RUTHERFORD COUNTY BENEFITS & INSURANCE COMMITTEE
NOVEMBER 19, 2015 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
ELIZABETH CRACE	LISA NOLEN
PAULA BARNES	MARY ASHERBRANNER
	AMY SUMMERLIN

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 September 24, 2015. The motion was seconded by Elizabeth Crace and passed unanimously.

Mr. Burgess introduced Joe Haffner as a new member of the Insurance Committee. Mr. Haffner is the H. R. Director of our Rutherford County Ambulance Service.

FINANCIALS:

Risk Management Director, Melissa Street, beginning with Fund 264 for the month of October our Self-Funded claims PEPM was $903.00, compared to prior year of $847.00 YTD average $922.00 YTD average compared to prior YTD average of $895.00. Comparing our On-Site Medical Clinics experience our PEPM increases to $941.00 compared to prior year of $892.00 for an YTD average of $965.00 compared to prior YTD of $926.00.

For fund 266, the month of October YTD ended $241,368.71 compared to prior year of $243,510.23.

WC/OJI STATS:

Dan Goode, Safety Coordinator, reported that for the month of October 2015 had a total of 20 injuries that required medical attention. The YTD injuries total 165 for January through October, of the 105 were OSHA recordable, 46 had restricted days, 35 had lost time days and 24 were all others. To compare YTD in 2013 we had 156 injuries, 2014 had 181 and 2015 has 165. This report shows that we are running in the middle on average. Total incurred dollars for each division was $474,000.00. The BOE incurred 14 injuries with a total of $42,380.90. County General had a total of 6 injuries. The Sheriff's department had 3 injuries, Juvenile Detention 1 injury, Animal Service had 1 injury, and Correctional Work Center had 1 injury as well. The total for County General was $3,300.00.

Rhonda Allen asked if these were the actual cost of the Medical Claims.

Mr. Goode explained, when you look at the total cost of the claim, it includes medical cost, prescriptions, and Doctor's fees. As time passes and all claims are paid, the claims cost is adjusted to reflect the actual cost.

WELLNESS UPDATE:

Kelli Perrien, Wellness Coordinator, gave her report for October 2015. Wellness on Wheels visited 3 Rutherford County Schools in September with 58 in attendance. Wellness on Wheels also visited 2 Rutherford County Schools in October and saw 19 people. Med Point had a Lunch and Learn in September and October with 22 people in attendance. Touchdown to True Wellness, our 6 week program completion saw 168 people that participated in this program.

Wellness Coaching in September and October at the Med Point Blackman Clinic had a total of 59 consults. In October we held our 2015 Wellness Fair with 865 employees in attendance. There were 181 employees that participated in 5 or more screenings at the fair. Participation in the Wellness Fair almost doubled this year. This was the largest attendance in several years. There were 490 Flu Shots given at the Wellness Fair.

Current and Upcoming Activities for November-December 2015 include;

Know your number's year 3, the deadline for the Health assessment and Biometrics screening is 11/30/2015. All forms for the biometrics have to be received by 11/30/2015 in order to receive credit.

Wellness on Wheels will continue to visit schools Countywide for the remainder of 2015.

Webinar-Lifeservices Topic;
Quit It! Drop unhealthy habits/Online November 17, 2015 at 11:00 am/1:00 pm.
There will be a 4 week Stretch It Out 2015/Stress Management challenge beginning 11/16-12/11/2015
Great American Smoke Out is Nationwide and offers a quit kit on 11/20/2015, call 615.904.6769.

Mrs. Perrien gave an update, status report, regarding the Health Assessment and the Biometrics with progress of Med Point. Mrs. Perrien told the committee the Med Point Clinic's have done an amazing job handling the high volume. We began the biometrics screenings in January 2015 – November 30, 2015. With the time frame given, employees could see their Provider for their annual physicals and the provider would fax the results directly to Cigna. From January – August, over 8 months, the Med Point Clinic did 2100 Biometric Screenings. Mrs. Perrien told the committee that she realizes that employees are upset and frustrated with the time it takes for their results to show up on their MyCigna webpage. The breakdown of this process; Employees go to Med Point to get their blood drawn, it takes (3) days for analysis and for Med Point to get the results back. A provider will then review the results, a wellness form has to be filled out and faxed to Cigna. Cigna has to accept the form and process this form with a weekly update. Lab results are available on the MyCigna.com website, click on "Check my Lab".

