RUTHERFORD COUNTY BENEFITS & INSURANCE COMMITTEE
JANUARY 28, 2016 COURTHOUSE

MINUTES

MEMBERS PRESENT:	OTHERS PRESENT:
MAYOR BURGESS	MELISSA STREET
JOE RUSSELL	LISA BURKHART
RHONDA ALLEN	SHERRY DODD
JIM BOWLES	DAN GOODE
JOE HAFFNER	KATHERINE LEE
SUSAN BONEY	WAYNE BLAIR
MERRY HICKERSON	PAUL HUFFMAN
REGINA HARVEY	KELLI PERRIEN
GREG HALL	LISA NOLEN
PAULA BARNES	MARY ASHERBRANNER
ALLEN MCADOO	KATHY MCMAHAN
SHAUNTAE SHERRIL	AMY SUMMERLIN
	SONYA STEPHENSON
	SHANNON MCNAIR
	EVELYN ANDERSON

The meeting was opened by Mayor Burgess.

APPROVE MINUTES:
A motion was made by Merry Hickerson to approve the minutes from the last Benefits & Insurance Committee meeting on November 19, 2015. The motion was seconded by Rhonda Allen and passed unanimously.

FINANCIALS:

Risk Management Director, Melissa Street, beginning with Fund 264 for the month of December our Self-Funded claims PEPM was $943.00, compared to prior year of $1,031.00 YTD average $968.00 YTD average, compared to prior YTD average of $904.00. Comparing our On-Site Medical Clinics experience our PEPM increases to $983.00 compared to prior year of $1,060.00 for an YTD average of $1,009.00 compared to prior YTD of $935.00.

For fund 266, the month of October YTD ended $301,693.67 compared to prior year of $333,836.74.

Rhonda Allen added, she noticed that year over year the numbers go up, asking Mrs. Street if she was comfortable with the percentages based on overall trends.

Mrs. Street responded by stating month over month we do look at how the numbers are trending. Even though the numbers are up slightly on a year to date average, the numbers fluctuate heavily; we do know what the driving factors are. During the summer months the numbers are trending lower, with employees going on Vacation and so forth. We currently don't see anything that would cause concern. However, when we began discussion on our rates in March, we will build a normal trend line into our rate calculations that allow us to stay ahead of the curve on the monthly adjustments.

Mr. Burgess welcomed Shauntae Sherril, who is an employee with our Planning Department, to the Insurance Committee.

WC/OJI STATS:

Dan Goode, Safety Coordinator, reported that for the month of December 2015 had a total of 9 injuries that required medical attention. The YTD injuries total was 185 for January through December, of the claims 117 were OSHA recordable, 53 had restricted days, and 38 had lost time days and 26 were all others. Mr. Goode reminded the committee that OSHA has a different calendar from the fiscal year, the OSHA calendar ended in December 2015. We compared previous years beginning with 183 in 2013, 224 in 2014, and 185 in 2015.OJI Injury total dollars incurred were $319,000 in 2013, $277,000. in 2014, and 511,000. in 2015. Of the 9 injuries the Board of Education incurred 4, County General incurred 5 claims. The claims for County General were 4 claims for the Sheriff's Department and 1 claim for County Court Clerk's office. Overall totals for 2015 were 185 that totaled $511,403.78. Board of Education had 99 claims totaling $ 302,683.92, Highway Department had 7 injuries totaling $ 55,786.27, and County General had 79 injuries that totaled $ 152,933.59. OSHA requires every Employer to post the 300A form from February 1st through April 30th 2016 in all County Buildings. This form has been e-mailed to all Department Heads. Please check your local bulletin board to make sure the form is there and that the year is for 2015.
Mr. Goode also mentioned that OSHA has notified him regarding their Annual Inspection; the date scheduled for this inspection is March 8, 2016. OSHA requires an Annual Inspection for all Government Entities. They will be looking at each departments Policy and Procedures, Blood borne Pathogens, Right to know, Lock out Tag out, Record Keeping, and properly keeping the OSHA 300 Log that I maintain.

Mrs. Street asked if all departments have completed the Blood borne Pathogens and all other requirements.

Mr. Goode responded that he was waiting on feedback from one department out of nine blood borne pathogen program. The Correctional Work Center is missing two signatures; we should have everything needed prior to the OSHA inspection.

Sonya Stephenson asked if there was a check list that the Departments could have to make sure they have everything that is required.

Mr. Goode replied that OSHA doesn't have a check list. OSHA has indicated that they go by their OSHA Manual. However, I can provide a list if needed.

Mrs. Allen asked if Community Care was included in the inspections as well, and if they are on our Health Insurance.

