

INSURANCE COMMITTEE MINUTES
October 1st, 2013

Members: Art Smith, Ranney Wilson, Lennix Madere, Marvin Perrilloux, Jaclyn Hotard, Michael Wright, Larry Snyder, Cheryl Millet, Lucien Gauff, Julie Songy, Dana Douglas, Mary Goldman

PRESENT: Larry Snyder, Lennix Madere, Michael Wright, Julie Songy, Dana Douglas

ABSENT: Mary Goldman, Art Smith, Ranney Wilson, Marvin Perrilloux, Jaclyn Hotard, Cheryl Millet, Lucien Gauff

Larry Snyder - Employee Insurance related matters

Jeff Perilloux, Legal Counsel, stated, "Good evening I just wanted to advise you all before you get started that since you don't have a quorum you still are allowed to go forward with your meeting however you cannot take any action or vote on anything. You can discuss issues that are on the topic that the agenda was set for and I would also advise you going forward tonight that if you do discuss any issues with the current carrier/agent that is servicing the parishes policy that is in effect I would suggest that you limit the discussion to the existing policy and any issues that are related to the existing policy and I would caution you against discussing any matters going forward that may be subject to the request for proposals that was voted on recently by the council for the process to be started by administration. I will also tell you that I will only be here for a short period of time tonight I have another commitment but I will stay until I have to leave so if there are any questions of me if you guys could ask me now I would appreciate it."

Councilman Snyder stated, "Actually what I wanted to discuss was what we have now. I know we have some proposals out or that are supposed to be going out for insurance quotes and I would like to ask if those have gone out yet and we didn't put any specs together yet we didn't say what we wanted or anything like that they just ask for proposals? So what I am saying is that when they do go out are they just going out as a statement that we are looking for insurance for this many people, hospitalization insurance, medical insurance for this many people and give us a quote on it?"

Stacey Cador, Director of Human Resources, stated, "In general in the scope of work it outlines what we are seeking. Traditionally we have laid out in the scope of work the plans that we are seeking so the carriers review that information and then from there generate proposals based on our request."

Councilman Snyder asked, "Okay these request is there a group of people who sit down and look at what is best or who decides what we want and what we are looking for?"

Stacey Cador stated, "Once the request for proposals go out carriers are given a deadline to submit proposals by from there the sore selection committee reviews the proposals and carriers are called in for an interview to discuss their plans and from there we make a recommendation to the parish council for approval."

Councilman Snyder asked, "So there is a group of people from administration that come together and they are the ones that talk with the agents?"

Stacey Cador stated, "Yes sir."

Councilman Snyder asked, "How do we get input from employees on what they would like to have or what they think would be an improvement to the insurance that they have? Do you ever ask them or have some kind of evaluation process of what we have and ask them for some input?"

Stacey Cador stated, "No sir we do not."

Councilman Snyder asked, "So that is strictly done from up top and the big thing is budget?"

Stacey Cador stated, "Certainly."

Councilman Snyder stated, "Certainly okay I don't know if I can get this deep into it. When I asked you a while back did you have some specs on the proposals that you were sending out with them and you told me no and I said well do they just send us what they want to send us and we decide on what we want and pretty much you told me yes. So that means what we have now is what we can have tomorrow it doesn't seem like we are looking at what is best for our people and getting the best bang for our buck that is why I wanted to have this meeting because there has to be something that we can come up with whereas is this the best we have or is this the best that we can do and just to keep with what Jeff was saying I don't want to get into too many details because the RFP hasn't gone out yet but I am looking for ways that we can come up with to get input from the people that work and it doesn't seem like we have that just yet."

Stacey Cador stated, "Mr. Snyder I do want to read one of the criteria's that has been included in our RFP's in the past under the pricing and it does state that price will be evaluated for the best overall value to the parish while cost is of specific importance lower cost achieved by a reduction in coverage is not the objective of the parish. The quality of the proposed plans and other features in relation to the price will also be considered. That is saying that we don't necessarily take the lowest priced plan that we can find. We do evaluate these plans thoroughly meaning the sore selection committee and also we provide the spread sheets to the council to review and to ask questions about the plans. The spread sheet highlights the out of pocket maximums to the members, deductibles and co-insurances and those are provided to the council. I recall last year in November prior to making a recommendation to the council in an email that I sent to the council I specifically stated that the administration took into account that some of the plans did provide a significant cost savings however we did take into account the impact that those plans would have on the employees and their families. So it isn't that we don't consider what the employees would face with the plan that is considerably stripped down if you will for lack of a better term but we do have to balance a desirable plan for the employees with the significant cost of the plans paying 100% of the premium."

