RUTHERFORD COUNTY BENEFITS & INSURANCE COMMITTEE
MARCH 27, 2014 COURTHOUSE

MINUTES

MEMBERS PRESENT:	OTHERS PRESENT:
MAYOR BURGESS	MELISSA STINSON
JOE RUSSELL	EVELYN ANDERSON
PAULA BARNES	SONYA STEPHENSON
ELIZABETH CRACE	TARA RHODEN
RICKY MARLIN	SHERRY DODD
WILL JORDAN	KELLI LEWIS
VIRGIL GAMMON	JAY BROWN
JOYCE EALY	PAUL HUFFMAN
JEFF SANDVIG	LISA NOLEN
MERRY HICKERSON	JENNIFER DAVIS
REGINA HARVEY	KATHY MCMAHAN
GREG HALL	
DONNIE HESTER	

APPROVE MINUTES:

A motion was made by Merry Hickerson to approve the minutes from the last Benefits & Insurance Committee meeting on November 19, 2013. The motion was seconded by Greg Hall, and passed unanimously.

FINANCIALS:

The financial report was handed out, but not presented.

WC/OJI STATS:

The WC/OJI Stats report was handed out, but not presented.

WELLNESS UPDATE:

The Wellness Update was handed out, but not presented. Mayor Burgess noted that about 98% of the employees completed the biometrics Know Your Numbers campaign; while approximately 106 employees did not.

HRA FEE AT MED POINT AND WALGREENS RETAIL:

Since August 2008, a $50 copay has been collected from those enrolled in the HRA medical option for non-preventative services. At that time, the HRA had no premiums. The purpose was to offset costs form the County. Today, there is a premium tied to the HRA option. A sick visit to any other clinic costs the plan around $57. Ms. Stinson, Risk Management Director, did not want to stop our employees from utilizing the Med Point clinics because of the copay, and the County does see savings at our clinics. She suggested removing the $50 copay if enrolled in the HRA option, January 1st. Mrs. Harvey asked if this could be done sooner than January.

A motion was made by Jeff Sandvig to remove the $50 copay tied to the HRA option at the Med Point clinics effective July 1, 2014. The motion was seconded by Elizabeth Crace and passed unanimously.

EMPLOYEE ASSISTANCE PROGRAM (EAP):

Ms. Stinson reviewed the spreadsheet of EAP proposals. Various companies submitted bids, but the incumbent, LifeServices proposed the best renewal, lowest costs, and expanded services. LifeServices current cost is $1.66 PEPM; the proposed rate is $1.44 PEPM. The only change is the number of kits (grief, illness, etc.) we receive. Currently, we receive $3,000 per quarter to utilize. The renewal includes 10 annually; other kits will cost $75. A postcard could be mailed first to see if the employee would benefit from the kit before sending it out. Ms. Stinson recommended renewing with LifeServices.

Mrs. Barnes stated that LifeServices was a good group to work with, they were quick to respond, and receptive to requests. She was very pleased with their services.

A motion was made by Merry Hickerson to accept LifeServices proposal and stay with them effective 06/01/14. The motion was seconded by Commissioner Jordan, and passed unanimously.

WELLNESS PLATFORM:

Cigna offers a wellness platform to help track, monitor, and message employees regarding wellness programs. The 98% achieved for the Know Your Numbers campaign required a lot of effort and time from the County; as we move forward, this will be more difficult to track, explained Ms. Stinson. Cigna offers a free program to help manage wellness. Jennifer Davis, Health Promotion Manager, reviewed a digital experience for ways to connect, collaborate and create more powerful engagement from employees. To begin, employees would log in to myCigna.com and take a health assessment. Once completed, you can connect with social communities on a variety of health topics through a program called Zensey. You get a customized gallery of goals, communities, and articles based on your replies. The answers are shared with Cigna to match you to useful health services and programs. All data is private and secure. Employees have the opportunity to earn coins online to enter drawings and win prizes. A unique feature allows Cigna to auto feed lab results into the system for employees to view their latest numbers and identify possible risks in their overall health. A personal health coach will reach out if needed.

The first year the County utilizes this expandable program, there will be a 9 minute health risk assessment employees will take. The County is already moving to an electronic process with e pay stubs and electronic documents. If a smart phone or computer is not available, resources will be available for employees at work. This program will be available for County employees July 1st.

Cigna partners with Audax, the company that will receive all the data that is protected by HIPAA. All data is private and secure. The County will not see specific info, but will receive an aggregate report. The County will see if you did your HRA or not. Cigna will only pass information to the personal health coach about lifestyle risks.

<u>FUTURE WELLNESS PROPOSAL AND ASSOCIATED FEES:</u>

Ms. Stinson reviewed a compounding program regarding future wellness and associated fees.

For 2015, the employee and spouse must complete the Health Risk Assessment (HRA) using the Zensey platform between September 1 – November 30, 2014. Note: Both the employee and spouse must complete the HRA to avoid the $25.00 per month wellness fee which will begin in January 2015.