Mrs. Barnes asked if an employee goes to Med Point and gets their blood drawn on November 30th would an employee get credit even though it is the last day.

Mrs. Street replied, yes, that is why the forms have to be dated 11/30/2015.

Mr. Burgess asked where we are compared to last year?

Mrs. Perrien responded that we are close; a lot of employees have waited until the last minute.

Mrs. Street replied that due to the process, it is difficult to determine that at this point. We currently do not have a system that will track at any given moment an accurate number. That is why we send out so much information reminding employees of the deadline.

2016 ANNUAL ENROLLMENT STATISTICS

Mrs. Street gave the statistics of this year's Annual Open Enrollment;

Number of enrollment packets mailed was 5,784

4,855 Employees elected medical benefits in 2016

517 Declined Medical;

(26) Declined as "Coverage doesn't meet my needs"
(32) Declined as "I don't want to be insured"
(17) Declined as "Participating in Domestic Partners Plan"
(35) Declined as "Participating in Parent's Plan
(385) Declined as "Participating in Spouse's Plan"
(14) Declined as "Too Expensive

412 Employees did not complete the Annual Enrollment process

188 Employees dropped coverage for 2016. This includes employees enrolled in all tiers (Employee Only, Employee + Spouse, Employee + Child(ren), and Employee + Family)

141 Employees will start coverage in 2016 that are currently employed but no active in medical plan during 2015*

*Of the 141 employees, 13 enrollments include a spouse being enrolled. All others are employee Only or employee + child(ren)

IMPACT OF ELIGIBILITY CRITERIA FOR SPOUSES TO ENROLL FOR MEDICAL IN 2016:

2,562 spouses were enrolled in medical on 11/03/2015
1,374 spouses enrolled in medical as of 01/01/2016
1,188 fewer spouses enrolled on medical plan as of 01/01/2016 *

*Projected savings were achieved

ENROLLMENT CHANGES FOR 2016 (represents enrollment change from 2015 to 2016)

Deductible Plan decreased participation by -22.73%
HRA Plan increased participation by 16.12%
Co-pay Plan increases participation by 0.62%

BREAKDOWN OF TOTAL ENROLLMENT FOR 2016

Deductible Plan: 26%
HRA Plan: 44%
Co-pay Plan: 30%

Mrs. Harvey asked a question regarding the 412 employees that did not complete the enrollment process. Can any statistics be given regarding the reason the employee did not go in to complete the process.

Mrs. Street replied that there were 5,784 employees that had a responsibility to go in during Open Enrollment and either elect or decline benefits. We are unable to determine why these employees did not meet the requirements during Open Enrollment.

Mrs. Allen asked about the (26) employees that declined coverage indicating that "Coverage did not meet their needs". Did we get any feedback from the employee as to why the plans do not meet their needs?

Mrs. Street responded by stating she did go into the system to look to see if she could determine the reasons. It seemed as if employees were responding by saying the plans were too expensive. It was determined that the HRA option more than likely did not meet their needs and would have chosen one of the other options.

Mr. Haffner asked about the 412 employees that did not go online. Will those employees receive any notification that as of 01/01/2016 they will no longer have Medical Coverage?

Mrs. Street responded that it happens every year; employees will not realize that they do not have insurance until they present their insurance cards at the doctor's office. They usually will call our office to find out what happened. We did talk within our office whether to send notification and was determined that employees received a tremendous amount of notifications prior to and leading up to Open Enrollment. The information they received told the employees that they would not have coverage if they did not go online to enroll or decline coverage.

Mrs. Allen questioned if there would be any liability for Rutherford County employees that did not go online during Open Enrollment.

Mrs. Street responded by saying "No", not to her knowledge.

Mr. Burgess asked Mrs. Barnes if she had received calls from employees that did not complete the Open Enrollment process. Mrs. Barnes responded that she had only received 3 calls.

Mrs. Barnes encouraged Melissa to have a different deadline for wellness outside of Open Enrollment. It was very confusing to some employees. Open Enrollment ended at Noon on November 2nd, and the Wellness requirements ended on November 30th. Some employees thought they had until November 30th to complete their Open Enrollment.

Mrs. Street agreed. The first year that the wellness program was implemented, our proposal was to have this process completed prior to Open Enrollment. The insurance committee decided to extend the deadline until February of the next year. We would like to shorten the deadline but will need the support of the Insurance Committee to do so.