Mrs. Street responded by saying, Community Care are not Rutherford County Employees, their OSHA program is separate from ours. However, they are on our Health Insurance, which was a grandfathered situation allowed by the Rutherford County Commission.

WELLNESS UPDATE/2017 WELLNESS CAMPAIGN TIMEFRAME:

Kelli Perrien, Wellness Coordinator, gave her report for November and December 2015. Wellness on Wheels visited 10 Rutherford County Schools in November and December with 179 in attendance. The topic for the 4th Quarter was "Stop Stressing". Our group activity had 70 people that participated. Bonnie Cox, with Rutherford County Schools, was the 'Stop Stressing" winner.

Our November and December 2015 One on One Coaching at Med Point Clinics saw a total of 86 visits.

Know your numbers year 3 had 439 employees that didn't comply with the Wellness Requirements; this averages out to be about 9%.

Know your number year 4 will be the same as 2015. Employees and covered Spouses will be required to complete the Biometric Screening and the Online Health Assessment. We didn't want to make any changes to the requirements for 2016. However, we would like to discuss the deadline dates. We would like to purpose that the deadline date be moved up to September 30, 2016. The date would run from January 1, 2016 through September 30, 2016. In the past employees would have from January 1, 2016 through November 30, 2016. The November deadline only gives 30 days to get all the Reports from Cigna and to send the information to Payroll for deductions.

Mrs. Street discussed the reasons to consider change the deadline for several reasons. Mrs. Barnes received feedback from employees that the deadline date was confusing. Some employees thought that they would have until November 30th to complete Open Enrollment. The Open Enrollment begins around the second week in October and ends around the first week in November. Also, with trying to get all the information from Cigna and set up in payroll requires more than 30 days. After some discussion with Mrs. Barnes it was decided that it would be better for employees to close out 1 campaign before beginning another.

Mrs. Perrien also mentioned that the previous deadline was originally set to give employees more time to complete the Wellness requirements. However, it was determined that the previous timeframe was set as a convenience to employees. Med Point ran about 5000 Biometric Screenings and completed 50% of them within the last 50 to 60 days.

Mr. Marlin asked about the ability for the employees to get their blood draws during the Annual Wellness Fair.

Mrs. Perrien responded by stating for best results, employees need to "fast" prior to the blood draw.

Mrs. Hickerson asked what happens if employees go to their own physician?

Mrs. Street told Mrs. Hickerson that they could make sure the blood draws were accepted and processed. It would make the process a lot easier if employees went to Med Point.

Mrs. Barnes made a motion to approve the timeframe for the Wellness requirements to run from January 1, through September 30, 2016 to alleviate any confusion. Mrs. Harvey seconded the motions and the motion was passed unanimously.

GASBY LANGUAGE AND RETIREE MEDICAL PLAN ELIGIBILITY:

Mrs. Street explained to the committee that by making the change this year regarding the Spousal Carve Out, there would be an unintended effect on future Retirees. Some families have made the decision to maintain family coverage in one place, possibly with the other spouse due to it being cheaper for the family. This transfer of coverage will give our employee a gap in coverage and would change the eligibility for this employee to Retire under the current guidelines. Current language was put in place to prevent individuals from getting on insurance the last 5 years prior to retirement and be benefits eligible to continue Lifetime Medical Benefits. Due to this requirement, Rutherford County is spending a lot of money and so is the employee to meet the guidelines.

Mrs. Street made a recommendation to the committee to remove the current language which states as follows;

Participation in the medical plan, as defined in the eligibility requirements, must occur in the years immediately prior and leading up to the retirement date for the employee.

Mrs. Street mentioned that the current language was put in place to prevent individuals from getting on the insurance 5 or 10 years prior to retirement to give those Lifetime Medical Benefits. This requirement not only cost the employee money but cost Rutherford County money as well.

Mrs. Harvey, if an employee works and is on the insurance for 5 years and goes on Maternity leave, then decides to take several years off to stay home with her child, returns to Rutherford County and works for 10 additional years, this employee will be eligible to keep benefits as a Retiree. Is this correct?

Mr. Burgess confirmed that an employee does not have to be on the insurance at retirement but will be required to have the number of years on the insurance plan.

Mrs. Stephenson, how would this affect our Gasby Liability?

Mrs. Street replied, we have not requested a Gasby Liability reevaluation. However, we did look at it before the Spousal Carve Out piece; you will have a cancellation process. We have removed some long termed liability from the plan. We can initiate that process; it is likely that it will cancel out Gasby liability. We are no longer maintaining long term liability. We are currently experiencing retirees their insurance for some it is not affordable.

Mrs. Barnes stated for clarification, if approved, this would remove "consecutive years of service" prior to retirement, provided they still meet the current criteria, correct?