Councilman Snyder stated, "And I am sure you have heard by now that is one of the things that we are going to be looking at about this 100% for everybody. We have just been discussing whether or not we can afford that ten years from now and there will be some discussion on that. So has this selection committee, last year did you look at some did you go down line item by line item and said can we approve here, can we approve here because I am looking at this document and they have co-insurance payment, out of pocket maximum, primary care physician, specialist. There are a lot of line items that we can go down and look at it and say well can we help here because I am looking at a lot of things that say 30%, 30%, 20%, 50% or 75% that doesn't mean anything to me when I look at it and even though this is a sheet that is supposed to be all of the information that I need. It is 30% of what? Of what that particular service is going to cost? Do you see what I am saying? I think like for instance medical deductible for a year individual is \$1,000.00 and a family is \$2,000.00 what does that mean to me an employee that doesn't know anything about insurance?"

Stacey Cadon stated, "Legal has pointed out that our agent is here and is allowed to answer questions on the current plan. So if you would I will allow Mrs. Tatje to come up."

Natalie Tatje, Insurance Agent, stated, "Good evening Mr. Snyder to answer your question let's start at the top of the page and they have an individual deductible of \$1,000.00 what this means is that if you have an employee only plan then they only have one individual so they will only have a \$1,000.00 deductible per calendar year. If they have family coverage or if they have a spouse or let's say they have an employee plus children well they might have three children it might be a dad with three kids and what this means is that they are only going to have two deductibles per family so if it is he and his wife, he and his whole family or three children they only have to meet the deductible twice in a calendar year. So that would be \$2,000.00 max."

Councilman Snyder asked, "What does that mean to a person who goes to the Doctor and he has to take two tests and those test cost \$800.00 or so?"

Natalie Tatje stated, "Okay let's talk about that he goes to the Doctor and he pays a copay let's say he goes to Dr. Arcuri and pays a \$20.00 copay. Dr. Arcuri tells him that he needs to go and get an MRI or an x-ray done and it can't be performed in a Doctor office that is where his deductible is going to come into play. So if that x-ray cost \$400.00 he is going to have to pay \$400.00 for that x-ray unless he has met his deductible let's say he didn't it is January 3rd and he has to get this test so he has a \$1,000.00 deductible, \$400.00 towards the x-ray so he has to pay the entire \$400.00 or whatever the test cost. We do have a \$750.00 deductible right now."

Councilman Snyder stated, "So co-insurance 30% of eligible charges after applicable deductible so it is saying that I have a \$1,000.00 deductible just for me. I have to pay that and whatever after that I have to pay 30% of right?"

Natalie Tatje stated, "Yes sir but it has a cap. It is not 30% indefinitely, it is 30% up until you reach \$3,000.00 so once you get

your \$750.00 deductible out of the way then it is going to go to 30% of the bill up until you spend another \$3,000.00."

Councilman Snyder stated, "Unless it is for a family."

Natalie Tatje stated, "You are correct there are two per family."

Councilman Snyder asked, "So that is \$6,000.00 as far as in network?"

Natalie Tatje stated, "That is correct."

Councilman Snyder asked, "So I have to pay the individual as far as out of pocket or because I have the family plan I have to pay 30% until \$6,000.00 and I already paid \$750.00?"

Natalie Tatje stated, "That is the worst case scenario. Let's say you have mom that met her deductible and dad met his and then the children have to take tests you are not going to have to pay another deductible and if mom and dad meet their co-insurance of \$3,000.00 each then the child doesn't have to meet it again. So in this case the worst case scenario per individual is \$3,750.00 and there are two per family. There is a cap a lot of people think that they have to pay 30% of all the bills indefinitely and that is not true."

Councilman Snyder asked, "Has it ever been whereas the provider would just bill the patient in the past? Do you know what I mean instead of having them having to come up with that all at once where a provider themselves would just bill them and they would pay however they arrange with the provider? Is that part of something you have to negotiate or is that something that is up to the provider?"

Natalie Tatje stated, "Unfortunately Mr. Snyder a lot of things were done on a hand shake back in the day, you tell me you are going to pay me and you pay me but now a days people shake hands turn around and never pay people. So what is happening now is you go to any hospital or any surgery facility and you have to have a surgery they are going to call the insurance company and find out what your deductible is and they are going to ask that patient for that deductible and in most cases they are going to figure out what that bill is going to be and know what that 30% is and want that up front as well. So they call the insurance company and find out you have a \$750.00 deductible and you have to pay 30% up to the next \$3,000.00 they calculate how much that is going to be and they say we need you to pay this up front before we are going to perform the surgery and if you can't come up with it and you don't have a credit card it is very unfortunate but those people are not getting those surgeries."