For 2016, the employee and spouse must complete the Health Risk Assessment (HRA) using the Zensey platform; and complete a biometric screening between January 1 – November 15, 2015. Note: Both the employee and spouse must complete the HRA and Biometric Screening to avoid the $25.00 per month wellness fee which will begin in January 2016.

For 2017, the employee and spouse must complete the Health Risk Assessment (HRA) using the Zensey platform, and complete a biometric screening; and participate in the Health Coach Program, if identified as a candidate through the HRA and biometric screening results between January 1 – November 15, 2016. Note: Both the employee and spouse must complete the HRA, Biometric Screening and participate in the Health Coach program, if identified, to avoid the $25.00 per month wellness fee which will begin in January 2017.

Ms. Stinson explained that this is a compounding program; in 2017, when someone is contacted by a health coach and refuses to participate in the program, then they will be penalized the $25 fee, as this is one of the 3 qualifications required in 2017. Also, starting in 2015, the spouse will be required to meet the proposals if enrolled in the medical plan.

Paul Huffman, Cigna, answered questions regarding health coaches at Cigna. When an employee is identified at risk, they are ranked as either, high, medium, or low at Cigna. The participant will receive a postcard from Cigna, along with a phone call from the health coach. If the coach cannot reach you, a message will be left. An outreach will be attempted 3 times. Once contact is made, the coach and individual will tailor their calls based on goals set. If an employee tells the coach they want to opt out of the program, that call can be pulled from Cigna records if necessary for verification. Mr. Brown, Cowan Benefits, added that the health coaches are available starting in 2015 for our employee's; it is not until 2017 that they are required to communicate with them.

The State has a similar program in place for their employees. Ms. Stinson wanted to provide a multi-plan program in advance, so the employee asks, they know what is required for the next year.

Commissioner Jordan mentioned that we had looked at another approach regarding the wellness fee. Last year in the Budget Committee a wellness credit was discussed; the employee would save $25 if they participated in the program. The premium would already have the $25 added to it and the employee would work toward a savings. Ms. Stinson said that during her absence earlier this year, a team of folks who were dealing with the wellness fee, decided against this approach. The team consisted of both Finance Directors, HR Directors, and other individuals. The outcome was that since we are already using this approach of adding a fee, we should continue with the same approach each year. Mr. Sandvig added he preferred the other method of having the fee added upfront, but lack of time kept that from initially happening last year. He added that each year, employees have had to face increasing premiums, and adding the $25 to the increase is a lot to absorb, even if they get that fee back if they participate in the program. Mr. Hall added that this is really a benefit for employees to be able to reach out to a health coach for management of their personal health. He added the County is willing to offer this to try to save claim dollars down the road. Mrs. Barnes stated that in the team discussion regarding adding the fee upfront, it was determined it would be more difficult to manage refunding employees who had participated, and determine when to handle that process.

Employees and spouses will have 11 ½ months to satisfy the three requirements for 2017. The penalty would be added January of the following year if a requirement is not done. Mrs. Davis added that the employee is setting the goals with the health coach at the level they want, not the other way around. In answering questions, she stated that individuals who are identified at high risk (determined by Cigna) would be reached out to up to 6 times by the health coach.

A motion was made by Merry Hickerson to adopt what was presented, the future wellness proposal and associated fees for 2015, 2016, and 2017, reserving the right to tweak if necessary as Cigna gains experience in this program. The motion was seconded by Donnie Hester. After discussion, the motion passed with everyone voting "yes" with the exception of Joe Russell who voted "no".

HEALTH CARE REFORM IMPACTS FOR 01/01/15:

Mr. Brown stated that due to Health Care Reform, in 2015, co pays have to go toward out of pocket (OFP) maximums. As a result, you will have a richer plan. The vision coverage will have to be carved out of the medical plan because of the OFP maximums. The vision plan has co pays and must be separate from the medical. When separated, the employee can enroll in medical without vision, or vision without medical. The suggested rates are: employee $4.63, employee/spouse $9.72, employee/children 8.57, and employee/family $13.43 monthly for 2015. The vision coverage is routine vision care, such as eye exams, eyeglasses, contacts, etc. By separating vision from medical, it will create adverse selection explained Ms. Stinson.

A motion was made by Jeff Sandvig to approve vision as a stand- alone benefit as presented;that is 100% employee paid. The motion was seconded by Mr. Marlin and passed unanimously.

2015 DENTAL RATES:

A handout of suggested rates for 2015 was presented. The dental plan did not have a rate increase last year, but requires a 9% increase for 2015. A lot of the expense is driven by option 2 buy up plan.

A motion was made by Mr. Marlin to approve the 2015 dental rates as presented. The motion was seconded by Joe Russell and passed unanimously.