Mrs. Street explained to the committee that eligibility is determined by the years on the plan. As an example, if an employee has the option of moving her insurance to her spouses plan, but has to stay on our plan may chose to enroll in the HRA plan with no cost to the employee but cost the County thousands of dollars, the employee would use her coverage as primary and the spouses plan as secondary. Since the benefits are free to the employee it also qualifies them to continue benefits with retirement. In essences the County is spending more money in premiums that would be saved.

Mr. Burgess summarized; with the removal of the above retirement language there is no loss or impact to the employee. Also, we do not currently know if this will have a real barring on Gasby, if so, it would be a minor impact to the actuarial of cost or liability to Rutherford County.

Mrs. Street responded by saying there is always an ongoing review of our active plans and retiree plans. When changes are made such as this helps to reduce our liability.

Mrs. Harvey, if this recommendation is approved what is the effective date for this change.

Mrs. Street responded by saying it would be effective retroactive back to 01/01/2016.

Mrs. Hickerson stated that our intentions have never been to harm the employees with any changes made. She agrees that in the best interest of the employee and the plan is to remove the above language from the retiree Medical Plan.

Mrs. Hickerson made a motion to approve the recommendation to remove the above Retirement Language.

Mrs. Barnes and Mrs. Harvey seconded the motion.

Motion passed unanimously.

BROKER OF RECORD/CONSULTANT FINALIST PRESENTATION

Mrs. Street introduced Mercer as the first finalist presentation for Broker/Consultant.

Mrs. Street, we issued a Broker of Record/Consultant bid as was approved by the insurance committee to move forward. A selection committee and I interviewed all candidates and have narrowed the search down to 2 Broker/Consultants. Each finalist was given 30 minutes to present and talk about their strengths and what they bring to Rutherford County. We were looking for a Broker/consultant that could go to Market and achieve the best savings within the Market place, in terms of their products, pricing, who is knowledgeable about wellness, cost savings, employee relations, everything that makes a program run smoothly and works well. As the finalist were interviewed those were some of the areas discussed. Questions asked were; how will you continue to support Rutherford County in their efforts to move our program forward, while containing cost, as well as, addressing employee relations in a way that we do not become the anti-employee department in Risk Management. That is why we need a partner and help with communication, there is so much information that needs to be communicated and achieve the goals set forth.
Mrs. Street also wanted to let the committee know that she had previously worked with Emily Hailey and Jim Horrell in past while working for a TPA. Mercer was the Broker for mutual clients. Mercer was a great advocate for their clients and did their jobs well. Also, Jay Brown, previously with our current Broker, Cowan Benefits, is now with Mercer as well.

Emily Haley, Sr. Account Manager with Mercer spoke to the committee, if Mercer is chosen she will be Rutherford County's primary contact. Mrs. Hailey told the committee that Mercer is one of the largest

Consulting Firms for Employee Benefits and Human Resource Consulting. Mrs. Hailey's main focus was the 4 pillar services available, Talent Compensation, Health, Retirement and Investments.
Mercer has $4.35B in Revenue, 21,000 employees servicing 28,000 clients worldwide and touch approximately 110 million lives. Even though Mercer is large there is a Local Service Team that will be available to Rutherford County. Nashville has been targeted as growth market; we have expanded our resources and expanded our service team. Mercer's Expertise includes;
Pharmacy Professionals, more than 50 on staff.
Over 500 professionals Actuarial and Financial advisors on staff
Mercer has 60 attorneys that directly deal with Compliance. They assist in understanding legislation, health reform. Mercer communicates the attorney's on a daily basis.

Mercer's goal if selected would be to schedule a strategy discussion to learn more about Rutherford County and your objectives, guiding principles, learn more about internal and external as well as control cost and meeting the needs of your employees and dependents.

Mr. Jim Horrell, Lead Consultant with Mercer told the committee that he would assist in the Technical and Financial side. Mercer does a lot with Financial Services. Some of those services and programs are to be involved in cost projections, plan design, revision values and core work in regard to ACA compliance. One of the Key components is modeling contributions, extensive experience. Mercer's background includes setting contributions on the basis of incentives. Strategy is the key not of everything Mercer does.

Megan Neumann, Wellness Coordinator with Mercer, works on Wellness Strategies, interventions, vendor selection for clients of all sizes; nutrition, weigh management solutions.

Mrs. Street confirmed that Mercer is not tied directly to any 1 vendor. When our Medical, Dental and Vision products go out to Market, Mercer will not solely be committed to one Vendor. Mercer will provide information from many sources that are objective and cost effective, correct.

Mr. Horrell replied by saying absolutely, that there are no binding contracts with any of the vendors. Mercer does not allow their employees to be solicited by one vendor. We would lose our jobs if that happened. We will work on Strategies and the needs of Rutherford County.