Councilman Snyder stated, "Yes I know. I have heard some horrible stories."

Natalie Tatje stated, "I can tell you I have too and it is a shame what is going on and I get calls every day asking can they do this? Yes they can."

Councilman Snyder asked, "Do you know of any insurances out there or providers that provide insurance whereas things like this don't happen? We wouldn't have to pay individual amounts? If I get my \$1,000.00 out

of the way first and I have a family of three people, I have a \$6,000.00 max as far as my out of pocket expense. Are there any insurance out there where you wouldn't have to pay those things or is every provider that you know of...

Natalie Tatje stated, "So you are asking for a 100% plan? Right now no in a previous meeting you had asked why do we have Colonial, Allstate or Aflac why do these employees have all of these deductions? Well a lot of them have the accident policies and the cancer policies so that if they have an accident and they have to go to the ER they would have money coming from Aflac or Colonial or Allstate to help them with those bills. If they get diagnosed with cancer you can get an initial diagnosis advance so that they can pay for that deductible and every time they have some type of cancer treatment they are going to get paid for it that is why they have it because they can't afford the \$750.00 deductible and the 30% co-insurance. Now I will tell you this they have what is called a medical gap plan and they will give you if you go into the hospital for instance they might give you \$2,000.00 towards that and if the hospital finds out that you have that policy if you sign it over to them then they will let you have that surgery and not ask you for your deductible and I am trying to get some quotes back on that so that maybe we can offer that to the employees."

Councilman Snyder stated, "That is exactly what I was trying to figure out is if there was anything else that we could do because you know for instance \$20.00 for the Doctor. I have been paying \$20.00 all my life to me that is good and \$30.00 or \$40.00 to a specialist to me is not bad and I have been doing that pretty much all of my life but it is just some of these other things that I know some of the people that work for us cannot afford and I know that. They don't make \$60,000.00 a year some of them are only making \$25,000.00 a year so they have to come up with \$1,000.00 to go to the hospital because their kid has to have surgery and they have to wait and that is what gets me stuff like that and that is my point of having this meeting is to see what we can do to help those people and I realize that you have no control over some of that stuff or none of the agents would that is why I asked Stacey do we look at these things and maybe put some other numbers down there and get a quote on this and let's see what this is and it goes up \$30,000.00 then we may have to let our employees pay some of that money you are paying Aflac over there for the gap insurance and a lot of that stuff will be taken care of and that is what I was after."

Councilman Madere stated, "I definitely understand where Mr. Snyder is going with this to try to make sure that the employees have the best possible insurance and I also know of some individuals that ran into a problem when they needed some work done but they didn't have the upfront money to pay and I understand your point is that this world has gotten to the point that they don't care. If you don't have the money they will just let you die basically."

Natalie Tatje stated, "It is really unfortunate because they used to just take the deductible. If you could come up with your deductible we are going to bill you for the 30%. Well guess what nobody was paying the 30% and I can tell you that over the years I have had several conversations with billing departments of hospitals, surgical centers and doctor offices and the problem is that they have a lot of unpaid debt and they are not getting the money. I mean there are a lot of

signs when you go to the Doctor's office your bill must be paid before we will see you. So you aren't going to go in there and get seen by the Doctor and come out and say I don't have \$20.00. They are making you pay the \$20.00 upfront."

Councilman Snyder stated, "And they have no mercy I am getting it with my wife right now she is in and out of the Doctor's office and in order for us to get something for her you have to pay \$20.00 every time they write something down on a piece of paper, \$20.00 every time. I got upset with them. I have to pay \$20.00 and you are the reason my wife is in there like this sitting for three months now and can't walk and she has to pay \$20.00 every time she has to get a paper filled out. They don't care they are just going to charge you the \$20.00. Well our hands are kind of tied about what we can ask of you Natalie and I appreciate you coming but I still think that when these RFP's come back don't just ask us to approve what you recommend. I would like to look at them a little bit if it is alright with you Stacey."

Stacey Cador stated, "Yes sir and those proposals are always made available to the council. Once they come in you are notified and they are scanned in and you are invited to review if you so desire but I just want to clarify something. You stated earlier that at one point you asked if we put out specs and I told you no I must have misspoken because we have always had to list what we were looking for. We can't just accept proposals and companies not know what we are looking for. So I just wanted to clarify that yes even before our RFP document was this formal.."

Councilman Snyder stated, "Well I wanted them that is why I asked you for them and I asked do you do that and you said no when they come back we look at that."

