Savings from FY20 Cost \$ 936.84

Inpatient/Outpatient Exposure \$ 3,000.00 per family
(with Hospitalization or Procedure)

Exposure after Premium Change: \$ 2,063.16

Routine Copays \$???

FY21 Employee Cost: \$ 5,274.60 Annually

Employer Contribution: \$ 3,000.00

Deductible \$ 4,000.00 per family

Employee Exposure: \$ 1,000.00

Savings from FY20 HMO Cost (if contributed into H.S.A.) \$ 843.60

Exposure after savings: \$ 156.40

Employee Engagement:

March 9th – City Employees received meeting invitation from Mayor Donchess.

March 9th – To comply with NRO 50-3 Amendments, City Directors and Department Heads were invited to an open house on March 12 with Larry Budreau and Kim Kleiner as an opportunity for them to represent their division / department and comment on the proposed changes.

March 12th – Unaffiliated employee meeting with Mayor Donchess. Proposal to split City's contribution to H.S.A. was amended due to employee feedback at this session.

March 12th – Division Director/Dept. Head meeting with Larry Budreau and Kim Kleiner. Two Directors attended – inquiries were successfully answered.

Additional Measures:

1. **Employee Education** - WBS, our consultant has been to many divisions - Public Health, Public Works, Police, as well as the Teachers Union and 3 sessions at City Hall over the past 2 months.
2. **Wellness and Alternative Resources** – We will continue to reasearch additional programs to combine with Telehealth, Smartshopper, Sydney Care and our EAP program.
3. **Dependent Audit** – Currently, Anthem alerts employees as dependents are about to hit the 26 years old cutoff. Committed to a full Dependent Audit next year.
4. **DATA Upgrades** - Our benefits system, Lawson, does not currently have the capability to electronically update the Anthem system. This makes the transfer of benefit information still a very manual system. The city has hired a consultant, Clear Sky, to build these data feeds. These feeds have high security requirements to meet HIPPA requirements. Our efficiency and productivity will greatly increase.
4. **CBA Strategy Team** - Started in November discussing health and wages. Members consist of employee boards and divisional management. Strategically developing uniform language and proposals for all union contracts.

Conclusion

Mayor Donchess, Administrative Services Director Kim Kleiner, and Human Resources Director Larry Budreau urge the Board of Aldermen to pass Ordinance 0-20-011.

Questions?