

**Health Care Coalition Meeting Minutes**  
**City Plan Subcommittee**  
**October 27, 2004**

**Attendees:** Dan Adams, Tony Alvernaz, Judy Daugherty, Fran Elm, Lynne Margolies, Dave Pinsky, Barbara Schepis; Karen Walker; Til West

**Missing:** Lorrie Abbott, Brien Farrell, Bruce Gattoni, John Morrison

**Facilitator:** Ricia Maxie

**Agenda:**

- 1) Check In
- 2) Report Backs
- 3) Proposed Network Change
- 4) Proposed City Plan Design
- 5) Path Forward
- 6) Next Meeting

**Report Backs:**

◆ **Attendance at Meetings** - Unit 3 has not been represented at the last few meetings. It is believe they are interested in this topic and haven't found a replacement rep to attend these meetings.

◆ **Cost of Lab Work - Per Dan Adams**

Cost of a Simple Panel:

\$138 - Hospital Charge

\$131 - Allowed Amount

\$ 26 - Employee Share under the proposed 80/20 split

Full Panel would be more - approximately \$420 to \$480

Employee share under proposed 80/20 split = approx \$96

◆ Dave P. sent out minutes/info to Unit 11. Too early to send out any proposals or recommendations

**Proposed Network Change - Blue Cross vs. Interplan**

Discussion started with a explanation/refresher of PPOs – allows us to get a better price for medical services. Interplan gives us wholesale costs. What separates one provider network from another are the number of providers on that particular network. Interplan is a broad network in Sonoma County, mostly due to County of Sonoma employees using it.

Blue Cross is now a viable, available option and can provide deep discounts. Every hospital in the County is on Blue Cross. Out of the top 50 Interplan physicians most utilized used by City employees, 2 were not on the Blue Cross Network. Blue Cross blankets the US. Disadvantage of Blue Cross is cost, although 4% (or more) savings on claims could be gained and could save 70k a year compared to Interplan. Using technology, Blue Cross can be more accurate and quick

in electronically relaying information to Delta Health Systems, our claims administrator. 95% of doctors in State/County are members of Blue Cross. Blue Cross has indicated they would like us to use their plan and has offered savings that could start in January 05. Could save \$6k - \$18k per month. In December, user would get letter, instructions and new health plan card, would receive similar EOB (explanation of benefits) at home. Delta Health Systems would still be the plan administrator.

### **Revised Proposal for City Plan Redesign**

Goal is to save \$300k (Stop loss insurance could be 5% less with possible change to Blue Cross, which would offer deeper discounts).

Currently, 23% of medical costs come from prescriptions. The percent should be at around 16% - 18%.

In proposed plan, backing off 100% and going to 90% so that employees using the services pay a bit more for the freedom of the plan. There was discussion of a co-pay for office visits (similar format as HMO plans) instead of the deductible.

Plan design discussion to be continued.

### **Follow Up:**

- ✓ Dan will speak to O'Keefe before the next meeting - Re: Attendance
- ✓ Dave will forward scanned documents to Steve O'Keefe and Steve Roraus before next meeting
- ✓ Till will send Blue Cross hotlink of PPO providers to Lynne/Judy this week
- ✓ Lynne/Judy will send Blue Cross hotlink to Committee this week

**Next Meeting:**            **Friday, November 5, 2004**  
**9:00 a.m. to 11:00 a.m.**  
**City Hall - Mayor's Conference Room**

**Agenda:**                    **Discussion and recommendation for using Blue Cross instead of Interplan.**