

# Cuyahoga Falls City Council

## Minutes of the Finance and Appropriations Committee Meeting

### July 25, 2005

Members: Mr. Flinn, Chairman; Mr. Barnhart, Vice Chair; Mr. Gorbach, Member.

Mr. Flinn called the Finance Committee to order at 7:06 p.m. All members were present except for Mr. Gorbach.

Pieces of Legislation this evening (second readings):

Sub B-100	An Ordinance providing for Health Care Insurance coverage for employees not covered by a collective bargaining agreement, and declaring an emergency.
-----------	---

Mr. Arrington indicates a substitute was delivered dated 7/25/05. The original ordinance provided that spouses could not be on the city's plan, the second Ordinance provided a 1/3 fee of the COBRA, and the one before us now has the spousal piece at 100% of the COBRA.

Robert Bell, 25 Hunter Parkway: asks if the Unions don't buy into the plan, will we be stuck with this? The ER of \$75 is high and can't we try to assess a co-pay after so many ER visits vs. immediately? This could deter the abusers who use the ER as a physician.

Brett Reynolds, 2525 Acorn, Ravenna: Mr. Reynolds is against B100 and is an FOP Blue Union Member. There are six unions negotiating their contracts with the city, and this legislation could assess the health care benefits for all the city employees. There are other options like another health care provider or using a bond for the city. Don't assess our spouses. Mr. Reynolds was one of the first officers on the scene on 10<sup>th</sup> Street, where there was a shoot out. He explained that in 2 minutes 45 seconds, he earned \$1.51, yet there were two fatal victims and a situation he took under control. He encourages this council to veto this bill since it is not fair to the Mayor down to the newest employee. Many officers are on limited budgets, as well as their spouses, and this legislation may have to force their spouses to discontinue their jobs.

Kim Donato, 437 Middlestone Way, CF: Ms. Donato is on the city's plan through her spouse and is a Human Resource Manager for a company in Tallmadge. She urges the city to try discounts through TPA's like Medical Mutual, AETNA, or try an employee contribution towards the costs vs. these proposed changes. Prescriptions can be managed with generic vs. brand name drugs. There are mail in prescriptions services that also help reduce costs. The ER \$75 co-pay fee is redundant since the 90/10 will force them to pay 10%.

Barb Reed, 925 Roosevelt, CF: Explains she is a spouse of a city worker and has incurred \$100,000 worth of medical which leads her to believe she will be paying \$10,000. This is too much to ask of a catastrophic incident or someone who doesn't have good health. Mr. Flinn corrects Ms. Reed and explains there are caps of \$750 individual and \$1500 for family in-network; therefore, no one will be expected to pay \$10,000 out of their pockets.

Bob Peabody, 2903 Second St., CF: Mr. Peabody became employed with the city 19 years ago and was offered a compensation package that include health care. This was promised to him and he feels that Council should reject this legislation. He compares the costs to a fraction of the costs of the ice skating rink.

Mr. Brodzinski clarified the numbers from the Falls News were incorrect. The \$43,000 savings was from the first Ordinance to the second Ordinance draft and based on our experience of 2004. This was the estimated savings between the two, not the entire projected savings from these suggested changes.

Rodney Truxell, 600 Tallmage Rd., CF: Feels that some spouses will have to quit their second job to afford their health care and the premium for step children should be waived since we are already taking on a larger responsibility by raising these children.

John Sims, 2200 16<sup>th</sup> Street, CF: Asks which Ordinance are we talking about? There are deductibles that were changed between the three ordinances. He indicated he was given some figures about the city's plan which indicate there were 1,333 ER visits last year by 187 families. Since a small percentage is responsible for the ER visits, give us time to educate them to make better choices. Mr. Sims has passed out information to them through the union. Also, the city's full-time status is 40 hours per week, so why is the 32 hours for spouses referenced to?

Judy Pepperall, 995 Cooper: During the first six months of this year, she has had \$3000 out of pocket expenses, which includes co pays and prescriptions. The ER visits for asthma and heart attacks are situations where a child can't breathe or you feel you are experiencing a heart attack. We don't want people not to go because of a co-pay. Virgil Arrington explains that if the person is admitted, the co-pay is waived. Mrs. Pepperall would like to have a non-ER visits require a co-pay and allow the others to not.