Mr. Hall asked how Rutherford County would handle Annually Evaluations.

Mrs. Street responded by saying, one of the things mentioned by Mercer was a Multi-year Strategy. That is where we would lay out what the program look like. Mercer would have strategies to make it happen. So we would evaluate certain milestones on the strategy plan. We determine if we achieved our objectives, what we saw in returns, from cost savings for implementations, when we go through the bid process, how we improved our programs. We also would look at how we improved our pricing and what employees picked up in services as well as additional benefits as a result in that process. We would look at services that the Broker/Consultant has brought to Rutherford County.

Mrs. Hickerson asked what timeframe we are looking to have Broker in place.

Mrs. Street, contract effective date will be March 1, 2016

Mrs. Street introduced Heath Holt, Client Advocate with Willis.

Mr. Holt told the committee that Willis builds a team of subject matter experts around every client.

<u>Healthcare Cost Management</u>:
Data mining & analytics
H&W actuarial
Financial reporting
Prescription drug
CDHC feasibility
Plan design modeling
Contribution modeling
Migration studies
Benchmarking

<u>Impacting Productivity:</u>
Turnkey wellness
Worksite reviews
Diet content
Fitness content
Health coaching
Reward tracking
Reward delivery

<u>Human Resources:</u>
HR strategy
Total rewards
HR audits
Best practices
Handbooks
Policy & procedures

Training/Development
Web based tools

Legal and Compliance:
Federal compliance
Client Support
Seminars/web casts
Compliance Manual
Publications
Government filing

Communications:
Open Enrollment
New Hire Orientation
Employee outreach
Wellness
Consumer Engagement
Media includes: Print, Electronic: Web, Video and Text

Priorities for our Clients:
Health Care Reform Planning
3 – 5 Year Strategic Plan
Consolidation and Efficiencies
Compliance
Customer Service and Focus
Financial and Clinical Reporting
A Partner Focused on Next Steps

The Willis Approach would be to Control Health Care Cost, Support HR (Strategic Planning, Compliance, Resources) and Educate & Train Employees related to their Benefits Plans

Legal & Compliance by providing Compliance Manuals, Access to ERISA attorneys for regulatory and compliance assistance, and Federal compliance as well.

Client support would provide assistance with HIPAA, ERISA, COBRA, FMLA, and other compliance questions.

Seminars/web cast to help prepare signature-ready 5500s and SARs

Publications, Government filling help with Compliance audits, correct mistakes, prevent recurring problems and identify potential pitfalls.

Health Cost Management:

Health plan management reports, Drill-down to isolate problem areas, Solutions with alternative modeling, Multi-project health reporting, Prescription management reporting, High cost analysis, Disease profiler, Attractive, easy-to-read results.
Willis will also provide Underwriting/Actuarial Services. These Services are tailored to the unique needs of each of our clients and can include:
-Renewal projections, reviews and negotiations
-Benefit plan design analysis-increments and decrements
-Financial Strategy review
-Reserve analysis
-Working rate and premium equivalent calculation
-Actuarial valuation of IBNR calculations
-Post-employment benefit valuation service

Wellness Consulting:
Industry Leaders in Wellness and offer Strategic Consulting, Unbiased Expertise, Resource Guides, Tool Kits. Willis also provides, Templates, Employee Communications, Seminars and Webcast and Willis Health and Productivity Survey.

Mr. Holt added that Willis is Client Focused; we are driven to help our clients succeed. In every interaction and with every solution, we act in our clients' best interest – striving to understand their needs, respecting their perspectives and exceeding their expectations.

Mr. Blair which was part of the Broker/Consultant selection committee spoke to the Insurance Committee about some of the questions and concerns the selection committee as the Finalist. One thing the committee looked at was competitive pricing; we focused on wellness programs, advising help with Legal aspects.

Mrs. Street told the committee that the selection committee chose Willis as the Finalist to move forward, it was unanimous.

Mrs. Stephenson added, based on what we heard in these meetings regarding the consulting part will bring a totally new aspect to Rutherford County compared to 10-15 years ago. The groups that came before the committee bring forth so man additional resources for not only Risk Management, but also to the Human

Resource Department, as well as, Human Resources at the Board of Education. Willis has wonderful tools available and easily accessible. It's almost like getting two for one with Willis.

Mrs. Hickerson made a motion to go with Willis based on the information from the Selection Committee, based on the cost savings. I agree that a Broker is very much needed because of all of the new compliance laws and changes Rutherford County is facing on a daily basis.

Mr. Hall seconded the motion.

The motion passed unanimously.

Other Business:

None

The meeting was adjourned at 3:20

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Ernest Burgess, Chairman
Rutherford County Benefits & Insurance Committee