

LABOR HEALTHCARE COMMITTEE MEETING

April 9, 2014

Minutes

Present: Meeting Sign-In Sheet (attached)

Arleene Cuellar, Director of Human Resources, began the meeting at approximately 9:50 a.m. and provided an overview of the Meeting Agenda.

There were introductions of everyone present.

Ms. Cuellar requested review and approval of the March 11, 2014 Minutes. Ms. Martha Baker provided the following revisions to the Minutes: On page 2, paragraph 2, the name of the person should be Duane Fitch, consultant for SEIU. Also, Ms. Baker clarified that Mr. Fitch's comments also included the need to address cost savings and to identify where the dollars were being spent in the contracts. Commissioner Monestime approved the minutes, as corrected.

Eric Rodriguez, Assistant County Attorney, presented information on Sunshine meetings.

- Florida State Law requires a governing body to hold meetings in the sunshine.
- Public notice of the meeting must be provided and the meeting must be held at a location that is accessible to the public.
- The Labor Healthcare Committee is subject to the Sunshine law because it will potentially give advice and recommendations to the Board of County Commissioners.
- Committee members cannot discuss the issues of the Labor Healthcare Committee with each other, unless they are at a public meeting of the Committee.
- A member of the Committee can discuss with another person, who is not a Committee member, any issues related to labor healthcare.

Emilio Azoy, President of AFSCME 121 Water & Sewer, said that he and Manuel Otero would not be Committee members.

Appointment of additional Committee Members:

- Andy Madtes, Administrator for AFSCME 199 was appointed as a Committee Member
- Russell Benford, Deputy Mayor and the County's Wellness Coordinator, was appointed as a Committee Member

As a point of clarification, Mr. Marquez said that the Committee *may* make recommendations to the Mayor, but the intent of the Committee was to provide an opportunity for open discussions related to healthcare.

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Ms. Cuellar said that the Committee would evaluate the questions presented at each meeting and decide the ones that would be further researched and considered for discussion. Emphasis was made on staying focused and addressing those questions which added value to the process of identifying potential changes for the upcoming plan year. The short timeline (considering open enrollment) was briefly discussed.

Ms. Cuellar informed the participants that a Labor Healthcare Committee web site had been set up and that all of the information presented at the meetings will be available at this site:

(<http://www.miamidade.gov/humanresources/labor-relations-healthcare-committee.asp>)

Mr. Glen Volk, Gallagher Benefits Consulting Services, Inc., provided information in response to questions raised at the March 11, 2014 meeting related to the issues listed below (see Gallagher handout):

- Discounts – what MDC pays
- Costs at Jackson vs. Costs at Other Facilities
- Utilization costs
 - Emergency room charges vs. Urgent Care charges
 - Cost comparison for Advanced Imaging
- Medical Benefit Comparison (Miami-Dade County vs. Miami Dade Public Schools)
- Market Comparison to Other Private Organizations
- Utilization – Modifying Behavior

When reviewing the benefit comparison of Miami-Dade County and Miami Dade Public Schools (MDPS) (Slide 7), Ms. Barbara Crowe, Gallagher Benefits Consulting Services, Inc., indicated that MDPS' benefit plan has co-pays after the annual deductible is met and their benefits are generally 15-20% less rich than those provided by the County.

Mr. Volk indicated in his presentation that the MDC POS/HI HMO plans are richer than the Marketplace plans, because they cover 92% of costs, vs. 90% covered by the Platinum Plan.

Mr. Madtes and Deputy Mayor Marquez requested that Jackson Health System (JHS) make a presentation to the Committee and address whether they have the capacity to provide medical services for all Miami-Dade County/Jackson employees. Deputy Mayor Benford asked that JHS make a presentation addressing capacity and the ability to provide services to County employees.

Jim Repp, Senior Vice President of Marketing, AvMed, provided an overview of AvMed's role as Third Party Administrator.

Mr. Repp explained the role of AvMed in the County's self-insurance health plan:

- Acts as Third Party Administrator of the County's healthcare plan
- Ensures the appropriateness and processing of claims

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- Provides medical care coordination and website support
- Negotiates financial terms with healthcare providers, including discounts
- Develops services network so the employees have access to medical providers at a fair price
- Ensures service providers meet network standards
- Provides a high quality healthcare plan along with lower costs
- AvMed is paid a 3% administrative fee on approximately \$400 million in annual claim costs (\$12 MM)

Commissioner Monestime requested information on incentives that can be offered to employees and also to review a prototype of the plan. Deputy Mayor Marquez asked Andy Madtes to provide information on the New York model consisting of 25 clinics. The New York model was briefly discussed - other examples were not provided.

Martha Baker said that she was concerned that the premiums for family plans were very expensive and often results in employees not being able to insure their families because the costs were so high. She said that the problem should be addressed and that if more people are able to participate, then the plan would be less expensive for everyone.

Martha Baker said that we could realize a huge savings if we steered employees to receive medical services at Jackson. Also, she noted that we have not provided incentives for wellness and prevention or analyzed the claims to determine why we spend approximately \$80,000/year on costs related to heart failure.

Dr. Terry Murphy suggested that after AvMed negotiates rates with the hospitals, the County should also negotiate with them in order to get deeper discounts. Given the fact that hospitals are not paying property taxes, the County would remind them of the County services provided to them. He said we are currently paying double and triple the value of claim costs to these hospitals.

