



AGENDA
Committee on Ways and Means
Friday, October 16, 2020 @ 8:30 a.m.

<https://us02web.zoom.us/j/84864505915>; ID: 848 6450 5915; Dial In: (312) 626-6799
Email comments prior to the meeting to sherrie.boak@lansingmi.gov

Councilmember Wood, Chair
Councilmember Spadafore, Vice Chair
Council Member Jackson, Member

- 1. Call to Order**
- 2. Public Comment on Agenda Items**
- 3. Minutes**
 - October 2, 2020
- 4. Discussion/Action:**
 - A.) DISCUSSION – City Retiree Healthcare
- 5. Other**
- 6. Adjourn**

To mitigate the spread of COVID-19 and to provide essential protections to vulnerable Michiganders and this State's health care system and other critical infrastructure, it is crucial that all Michiganders take steps to limit in-person contact, particularly in the context of large groups.

The meetings are being held electronically in accordance with the Open Meetings Act in an effort to protect the health and safety of the public. Members of the public wishing to participate in the meeting may do so by logging into or calling into the meetings using the website or phone number above, and meeting ID provided

Persons with disabilities who need an accommodation to fully participate in these meetings should contact the City Council Office at 517-483-4177 (TTY 711) 24 hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation requests.

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MINUTES
Committee on Ways and Means Special Meeting
Friday, October 2, 2020 @ 8:30 a.m.
Via ZOOM

CALL TO ORDER

The meeting was called to order at 8:30 a.m.

Members Present via audio/video

Council Member Carol Wood, Chair
Council Member Peter Spadafore, Vice Chairperson
Council Member Brian T Jackson, Member- unexcused

OTHERS PRESENT

Sherrie Boak, City Council Office Manager
Jim Smiertka, City Attorney
Lisa Hagen, Assistant City Attorney
Judy Kehler, Chief Strategy Officer

Minutes

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE MINUTES FROM SEPTEMBER 10, 2020 AS PRESENTED. ROLL CALL VOTE, MOTION CARRIED 2-0.

Public Comment

No public comment at this time.

Discussion/Action:

DISCUSSION – City Retiree Healthcare

Ms. Kehler began the meeting by addressing the questions that were submitted to her prior to the meeting, and answers provided to the Committee Thursday. These are listed as part of the minutes.

The meeting was ended by Council Office Manager Sherrie Boak at 8:54 a.m. due to an unexpected interruption by a member of the public.

The meeting was reopened and immediately adjourned by Council Member Spadafore after he stated the earlier meeting was closed due to the unexpected interruption from a member of the public. The public was informed the next meeting would be Friday, October 9, 2020 at 8:30 a.m.

ADJOURN

Adjourned at 9:10 a.m. by Council Member Spadafore

Submitted by,

Sherrie Boak, Council Office Manager

Lansing City Council

Approved by the Committee on _____

WAYS & MEANS RETIREE HEALTHCARE QUESTIONS

1. Was there an RFP put out for retiree health care?
 - a. Page 39 of the Seigel report states “Potential cost reduction through a group Medicare Advantage or Medicare Advantage Prescription Drug program is beyond the scope of the report since it can only be evaluated via a vendor competitive bidding process.”
 - An RFP was issued in November 2019.
2. Was the Lansing City Attorney consulted on what is being proposed?
 - a. Page 54 of the report states “The City should review all correspondence, contracts, letters, documents, etc. to determine what, if any, any legal promises have been made to current retirees and or current employees (as future retirees).”
3. Will retirees that are part of the Targeted Incentive Plan (2010) be moved to these plans?

This is currently under review.
4. Police and Fire older retirees that are not Medicare eligible, what plan(s) will they be moved to. The City made an initiative to get every Medicare eligible retiree enrolled in Medicare late spring. Any retiree that was not Medicare eligible was sent a letter from the City with instructions to enroll for Medicare and the City would reimburse their Part A and/or Part B Premiums. Most retirees complied but there are still a few that need to enroll. Ideally, we would like these individuals to enroll for Medicare during the next open enrollment for Medicare and then we will put them on the Humana Medicare Advantage plans. Until they enroll for Medicare, they will maintain the BCBSM or PHP coverage with the new plan design. I will send you a separate email with the communications and list of retirees we knew didn't have Part A and / or B. We also tracked who enrolled and whom we moved into the Medicare plans.
5. Do current retiree premium share amounts still apply? Yes
6. We believe this is a Medicare Advantage Plan; if so is it a PPO, HMO, or PFFS plan? This is a passive PPO plan, which means the benefits are the same whether a member sees an in-network or non-network provider.
7. Current plan with Medicare as primary, allows members to access services at any provider in the country that accepts Medicare. Not so, with Medicare Advantage plans, where is the list of

DRAFT

in network providers? This is a PPO Passive plan and as long as the provider/Hospital accepts Medicare and Medicare assignment, they can see the provider. They have coverage throughout all 50 states and Puerto Rico. Please note: Even if the provider/hospital states they are out of network, the member will still have in network benefits and will be able to see the provider. The two questions the member should ask their doctor or facility is one.) Do they Accept Medicare. 2.) Do they bill Humana Group Medicare?