Stacey Cador stated, "No we have to list what we are looking for in the scope of work no matter what the product is or service that we are soliciting we always have to list what we are looking for and we have always done it. I have been here through several administrations and we have always done this. We provide our current plan structure but we always state that we are looking for these types of options and you can look at some previous RFP's that we have had over the years and you will see that we do state what we are looking for but we also invite them to quote alternate plans that they could come up with that might provide value to us or be attractive to the parish and the members. So we try not to limit ourselves by stating that we are only looking for this or that."

Councilman Snyder stated, "Well if I had to design my own insurance I know what I would do and I think everyone at this table would know what theirs would look like but that doesn't happen and that is where we need to look at other options as far as how we are going to take care of those things. I mean no where I have worked is all the insurance paid except for when I worked for the Archdiocese of New Orleans they will pay your insurance but if you put your wife or children it is going to jump up that is just reality."

Stacey Cador stated, "It is always unfortunate when people can't afford to access the services that they need but you mentioned a \$750.00 deductible and it isn't easy to come up with that amount of money at

one time but even if all you are faced with is \$750.00 when you spread that out over a 12 month period you would only be paying \$62.50 a month and that is way below what you still would be paying in premiums if we charged so you have to balance that when you look at it."

Councilman Snyder stated, "That is why if I had to buy a house or a trailer poor people buy trailers and people who can afford a house houses by homes and that is why I am so compassionate about the people that buy trailers because you don't need a down payment all you have to do is be able to meet the notes and that is why it is easy to get and that is what I like about it. A house I have to pay 20% down they both do the same thing but the poor person can't afford the house right now they have to save half their life for it and if they have a meaningless job they can never get it but they can get them a nice trailer and that is the difference. If we were paying \$25 to \$30.00 an hour to all of our employees we wouldn't even be here because I know they can afford the insurance and we would probably have a better insurance because they would be able to pay it but I don't think that will happen with us because we are not money making people we work for the public but I got what I wanted and I would like to get a copy of the RFP's when you get ready to send them out? Who determines what we are looking for? I just want to see it when it goes out."

Stacey Cador stated, "Okay after the meeting I will let you take a look at the draft that I have started working on and I will let you see the language in it and see if that is kind of what you are looking for."

Councilman Snyder asked, "Can I change anything?"

Stacey Cador stated, "You can make a recommendation. I can't discuss it now but I invite you to take a look at it after the meeting and that may satisfy you."

Councilman Snyder stated, "I would like to look at it and see what you have there. We have a representative from the administration here so we have no one from the employees?"

Stacey Cador stated, "No sir the one was invited but apparently couldn't make it and Mrs. Butler has drafted her memo and it will go out on Thursday as a payroll stuffer so that all of the employees will get it."

Councilman Wright stated, "I just want to make a couple of comments because I don't want to drag this out but some of this goes back to I think some discussion that we had at meetings some time ago and including the council in the sore selection committee just to be involved in a lot of the discussion when scoring because that way we have a better understanding when a recommendation is made to the council either we are all on the same page or we are not and it would help alleviate a lot of the problems that we are having. Of course we did meet resistance when we asked to be involved in those meetings maybe it is something we will have to readdress moving forward but also going back to what you had said too and I think the first step is to analyze and make a recommendation of what we are going to do moving forward regarding employee contributions because there is going to come a point to where our coverage has become so watered down that the benefits are decreasing. So I think that is probably our first step

just to look at that and the employee contributions to start there because we can't afford the Cadillac premiums right now with the amount of employees that we have on our policy."

Stacey Cador stated, "We have had council members on our sore selection committee for insurance in the past."

Councilman Wright stated, "Not when the new council came in we were actually denied those privileges."

Stacey Cador stated, "Okay."

Councilman Snyder stated, "Well that is all I have and I appreciate you Natalie for coming by. One other thing can we set a date for our next meeting? How does it work every quarter?"

Stacey Cador stated, "I don't think we can take any action and that would be considered taking action."

Councilman Snyder stated, "We can't take any action but we can discuss it here because somebody has to say we have a meeting next week or next month. How has it been done in the past?"

Jackie Landeche, Council Secretary, stated, "In the past the insurance committee always met on the same day as the council meeting you would have insurance, then finance, then the council meeting and really it was basically done to make motions and take action and otherwise than that they would have workshops set so that everyone could get together and discuss what they needed to discuss so that when you got to the meeting you knew where you were going with it."

Councilman Snyder stated, "Well I know this isn't going to happen this year and I am not expecting it to happen this year but I just expect us to keep that urgency going because this is important. I think it is important for every last one of us if we use it or not you have it and if we can't set a date now we can do it at the council meeting and select the chairman and vice-chairman then."

The meeting ended at 7:20 PM

Jackie Landeche
Council Secretary