Mrs. Street mentioned that it was revealed during the Open Enrollment process that some employees have made the decision to move their coverage to a Spouse's Employer Group Plan due to the Spouse Eligibility Rule with Rutherford County. What that does is creates a break in coverage that ultimately will affect any future Retirees. When GASBY made changes to the Retirement Language there was concern that the employee would not enroll in the insurance benefits until the last 5 years of employment, therein the language was changed to require 20 consecutive years prior to and leading up to retirement.

With this change in Spousal Eligibility, we have created an unintended consequence for employees. Mrs. Street offered to make the recommendation now or bring it back to the committee in January, that recommendation would modify the language for the retirement document regarding the consecutive years on the plan. This would disqualify or prohibit employees from retiring with insurance benefits.

Mr. Burgess asked that Mrs. Street come back to the committee with the current language in the plan document for the plan document for Retirees and the suggested changes to the language.

Mrs. Street agreed to bring the Retiree document before the committee in January for discussion.

FEDERAL REPORTING PROCESS

Mrs. Street introduced Melissa Griffy. Mrs. Griffy works in the Risk Management office as an Insurance Administrator. Mrs. Griffy handles Cobra, Excel Wizard with many talents. Mrs. Griffy's most recent project is figuring out the ACA compliance requirements.

Mrs. Griffy gave the following details regarding Affordable Care Act requirements, which will be referred to as ACA. Another term used will be the 1094C and 1095C reporting forms which will be referred to as the forms.

There are 2 separate parts of this project this would be talked about today.

The first part of this project is the tracking requirements under the Safe Harbor Rules of the ACA.

ACA & Forms

Rutherford County purchased a contract with SyncStream, which provides an ACA compliance dashboard used to implement and document a process to track part-time, variable hour, and seasonal employees in order to insure we are in compliance. This module is set up to track Safe Harbor Rules which include a Measurement Period, Administrative Period and a Stability Period.

Over the last 3 months, 95% of my responsibility has been dedicated to learning about complex ACA reporting requirements, building payroll files for Community Care, and The Airport Authority, as well as part-time Ambulance Service, County General, and Board of Education employees. This has been a larger effort than expected, and has required much help from Mrs. Nolen, Mrs. Meshotto, and Mrs. Clay as well as the Compliance Manager Lisa Burkhart with Cowan Benefits.

The data collected was historical payroll over a 12 month period beginning 10/01/204 – 09/30/2015. This is the first phase of the initial Look Back Measurement Period required to build the compliance dashboard to track average hours worked by and sent to SyncStream Import Team to review for errors. Once approved, the files will be loaded into the Compliance Dashboard to document and implement tracking of average hours worked during the Measurement Period. The next phase, known as the Administrative Period, is from 10/01/2015 – 12/31/2015. This is a period in which eligibility is determined and an offer of coverage made to any qualifying Full time Equivalent employee. In the event a FTE employee is identified, the procedure will be to notify the perspective Human Resources Department so the employee can be made aware of their eligibility, and an offer of coverage is documented, as well as to implement necessary changes in the payroll system. The last phase, known as the Stability Period is from 01/01/2016 – 12/31/2016, is the amount of time the employee is considered eligible or ineligible for health benefits based on the measurement period determination. This period of time is locked regardless of the number of hours they average during the Stability Period. On an ongoing monthly basis, payroll files will be requested from Finance Department and each of the groups, (CC, AP, AS) complied in required format for the Compliance module, and then uploaded in order to continue tracking and documenting the ongoing part-time, variable hour, and seasonal employees.

The second part to this project is the reporting aspect of the ACA requirements.

The Affordable Care Act requires that every individual have minimum essential coverage, qualify for an exemption, or include an additional payment with their Federal income tax return for 2015.

Applicable Large Employers (ALE) are required to file informational returns with the IRS and provide statements to their full-time equivalent employees regarding health insurance coverage the employer offered in order to administer the individual shared responsibility provision. These statements are used to determine if the individual may claim a premium tax credit on their tax return. A self-insured plan, such as Rutherford County, will fulfill this obligation by filing a Form 1094C and 1095C with the IRS and provide a copy of the 1095C to each FTE employee in the same manner as a W-2 is provided.

The contract with SyncStream includes a Reporting Essentials module designed to report and produce the required Forms and transmittal to the IRS. This module will be used to meet requirements on behalf of Community Care and the Airport Authority.