8. Members that live part time in one area of the country and part time in another part, what do they do for coverage when not located in their specified network? Is there ANY out of network benefits? This is a PPO Passive plan and as long as the provider/Hospital accepts Medicare and Medicare assignment, they can see the provider. They have coverage throughout all 50 states and Puerto Rico. Please note: Even if the provider/hospital states they are out of network, the member will still have in network benefits and will be able to see the provider. The two questions the member should ask their doctor or facility is one.) Do they accept Medicare? 2.) Do they bill Humana Group Medicare?

9. If I'm in the midst of cancer treatment and my oncologist is not a participating provider, will I be denied benefits?

You will not be denied coverage for a pre-existing condition. Pre Medicare patients can call Health Advocate at (866) 695-8622, and Medicare retirees can contact Amwins at (866) 286-5154 for more detailed information.

10. My current plan does not require a referral for a specialist. Does this plan? A referral is not required to see a specialist.

11. Are chiropractic, physical therapy, and mental health visits covered? Same copay as medical office visit?

There are multiple retirees plans, so it is better for Pre Medicare retirees to call Health Advocate at (866) 695-8622 , and for Medicare retirees to contact Amwins at (866) 286-5154, for more detailed information.

12. Are diagnostic tests and imaging covered? If so, after deductible has been met?

Tests and imaging is covered but to get more accurate detailed coverage information, Pre Medicare retirees can contact Health Advocate at (866) 695-8622, and Medicare retirees can contact Amwins at (866) 286-5154.

13. Is ER co-pay waived if admitted to hospital?

80% is waived if admitted within 24 hours. Maximum \$120 out-of-pocket per visit. Emergency room physician services are 100% covered.

Pre Medicare retirees can contact Health Advocate at (866) 695-8622

Medicare retirees can contact Amwins at (866) 286-5154

14. Are substance abuse needs covered? Both in and out patient?

Yes, they are covered. Pre Medicare retirees can contact Health Advocate at (866) 695-8622, and

DRAFT

Medicare retirees can contact Amwins at (866) 286-5154, for more detailed information.

15. What is the coverage for Home health care, Skilled nursing care, Hospice, and Durable Medical Equipment?

Pre Medicare retirees can contact Health Advocate at (866) 695-8622

Medicare retirees can contact Amwins at (866) 286-5154

16. Drug coverage - do you have to fill at in network providers?

Pre Medicare patients should call Health Advocate at (866) 695-8622 and

Medicare retirees can contact Amwins at (866) 286-5154 for a detailed answer.

17. Am I ever required to obtain pre-approval before obtaining any drug or medical service?

This can best be answered by Health Advocate for Pre Medicare patients at (866) 695-8622

Medicare retirees can contact Amwins at (866) 286-5154

18. How can we access the formulary that tells what drugs are brand and preferred brand?

Pre Medicare retirees can contact Health Advocate at (866) 695-8622, or

Medicare retirees can contact Amwins at (866) 286-5154

19. Will mail order for drugs be offered?

Yes, retail and mail order will be offered with this plan.

Pre Medicare retirees can contact Health Advocate at (866) 695-8622

Medicare retirees can contact Amwins at (866) 286-5154

20. Current plan allows for items that are not covered by the plan to be submitted for reimbursement, if the item would have been covered under the BCBS or PHP plan. Is this still allowed? No, the reimbursement program will be terminated effective 1/1/21.

21. Please copies of the language for our review on the early out incentives given to employees to retire. TO BE PROVIDED.

Additional questions:

1. During the last Ways & Means Committee meeting it is reported that the city is paying say \$150,000 for MV contract....can you please also ask if MV is receiving payments from the vendors of the the companies that they are choosing for Lansing employees? Pages 2-3 of the attached agreement describe Manquen Vances compensation. Commissions have exceeded the fee so MV hasn't charged the City anything directly as part of this contract. Commissions exist with all carriers in the insurance market and do not drive MV's decisions or recommendations in any way

For example, do they receive money from PHP, BCBS, Delta dental, Humana and/or AmWins. If so, please provide a list of all monies and name of company they receive such payments for City of Lansing benefit plans...for both active and retiree benefit plans....this should include not just the companies above but also Hartford Life, Lincoln Financial, Maxor Drugs. TO BE PROVIDED.

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2. What are the monthly premium rates the city pays Humana? That's going to be very low I expect. The Humana rate is \$83.79 per member effective 1/1/21.

3. Outpatient Hospital Services in the Humana Plan are not at the current coverage levels for our over-65 retirees. Please double check and find out. This will negatively affect our oldest retirees. The coverage for all retirees will be amended to the new plans effective 1/1/21. The new coverage does not match the current coverage. Retirees will experience changes in their benefits and out of pocket cost. To help assist retirees with additional expenses, the City is offering a hardship fund for any retiree with an annual income less than 2x federal poverty level with a cash stipend.

4 Chemo coverage is reduced in the Humana Plan for our over-65 retirees. This is a huge difference that could destroy the savings of our oldest cancer patients, please advise. Coverage is 80% after combined annual deductible is met. The City also offers a hardship program to assist with healthcare costs.