

**CITY OF BELLEVUE
LEOFF 1 DISABILITY BOARD
Meeting Minutes**

August 5, 2009
5:30 p.m. – Administration
6:00 p.m. – Business Meeting

Conference Room 1E-118
Bellevue City Hall

MEMBERS PRESENT: Chairperson Susan Neiman
Boardmember Wayne Bergeron
Councilmember John Chelminiak
Councilmember Conrad Lee¹
Boardmember Bryan Reil

OTHERS PRESENT: Paula Dillon, Human Resources
Siona Windsor, Legal Advisor

MINUTES TAKER: Michelle Cash

I. CALL TO ORDER

The meeting was called to order at 6:05 p.m. by Chair Neiman.

II. ROLL CALL

III. PUBLIC COMMENTS

None.

IV. APPROVAL OF MINUTES

Motion by Boardmember Bergeron and second by Councilmember Chelminiak to approve the April 1, 2009 Disability Board Regular Meeting minutes as presented. Motion carried unanimously (5-0).

Motion by Councilmember Lee and second by Boardmember Bergeron to approve the July 1, 2009 Disability Board Regular Meeting minutes as presented. Motion carried unanimously (5-0).

¹ Departed at 6:51 p.m.

V. CONSIDERATION OF APPLICATIONS FOR DISABILITY ALLOWANCES

A. Applications for Disability Allowances

Motion by Boardmember Bergeron and second by Boardmember Reil to approve the Applications for Disability Allowances as presented. Motion carried unanimously (5-0).

B. Applications for Disability Allowances Greater than 1 month

Motion by Boardmember Bergeron and second by Boardmember Reil to approve the Applications for Disability Allowances greater than one month.

Councilmember Lee questioned if a PhD credential is authorized as a physician under the Board Policies and Procedures (claim pertaining to Member #47). Ms. Dillon explained that the Board physician reviews claims if greater than four months and that Member #47's claim followed the proper guidelines.

At the question, motion carried unanimously (5-0) to approve Member #47's claim for time off. The duty relatedness of the claim will be determined at a later date.

VI. CONSIDERATION OF MEDICAL CLAIMS

A. Routine Claims

Motion by Boardmember Bergeron and second by Boardmember Reil to approve the Routine Claims as presented.

Ms. Dillon clarified that Member #108 is within the specified timeframe.

Boardmember Bergeron requested that a notification be sent to Member #74 explaining that the claim period for eyeglasses has been reset, since the original eyeglasses were damaged on the job.

At the question, motion carried unanimously (5-0).

B. Special Claims

None.

VII. EXECUTIVE SESSION

None.

VIII. UNFINISHED BUSINESS

A. Out of Network Discussion

Ms. Dillon distributed a confidential legal opinion regarding out-of-network claims and reported that 1.92% of 2008 LEOFF 1 claims were from out-of-network providers. She also read an e-mail request from LEOFF 1 member Michael Duchemin. Mr. Duchemin requested that a special Board meeting be held to continue the out-of-network discussion. Boardmembers concurred that a special meeting was not necessary for the out-of-network discussion.

Boardmember Bergeron reiterated that LEOFF 1 members would have ample time to review a proposed policy since any proposals would be made available, in writing, to LEOFF 1 members to obtain further input. However, at this time there is no policy to review.

Boardmember Reil recommended that no policy changes be made regarding out-of-network claims. He feels the choice for medical care is being restricted by Premera and that the spectrum is widening for out-of-network providers.

Boardmember Reil suggested that the number of 2008 LEOFF 1 out-of-network claims is insignificant compared to the network claims. He expressed concern with the national healthcare debate and the effects of this debate on the City of Bellevue.

If the trend is for LEOFF 1 members to seek medical care from out-of-network providers, Chair Neiman questioned if the Board is being fiscally irresponsible by catering to physicians that want more money.

Boardmember Bergeron expressed his concern with how the Usual and Customary Rates (UCR) are being determined. He also noted since retirement, he does not recall having an opportunity to change his insurance options. Ms. Dillon clarified that there is an annual open enrollment period for LEOFF 1 members to change their enrollment options.

Boardmember Bergeron questioned whether or not a LEOFF 1 member can opt out of the City's medical plan. Therefore, a member would be covered under the state mandate. Ms. Windsor reviewed RCW 41.26.150 noting there is a specific provision that states that the employer can fund the cost of medical coverage through the purchase of insurance. In particular, subsection 4 discussed funding the liability of LEOFF 1 claims through health insurance. The subsection reads, "Benefits payable under any [under the] plan or

plans shall be deemed to be amounts received or eligible to be received by the active or retired member under subsection (2) of this section.”

Boardmember Bergeron explained that the Board’s role is to pay reasonable medical expenses, not to determine the cost of these expenses.

Councilmember Chelminiak requested clarification regarding the following questions:

- How does Marysville determine their reduction for using non-participating providers?
- How does Bellingham account for the reduction for using non-network providers?
- What does “compelling reason” mean under Bellingham’s policy?
- What is Snohomish County’s prepaid health plan?
- Several Boards on the WSLEA comparison list read “Do not require use of preferred providers.” How is the full amount reimbursed?

Councilmember Chelminiak suggested that the Premera rates need to be evaluated to determine if their charges are “reasonable,” like the long-term care price comparison. He added that he is not convinced that Premera’s charges are the industry standard for a reasonable rate.

Councilmember Chelminiak clarified that LEOFF 1 members should seek care from network providers. The Board will reimburse up to a reasonable amount. If members use network providers, the expenses will be reimbursed. If members use out-of-network providers, there are no guarantees for reimbursement.

Ms. Dillon explained the complicated process for comparing Premera’s charges to doctor’s charges. She added that each surgery and/or procedure performed by a doctor has a unique charge because of specific patient needs and requirements. Since the nursing home study had specific defined parameters, it was a simple comparison. She added that the UCRs for members are covered 100%. The Board evaluates charges above the UCR. The item of concern to Boardmembers was the term “Usual and Customary Rate,” since this is an unknown factor determined by Premera.

Ms. Windsor clarified that the law does not mandate that LEOFF 1 members be able to seek treatment from any desired physician (network or out-of-network) and have all expenses paid. She added that the Board has the ability to define the process as long as the employee or retiree is able to receive reasonable medical care for a particular care or injury.

Councilmember Chelminiak does not feel LEOFF 1 members are being denied quality medical care by seeing a Premera physician. He would like LEOFF 1 members to seek network providers. However, if a member does not seek treatment from a network provider, there are risks associated if the charges are deemed unreasonable.

Boardmember Reil questioned the process that occurs for determining if Premera is the best option for City employees. Ms. Dillon explained that the contract is renegotiated annually and contracts are bid upon periodically (specific contract terms would need to be clarified).

Boardmembers agreed that reasonable and unreasonable costs for medical care are difficult to define. In addition, there was general consensus that out-of-network claims will be evaluated on a case-by-case basis to determine if the claim is medically necessary and if it is a reasonable charge. Boardmembers agreed that LEOFF 1 members should be encouraged to use network physicians.

IX. NEW BUSINESS

None.

X. ANNOUNCE DATE & TIME OF NEXT MEETING

The next Disability Board meeting will be held on Wednesday, September 2, 2009.

XI. ADJOURNMENT

By general consensus, the meeting was adjourned at 7:20 p.m.