SPOUSAL OPT-OUT FOR 2015:

This item is for discussion only, explained Ms. Stinson. We have talked about this before regarding coverage for spouses. If an employee is married, and their spouse can obtain insurance through their employer, do they become ineligible to participant in our plan? If we adopted this plan, it is estimated that 30% of spouses would be removed from coverage, and it would bring 8.2% overall reduction, or 4.6 million dollars. Spouses cost as much as employees do on the plan for claim experience. At the last review, employees typically average cost per year was $3,972, spouse's average was $3,834 per year. This year employees average cost was $4,419 per year, and spouses average was $4,016 per year.

Mrs. Hickerson said no, she did not support removing spouses who are eligible with their employer. This would hurt the employee at retirement if they had to remove their spouse while actively employed, they would not be able to cover their spouse at retirement.

There are 5,465 full time employees; of that 3,841 are female, and 3,513 are married. Predominately, our population is female and married, and they have a spouse that works somewhere else. If we implement this policy, it will affect a lot of teachers. Mrs. Harvey agreed with Mrs. Hickerson, we would be penalizing our employee at retirement. She said teachers would be out more in premiums if employee and spouse both had insurance deductions with their employer.

Our current OPED liability for our retirement population is 69 million, currently unfunded. If we continue to allow spouses on our retiree insurance, what will the liability be? Ms. Stinson realized this is an emotional discussion, but we have to think of the County side too. Mr. Hall spoke, suggesting looking at making changes for future new hires. Mrs. Stephenson expressed concern regarding benefit changes for new hire, as it may hurt our ability to recruit and retain quality employees. Another suggestion was to add an extra charge for spouses (spousal surcharge) who have coverage available through their employer and choose not to enroll with their employer. Mr. Marlin requested more information on the liability if this change is made, some figures to see what the impact would be on the plan. Mrs. Nolen said they are already meeting with the actuary regarding the recent change made by blending rates between under 65 retirees and active employees which will raise our liability. Mayor Burgess indicated that we had several ways to look at this, and a couple of options to review.

After discussion, a motion was made by Gregg Hall to start the journey of looking at different options and scenarios that might be appropriate regarding spouse's covered by our plan, coupled with the actuary information we will receive. The motion was seconded by Virgil Gammon and passed unanimously.

2015 MEDICAL PREMIUMS:

Ms. Stinson led the discussion regarding current 2014 rates for actives, pre 65 retirees, and post 65 retirees. We have already passed blending the rates for pre-65 retirees with actives. Pre65 retirees will now have a 4 tier rate structure. Built in's for HCR are already reflected in the 2015 budget, now the 2015 budget needs to be approved. Our total budget for 2014 will mirror what we need for 2015. The suggested 2015 budget is $62,337,375, same as 2014.

A motion was made by Jeff Sandvig to recommend and adopt the 2015 budget as presented. The motion was seconded by Regina Harvey and passed unanimously.

2015 COUNTY CONTRIBUTION FOR MEDICAL PREMIUMS:

The County contribution will reduce 1% in 2015. You will see an increase in active premiums for 2 reasons, explained Ms. Stinson. First, we blended the rates for pre 65 retirees, and actives. About $800,000 moved to the actives, or 1% to the employee. Second, the County lowered their contribution by 1% annually. Mr. Brown stated that for each percentage the County reduces their contribution, it saves about $450,000. Spreadsheets were reviewed with the blended rates and 1% reduction, and blended rates with 2% reduction along with slides by Mr. Brown. Different calculations with County contributions were demonstrated to reflect premiums and increases to employees. Mr. Sandvig said he would like to see the County contribution hold at 1% decrease for 2015 because we have had premium increases for the past couple of years.

A motion was made by Mr. Sandvig to recommend the premium proposal on handout page 3, the rates that include blending the actives with the pre 65 retirees, and lower the County contribution 1% effective 01/01/2015. The motion was seconded by Merry Hickerson and passed unanimously.

STOP LOSS RENEWAL:

Each year the stop loss is reviewed with Cigna. Mr. Brown and Mr. Huffman along with Cigna, talked to underwriting; they suggested 10% increase in stop loss. The County has had lower increases in the past; however, our plan continues to grow stated Ms. Stinson. The current rate is $5.95 per employee; the suggested rate would be $6.55 per employee. The individual pooling level would remain at $750,000, and annual ISL maximum $1,250,000.

A motion was made by Gregg Hall to recommend the 10% increase to Stop Loss as presented. The motion was seconded by Jeff Sandvig and others and passed unanimously.

OTHER BUSINESS:

Currently, we do not have anyone in the Post 65- Non-grandfathered Medical only category. We have other classifications already in place when employees retire. There will be one class of retirees who will not be eligible for pharmacy when they reach age 65/Medicare. The total rates are proposed: Single- $228.40, Two-Party- $456.80, 1 Over 1Under- $486.47, and Family- $582.43. The County contribution is 50%.

A motion was made by Merry Hickerson to recommend the Post 65- Non Grandfathered Medical Only rates as presented. The motion was seconded by Gregg Hall and passed unanimously.

The meeting was adjourned at 3:35 p.m.

Ernest Burgess

Ernest Burgess, Chairman
Rutherford County Benefits & Insurance Committee