

## LABOR HEALTHCARE COMMITTEE MEETING

### Minutes

May 28, 2014

Committee Members Present: County Commissioner Jean Monestime  
Deputy Mayor Russell Benford  
Andy Madtes, Administrator, AFSCME 199

Other Attendees: Meeting Sign-In Sheet attached

Ms. Arleene Cuellar, Director of Human Resources, called the Labor Healthcare Committee ("Committee") meeting to order at approximately 1:50 p.m. Attendees were asked to review the minutes of the May 13th meeting. Deputy Mayor Russell Benford made a motion to approve the minutes and it was seconded by Commissioner Jean Monestime.

Ms. Cuellar reminded the audience that at the Committee's request, today's session would be devoted to preparing the agenda for the June 4<sup>th</sup> workshop and there would be no slide presentation. Today's meeting will focus on developing strategy and identifying options to be considered for the benefits redesign. The material presented at the previous meetings was made available to the Committee for review and formulation of follow-up questions for the workshop. She added that the Committee's goals are to share information on healthcare, plan utilization and to identify cost savings opportunities going forward.

Commissioner Monestime began the discussion by commenting that we need to encourage more representation from labor to broaden the discussions. Mr. Andy Madtes commented that he stays in contact with most of the other labor organizations and they share ideas on healthcare. However, if his peers participated on the Committee, dialogue would be restricted due to the Sunshine Law. His recommendation is to invite other industry experts to the workshop, who will bring their perspective on healthcare and offer solutions to offset the County's shortfall.

Deputy Mayor Benford added that we must have full participation from all stakeholders to assure all parties have an opportunity to make recommendations. It's important that the ideas submitted to the Committee are tangible, quantifiable and specific as to the proposed savings. Recommendations presented to the Committee should have a dollar value associated with the cost savings.

Mr. Madtes observed that a lot of good ideas were proposed at the previous meetings, but our goal should be to identify cost savings and not to shift the bulk of the cost to employees. There must be shared sacrifice. In order for this process to work, all entities must be engaged: the unions, AvMed and Jackson Health Systems (JHS). Gallagher should present the Committee with different scenarios where \$20, \$40 and \$60 million (etc.), in savings can be achieved. He mentioned that in his experience, in order to provide stability and peace of mind, we should also determine health costs for multiple years. Additionally, JHS must assure us they have the capacity to absorb the influx of 20,000 employees at their hospital.

Ms. Martha Baker said that she has been working with Duane Fitch and recommends for the JHS management team to develop models to present at the workshop. The presentation will

include "Jackson First/Jackson Only" model that would benefit all County employees, providing a "Win", "Win", "Win." This Win, Win, Win strategy is achieved because the employees would receive a better health benefit plan, Jackson Health System would benefit by receiving the business and the County would realize cost savings. Ms. Baker said that AvMed pays Jackson Hospital approximately 50% less than the other hospitals and she believes AvMed should negotiate contracts with the hospitals to set a fair price for services.

Ms. Vivienne Dixon mentioned that many JHS employees cannot afford the current family premium. As a result, these employees do not cover their family members, which forces Jackson Hospital to absorb the costs of their treatment when a dependent becomes ill. The current rates for the family plan are very expensive she added.

Deputy Mayor Edward Marquez remarked that Jackson Hospital has an advantage over other hospitals because it is tax-supported, that's why they can afford the lower rates. He also stated that it is not our intent to shift costs to employees. Our mission is to motivate employees to use their healthcare plan more effectively. We need to compare ourselves to other public entities, which offer less costly plans to their employees. We have to be more efficient with the taxpayers' money.

Dr. Terry Murphy commented that it is unrealistic to expect this group to resolve the County's healthcare issues this year. The Committee should be looking at transitioning into a new benefit model within the next five (5) years. Historically, healthcare negotiations were conducted between the Board of County Commissioners and the administration. The Board, the Mayor, the Clerk of Courts and the County Attorney's Office should be part of the solution, not just the labor unions. The Select Network Plan was developed for JHS employees and those hospitals competing with Jackson were not considered. The Committee is a good idea to get options on the table, but a broader discussion is necessary. AvMed should be asked to consider a network for the entire County workforce. Ultimately, the decision to change the plan design rests with the Board.

Commissioner Monestime responded that the Committee's mandate is to discuss the best healthcare alternatives and bring to the table the best services at the lowest cost. Whatever happens after that is not for this group to decide. He stated that he does not believe the time has been wasted if the Board does not accept the Committee's recommendations.

Deputy Mayor Benford stated that Gallagher had provided a lot of useful data. The information is self-evident as to co-pays and the need to change behavior. He indicated that the Committee has made good progress and now has to move forward with modeling recommendations. The Committee is looking for efficiencies within the network and moving workers to use more efficient services. He added that the comments about shifting costs to employees are not valid. The Committee is charged with being responsible with taxpayer money, and that means we have to provide healthcare more efficiently.

Ms. Arleene Cuellar asked the audience to identify the areas they wanted Gallagher to tweak or adjust. She mentioned Andy Madtes' suggestion for Gallagher to prepare different scenarios where \$20, \$40 and \$60 million in savings can be achieved.

Ms. Martha Baker asked whether Gallagher could provide a model showing the impact of a 10% reduction in AvMed's provider contract rates, to close the gap between Jackson and non-Jackson providers.

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Ms. Patricia Nelson, AvMed, indicated that their rates are very competitive and the contracting process is ongoing. AvMed can ask providers for a reduction, but the provider may not accept it and could drop out of the network altogether. Glen Volk, Gallagher Benefit Services, added that the County sometimes ties the carrier's hands by insisting on a broader network of hospitals. The Select Network discounts cannot be applied to a broader network.

Deputy Mayor Marquez summarized the deliverables for the June 4th workshop:

- JHS will conduct a presentation on their capacity to absorb the migration of employees.
- Gallagher will provide scenarios on cost savings achieved at different levels (\$20 million-\$100 million).
- AvMed will provide information on the validity of a 10% provider rate reduction.

The meeting was moved for adjournment at 3:10 pm by Mr. Madtes and seconded by Deputy Mayor Benford.

Meeting Date: May 28, 2014  
Place/Room: OTV 2nd Floor

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

	NAME	TITLE	ORGANIZATION or COMPANY	PHONE	E-MAIL
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5	Emilio Azoy	AFSCME 121			
6	Angel Gonzalez Jr.	AFSCME 121			
7	Susana Ramirez	HR	HR		
8	Blanca Hernandez	Attended		305 671-6170	blanca.hernandez@commed.org
9	Melinda Nathan	Gallagher AM	Gallagher	561-998-6747	Melinda-Nathan@ajis.com
10	Bonnie Crane	Asst VP	Gallagher	561-998-6748	Bonnie-Crane@ajis.com
11	Kathleen Phillips	Att	SEIU 1991	305 951 9306	
12	Tyrone Williams	Div. Director	MDC		
13	Jennifer Calmont	C.O.S.	SEIU 1991	305 670 6553	
14	Lew Fester	Budget Coordinator	DCA	(305) 375 3612	lew.fester@miamidca.gov
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16	Viviane D'Hor	AFSCME	AFSCME	266 295 1085	

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

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28	S. MCCALLISTER	Legis. Dir.	Comm. Management		mccallister@miamidade.gov
29	OLGESHKY		RFLA		
30	Jean Monestime	Commissioner	MDC		
31	Russell Benford	Deputy Mayor	MDC		
32	Arlene Cuellar	Director - HR	MDC		

\* Please add to meeting notice list