

Minutes
Finance and Policy Committee
Monday, November 4, 2019
4th committee meeting
6:00 p.m.

Members present were Chairwoman Carol King, Committee members Terry Merritt and Dale Black. Holly Abercrombie, Finance Director and Brandon Madden, City Administrator were also present.

1. Call to Order- Chairwoman King

2. Public Comment- None

3. Reading and Approval of Minutes

- a. Finance Committee Meeting: October 7, 2019
Councilman Merritt made a motion to approve the minutes with Councilman Black seconding. The vote was unanimous (3-0).

4. Reports or Communications from City Officers

- a. Budget Review- Everything looks good. Councilman Merritt asked about the phone line for the elevator and why it was taking so long to install. How long have we known an elevator was to be included? Is it a cost overrun? Brandon said it is not a cost overrun, but it has taken longer than anticipated.

Councilman Merritt then asked about the temporary Certificate of Occupancy for the Senior Center. Are we illegally occupying the building? Brandon answered no. That is related to using the elevator. Everything else can be used. Councilman Merritt then asked why the polling place was moved if the building can be occupied.

- b. Department Reports- Information only

5. Unfinished Business- None

6. New Business

- a. Insurance renewal- Mark passed out some information on the insurance quotes we have been given. Cigna came in at a 17.9% increase. We went back to Cigna and asked if there were any options to lower the increase. The City looked at increasing co-pays. Those changes brought it back to a 15.2% increase. Deductible and co-insurance changes brought in over a 9% increase. Blue Choice quoted over a 9% increase.

Map Health quoted a program that you use in-network doctors, and there are only two to three choices for specialists. The specialists are picked based on their experience, mortality rate, etc. The City has also talked to ProActive MD, here in Mauldin. ProActive will treat our employees at no cost and also be able to give some types of prescriptions at no cost to the employee. This will help pull some potential large claims out of our insurance experience and help keep claims expenses down. Proactive MD will also help employees with diet and exercise programs at no additional cost to the employee. The City will save about \$197,924 by using Map Health and will pay ProActive MD approximately \$165,000 to take care of our employees and dependents on our insurance. Proactive projected a savings of \$300,000 from our claims.

Southern Scripts will be our pharmacy provider. They will give their discounts to the City. We should realize \$30,000-50,000 in savings. A committee of about 9 employees heard the proposed insurance presentation and were pleased with what they heard.

Surgeries will be negotiated by cash up front. Employees will have a health care advocate to make sure appointments are set up with the hospital and walk the employee through the process. The employees can keep their primary physicians.

Southern Scripts also will not use Walgreens as a pharmacy provider. Walgreens is charges the highest markup of any pharmacy. Map Health has a pharmacy part that will not cost any extra. Police and Fire Physicals will also be included. Brandon said we will start focusing on our wellness program so that our employees can be healthier and that will help keep the city's costs down.

Chairwoman King said Map Health said during the meeting that employees will get the best specialist and you will not be given to a doctor who is just trying to build their practice. Councilman Merritt asked if Proactive MD is a network of doctors. Mark said they are not a network- they work with corporations such as BMW to provide medical care. It is a practice. We were looking at pooling with Fountain Inn and Simpsonville. The problem with that is both cities renew their insurance in July with the fiscal year, so we wouldn't see savings from partnering with them until July of next year. Councilman Merritt asked if Southern Scripts has mail order. Mark said yes, it is close to the plan the City currently has. Councilman Merritt asked if out of town employees or their dependents would have to come to Mauldin to use the free services at Proactive MD. Mark answered yes. Mark said most of our insurance costs are employee only. We do not have many employees that have full family coverage. Mark said full family for the City is very expensive.

Councilman Merritt said the proposal is Map Health with the Proactive MD piece included. If Mauldin, Simpsonville and Fountain Inn go together, we will have a cheaper rate. Councilman Black asked if we would be penalized if the other two cities have a bad year. Mark answered no, we would not be affected by the other cities. Holly explained Proactive MD is fee based. The fee could go down with the two cities, but not up. It is an add-on. Mark said during the focus group, he learned that going to Proactive and not paying a co-pay will probably encourage more of our employees to go to the doctor to catch illnesses they may have at an early stage. Councilman Merritt asked about the max claim fund of over a million dollars. Mark said that is the maximum we would pay in. If the claims are high, will the cost for Map Health go up next year for the renewal? Mark answered yes.

Councilman Black asked about ambulance coverage. Holly said that would be the same as it is now. You will pay for an ambulance ride. Councilman Merritt and Chairwoman King thanked staff for looking outside the box for new insurance.

Councilman Merritt sent this item to council with a recommendation of approval. Councilman Black seconded. The vote was unanimous (3-0).

- b. Mavs Hoops Club Request- Brandon spoke to John Duggan. The recommendation is not to fund the request. There are questions on providing funds to an outside group, which would lead to more requests. Also, there were concerns on using H and A funds. Council could direct staff to draft a policy whereby funds could be requested by outside agencies. It would outline how money would be allocated, how groups would use the funds, and provide for the appropriate funding mechanism.

Councilman Merritt said our chamber of commerce is an outside source. Would this be handled the same way? He said he is not against the chamber, he is just asking. Brandon said yes, the chamber would need to provide an end of the year report and other statistics. The difference now is the chamber went through the process and is a budgeted expense. Councilman Black said in the past, we paid for services rendered and did not just give out money.

Committee authorized Brandon to come up with a policy and have our attorney approve it before bringing it to committee.

7. Public Comment

Joel Ann asked about the insurance coverage if employees have something happen towards the end of the year while they are covered with Cigna. Holly answered if it is anytime through the end of the year, it will be covered by Cigna.

Dennis Raines asked if this was all done through the insurance broker. Mark answered yes. He asked about alternatives after the quotes started coming in.

8. Committee Concerns- None

9. Adjourn- Chairwoman King adjourned the meeting.

Respectfully Submitted,

Cindy Miller

Municipal Clerk