Mr. Marquez reminded everyone that while this course of action would be beneficial, we needed to focus on identifying potential savings in next year's benefits plan.

Ms. Cuellar asked the Committee to coordinate the steps necessary for the next meeting of the Committee. Deputy Mayor Benford said the he would like the next presentation to be similar to the current meeting. At the next meeting, the Committee would receive/discuss the answers to the questions that were asked today.

Ms. Cuellar passed out a handout of additional questions that had been submitted via email after the initial Labor Healthcare Committee meeting and asked the Committee to determine how to best address them. Deputy Mayor Benford said that questions should be answered as they apply to the entire County, instead of how they pertain to each union. Mr. Madtes stated that he would like to see the questions answered as they pertain to each union.

Deputy Mayor Marquez said that while utilization may be different by union, the County had one benefit plan. Ms. Cuellar reminded everyone that the County's current timeline

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included labor negotiations and open enrollment. She encouraged the Committee to address the “low hanging fruit”.

Martha Baker said that perhaps we need a full day’s workshop to discuss how to lower the costs of the plan. She mentioned that there have been efforts by others to keep projected heart patients out of emergency rooms as this represents substantial savings. She was not sure if this could be considered “low-hanging fruit” and she did not know the time it would take to implement the changes. She added that we have a lot of people who are chronically sick and if we could prevent 10% of these costs, we would be able to save millions of dollars.

Below are the questions (with responses) raised at the April 9, 2014 meeting.

1. Q Do Labor Healthcare Committee members need to complete a financial disclosure form?

A *Under Sec.2-11.36.1(a) of the County Code a “board” is defined as any Citizen’s group created by the BCC and in existence for one year or more. The question with respect to the Labor Health Committee does not appear to be ripe at this moment. Since the committee was created in 2014, Financial Disclosure, if required, would not have to be filed until 2015. Therefore, the Commission on Ethics recommends revisiting this issue at the end of 2014, when the scope and duration of the Committee will be clearer.*

2. Q Provide the past several years of independent claim audit reports.

A *Audit report posted on the Labor Healthcare Committee website:
<http://www.miamidade.gov/humanresources/library/labor-healthcare-committee/2013-09-self-insured-health-plan-audit.pdf>*

3. Q Do all hospitals pay into the tax base?

A *Not-for-Profit Hospitals do not pay property taxes (Baptist Hospital, for example, is a not-for-profit).*

4. Q Can AvMed and MDC negotiate (as a team or independent) additional discounts on behalf of MDC?

A *The County relies on AvMed for network pricing and negotiations with countless providers (facilities, doctors, groups, pharmacy, etc.) Gallagher consultants have validated that discounts provided to MDC are competitive and comparable to other organizations.*

5. Q What are the incentives/drivers that have members going towards other facilities versus Jackson facilities?

A *Refer to JHS presentation 4/30/2014.*

6. Q Can Jackson Memorial Hospital handle increased capacity if majority/all MDC members utilize JMH? Provide update on Jackson growth / development of new facilities.

A *Refer to JHS presentation 4/30/2014.*

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7. Q Are there any existing or developing public/private employers utilizing a clinic / one facility model?

A Yes, New York Hotel Trades Council and Hotel Association of NYC, Inc. – documentation posted on the Labor Healthcare Committee website:
<http://www.miamidade.gov/humanresources/library/labor-healthcare-committee/new-york-hotel-trades-council.pdf>

Additionally, Memorial Hospital in Broward County also provides health services for their employees at their facilities.

The following questions are addressed in the Presentation provided by Gallagher Consultants/AvMed on April 30, 2014:

8. Provide models (tiers) on copays to drive utilization to appropriate place of service, cost effective place of service, select network and Jackson facilities.
9. Provide data on Chronic Conditions / Disease Management and utilization/cost per condition and total spend in each area.
10. Due to copay changes (pharmacy and office visits) from 2012 to 2013 what has been the utilization impacts for the plan cost, member cost, claims impact and overall savings?
11. Provide data on different migration percentages for slides 4 & 5 of the April 9, 2014 presentation (ER and use of Jackson).
12. How can wellness and preventive service be used as incentive?
13. URGENT CARE CENTERS:
 - Urgent Care Centers: Identify directory of all Centers
 - What are criteria for credentialing? What is reviewed/how often before accepting a center into the network
 - What does AvMed do to ensure that cost trend of UC Centers doesn't increase if more services are steered to UCC and away from hospital ER?
14. ADVANCED IMAGING:
 - What is the difference in criteria of services that can be done in an Independent setting vs hospital?

Ms. Cuellar said the next Committee meeting had been tentatively scheduled for Tuesday, April 29th at the Stephen P. Clark Center. This date was not confirmed as Commissioner Monestime indicated a possible conflict with this date.

The meeting was adjourned at 11:52 a.m.

Meeting Date: April 9, 2014

Place/Room: OTV, 2nd Floor

LABOR HEALTHCARE COMMITTEE
 FACILITATOR: Arlene Cuellar, Director-Human Resources Department

	NAME	TITLE	ORGANIZATION OF COMPANY	PHONE	E-MAIL
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16	Kathy Phillips Eric Rodriguez	Union Layoff	SEIU	305 971 9306	

MEETING SIGN-IN SHEET

LABOR HEALTHCARE COMMITTEE
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53	Arlene Cuellar	HR Director	MDC		
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