Personnel Committee

November 25, 2013 ~ 10:30 AM ~ Large Classroom

**Committee Members Present**: Weldon Smith, Chairman, Don Lewis, Susan Kanard

**Committee Members Absent**: None

**Hospital Staff Present:** David Keith, CEO/President; Darryl Linnington, CFO; Marge Grubbs, Benefits Administrator; Lucy Muller, HR Specialist

**Other:** Cara Bland, MRHC Board Chairman

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***“Privileged and Confidential pursuant to 63 O.S. 1-1709.1 and/or 63 O.S. 1-1709.”*** | | | | |
| **Topic/Finding** | | **Discussion** | **Recommendation/Action** | **Follow-up/ Responsible Party** |
| **Call to order:** | | With a quorum present Chairman Smith called the meeting to order. |  |  |
| **Approval of Minutes:** | | The minutes from July 24, 2013 and August 12, 2013 were presented for review. Ms. Bland would like the correction made on removing her name from both minutes as a committee member. Motion was made (Lewis) and seconded (Smith) to approve the minutes with the corrections made. By a show of hands Motion carried unanimously. | Remove Cara Bland from the absentee list on July 24, 2013 minutes and move her from Committee Members Presents to Other. | Lucy Muller |
| **Old Business:** | | | | |
|  | |  |  |  |
| **New Business:** | | | | |
| 1. **MRHC Employee Benefits 2014 Review** 2. **2014 AET Bonus Structure** | Darryl Linnington and Marge Grubbs presented the 2014 MRHC Employee Benefit proposal.   * Employee eligibility will change with Regular Full Time being a minimum of 30 hours a week to 40 hours a week and Part Time being a minimum of 20 hours a week to 29 hours a week. This is a change from a minimum of 32 hours a week. * There will also be a 30 day waiting period as opposed to a 60 day waiting period. * Option 1 will increase premiums by $26 per pay period for employee only and the deductible will increase $150 for MRHC Services and a savings of $50 for OHN and $250 for Out of Network. Mr. Linnington noted that premium rates have not increased in three years. * Option 2 will increase premiums by $7.50 per pay period for employee only and the deductible will increase $250 all across the board. * Option 3 will be free for the employee only. This is a savings of $7.50 per pay period for employees. The deductible increased $250 for MRHC services, no changes in the OHN, and a savings of $2,000 for Out of Network services. The idea behind the free option is for recruitment and retention. Mr. Smith expressed concern over the max payout for a claim in any of the options. Mr. Keith stated that we have a reinsurance that kicks in at $125K. Mr. Linnington added that in 2013, there were no claims on reinsurance. * There are also proposed copay changes. Mr. Linnington stated that while the purpose of the $20 fee for MRHC insured employees for MRHC services pointed us in the direction of driving employees to use MRHC as their number one provider, MRHC is not getting paid enough for those services. The proposed changes involve a copay of $20 for MRHC Primary Physicians, OHN Primary Physicians and MRHC Urgent Care. A $40 copay for Specialty Physicians and a $75 copay for the Emergency Department. All copays will go toward the deductible and after the employee meets the deductible all MRHC Services will be covered 100%. Also, changing is that employees are able to voluntarily have a minimum of $75 per pay period deducted from their check for a period of 10 pay periods to pay any balances for medical services rendered at MRHC. Mr. Lewis asked what the percentage of employees purchase their insurance somewhere else. Mr. Linnington stated that he could not give him an exact number; however, feels that it is a low number. Mr. Lewis expressed concern that if we don’t collect enough premiums, MRHC won’t have enough to cover claims. * Mr. Linnington presented the proposed share of costs. In all options, the employee pays 31% of the monthly premium and MRHC pas 69% for employee only. For employee plus one, the employee pays 54% and MRHC pays 46%. For employee plus two or more, the employee pays 46% and MRHC pays 54%. Mr. Smith asked how MRHC compares with other hospitals. Mr. Linnington stated that this brings us back in line. The makes our share of cost more reasonable. Mr. Linnington also stated that the benefit team is still working with Waterstone and there could be some minor changes based on final discussions. Should there be any major changes, another Personnel Committee meeting will be called. * Employee Time Off will be changing from a separate Vacation, Sick, and Holiday system to a Paid Time Off (PTO) system where sick, holiday and vacation are bundled into one system. Extended sick leave will be available and accrued for FMLA leave. Currently, MRHC averages seven call-ins every day. Mr. Linnington feels that the availability to a rich sick hour bank is one of the reasons the average is so high. The new PTO system will allow employees to self-manager their days off and address the sick call in abuse. He estimates this will be a savings of $110K. Another change will be substituting the birthday holiday for the Friday after Thanksgiving. Each employee based off of their years of service will accrue different rates. Mr. Smith asked if employees were allowed to donate time. Ms. Grubbs explained our donation system. Mr. Smith discussed of having the option for employees to donate their time to a generic bank so that employees can give to other employees. He asked if we always have someone that needs time. Ms. Grubbs responded that it is often that someone is out on FMLA and needs time; however, we can’t advertise due to confidentiality reasons. * Mr. Keith recommended to move to forward with the changes and present to the MRHC Board at the December board meeting. He requests that the PowerPoint be condensed down to a couple of pages. Discussion ensued. Motion was made (Smith) and seconded (Lewis) to present the 2014 MRHC Employee Benefits to the entire MRHC Board at the December board meeting. By a show of hands Motion carried unanimously.     Mr. Keith presented the 2014 Proposed Bonus AET Structure. The bonus structure is performance based and the payout is different by position. Stewardship is the trigger. The trigger must be met in order for any bonus to be paid out. Mr. Keith stated that he feels that the trigger will not be met in the FY 2013; therefore, no bonuses will be paid out for this year. Mr. Keith continued to go over targets and target plus for each outcome goal. Mr. Smith asked how the goals and targets have changed. Mr. Keith recommended that the committee table the discussion and discuss at a meeting. Discussion ensued. Motion was made (Smith) and seconded (Lewis) to present table the 2014 AET Bonus Structure and have a separate meeting next month. Moiton carried unanimously. | | Mr. Keith recommended that the PowerPoint be revised and condensed for the December MRHC Board Meeting.  Motion was made and carried to have the 2014 MRHC Employee Benefits Review on the agenda for the December 2013 MRHC Board Meeting.  Mr. Keith recommended that the discussion be tabled until next month and to have Kim Stout present to help present.  Motion was made and carried to have another meeting next month to review and discuss the 204 AET Bonus Structure. | Darryl Linnington and Marge Grubbs  Lucy Muller/Sonya Stone  David Keith/Kim Stout  Lucy Muller |
| **Other Business:** | | | | |
|  | |  |  |  |
| **ADJOURNMENT:** | | No further business was brought before the Committee for discussion. | The meeting was adjourned at 12:30pm. |  |

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Weldon Smith, Chairman

/lmm