Laurie Sienna, 900 Vincent, Tallmadge: Her husband is 42 years old and has a pacemaker. When we use an urgent care, they take a history that discloses his pacemaker, and then he is immediately referred to the ER because of his past health. Chronic problems shouldn't be penalized like his heart problems.

Don Wells, 1915 Seattle: Why is the charge for ER being raised to a \$75 co-pay? Virgil explains the ER costs are much higher than "out of ER" costs.

Don Walters indicates that Council has had three amendments so far. We know we have to make some concessions due to the rising costs of health care. We really haven't seen a cost estimate. Policing the spouses on whether they work or not is going to be difficult. Our Union Leaders and members need to negotiate this out and I feel this legislation is premature and therefore, I won't be supporting it.

Mary Ellen Pyke: \$75 is too much for the ER visit, yet I would be more comfortable with \$50. The in network \$750 and \$1500 for the family, but if you are out of network I think they should remain at \$2000 and \$4000. The spousal piece of full price of COBRA is too high. Spouses at 1/3 COBRA is more reasonable. I would like the Administration to look into managed health care. Require the employees to have a Primary Care Physician that 'oversees' the patients' medical needs, referrals and ER visits. Management of our health care will drive the costs down. Many of our employees do not have a primary care physician. Mary Ellen confirms that employees will receive training and individual sessions to be educated on the new health care plan.

James Deets, 2505 23<sup>rd</sup> St, CF: Several years ago we had many problems with health care billing. Are we looking for the best deal like Walmart or the best quality? Virgil indicates we have TPA's (third party administrators) that were not performing a couple of years back; we have since switched and are with a good network of health care providers.

Jan Naco, 305 Wildosey Dr., Tallmadge: The Union negotiations are the place to work these details out. This is a huge part of negotiations with health care. Please give US the opportunity to work this out and make our negotiations less difficult.

John Sims: This is the first time non-bargaining unit employees are being discussed before the unions have had time to work through their contracts. Let us have a chance to work through these issues first, and then adopt our negotiations to the non-bargaining unit employees.

Jeffery Dane, 1923 6<sup>th</sup> St.: Please don't treat us like children. We have heard several proposals this evening and since the health care is so unmanageable, give us time to work it out through the union negotiations. If this passes, it will make negotiations more difficult.

Mr. Mader indicates that we have been given tools to go forward for the folks we represent. These decisions are hard to make yet we need to come to a viable conclusion. Mr. Potts indicates he has planned for retirement for 10 years, yet the costs of health care have skyrocketed. These costs are more than the city can handle and we have to pass these costs along in a fair manner and I feel this is a compromise.

Kathy Hummel: What I find us doing here tonight by amending this legislation is negotiating and frankly, I don't feel we should be doing that. In view of that, I will not be support Mrs. Pyke's amendment. I agree with the amendments, yet I will be voting 'no' because I don't feel we should be at this stage. Procedurally we are not acting accordingly.

Mayor Robart: This is not about good or great employees. This is about the rising costs of health care. We can't ignore that tonight! This is the health care industry driving the costs up not the City of Cuyahoga Falls. Our costs have increased 78%. We have to reign in these costs as leaders in this community. When he worked at Goodyear, he was notified in his paycheck of health care changes. He didn't have a forum to voice his concerns. These are tough decisions and we need to take a vote and act as responsible leaders tonight.

Virgil indicates Sub. B-100 dated 7/15/05: The ER deductible will be reduced to \$50. The spousal of the COBRA is 1/3 vs. the full COBRA, which was approximately \$178 per month on line 29. He will recess and bring back another amendment with these changes.

Mrs. Klinger: Compensated employees who receive payment 'language' needs incorporated to this ordinance.

Mr. Flinn indicates the employees are lucky to be able to voice their opinion

Mr. Sims indicates that he was not 'given' free health care; these have been negotiated through the years.

### **Miscellaneous Business:**

Finance and Appropriations Committee Meeting adjourned at 9:02 p.m.