For the County General, Highway, and Board of Education population including COBRA participants and retirees, the reporting and production requirements will be accomplished using a tool through the LocalGov payroll system. That option is being developed to satisfy the unique groups covered under a Rutherford County Health Plan by Mrs. Nolen and Mr. Tucker.

Currently, I am compiling enrollment files to provide Mrs. Nolen and Mr. Tucker with the data required to produce the 1094C and 1095C transmittals to the IRS and produce the 1095C for the employee as well.

At this time we are on track to have this project complete by the deadline. (01/31/2016 for EE 1095C and 03/31/2016 for the 1094C and 1095C transmittal to the IRS)

Form 1094C, along with form 1095C, helps the IRS determine tax credit eligibility and enforce the ACA employer mandate by monitoring the type of cost of overage offered to employees, and the number of employees who were offered this coverage. This is the transmittal report to the IRS and acts basically as a cover sheet to the 1095C.

Form 1094-C provides the following information:
- -Full-time employees
- -Total headcount
- -Whether Minimum Essential Coverage was offered
- -Whether an applicable "Safe Harbor" was used to determine affordability

Form 1095-C lists, for each calendar month:
- -Proof of offer of coverage was made (with code)
- -Proof of coverage (if any)
- -Employee's share of the lowest cost monthly premium
- -Whether an applicable "Safe Harbor" was used

Mr. Burgess asked if on January 31, 2016 we are ready to send out copies of the 1094C Forms to verify whether they are Full-time equivalent for the purposes of providing Health Insurance and report to IRS, similar to a W-2.

Mrs. Nolen responded that the form is not turned in on your taxes like a W-2; the 1095-C is maintained. The IRS will also receive a copy of the 1094C for reporting purposes. Mrs. Nolen added that she believes that we are on track for completion by the deadline. However, we have asked for a 30 day extension to be on the safe side.

Mr. Burgess asked for clarification on the extension request from the IRS.

Mrs. Nolen replied for filing both the 1094C Form which is the transmittal, and the 1095C which goes to the employee.

Mrs. Street complimented Mrs. Griffy on her reporting. She also told the committee that after watching several Webinars on this subject, we have learned that a lot of Employers are experiencing problems and expressed how complicated it is to be in compliance with the IRS requirements.

Mrs. Barnes asked if the W-2's would still be mailed out at the regular time.

Mrs. Nolen responded by saying that the 1095C Form is separate. Mrs. Griffy added that the 1094C will be sent directly to the IRS.

Mr. Burgess asked that notification be given to all employees ahead of time to ensure that they understand this process and they know what to do.

Mrs. Street confirmed that we would communicate this to all employees.

REQUEST FOR BID APPROVAL FOR A BROKER OF RECORD

Mrs. Street told the committee about the opportunity to meet with the Board of Education committee. One of the questions asked in that meeting was the compensation as it pertains to Cowan Benefits. This is why I am requesting to send out a Broker of Record Bid. When meeting with the board it became evident that there is a curve of information that we need to provide.

Mrs. Street explained to the committee how Broker's are compensated. You have 2 types, a Consultant and a Broker. A consultant is someone that gets paid per eligible employee per month. A consultant receives a flat fee for services preformed. A commission override bonus based arrangement is the arrangement that we are in now. Cowan Benefits happens to have won many bids, which is the reason that we predominately refer to Cowan. Cowan is on a lot of our lines of coverage. We also have direct relationships, which nobody is getting paid at all for bringing that program to Rutherford County. One example would be our relationship with Cigna. Cigna has our Stop Loss, Medical, Dental, and Vision. That relationship is net commissions, there is no consultant being paid for that and there is not any broker commission override or bonus paid for bringing that business to Rutherford County. There is a total of $303,623.00 per 5500 reporting from 2014 that was paid to Cowan Benefits. That is all commissions for the following products, Life Insurance, LTD, STD, and Voluntary Products. Cigna does pay Cowan Benefits $30,000.00. Cigna has put that on our disclosure statement, Mr. Huffman has confirmed that Rutherford County does not pay that, and it doesn't come out of our business. This is an arrangement Cigna has with Cowan Benefits. Cigna needed to attach it to a client and they attached it to us. This fee was never negotiated with Rutherford County; all numbers combined total $303,623.00. The employees pay Cowan's commission. When employees purchase STD a percentage of that rate is commission. When we bid something out and get the bid back, the bid says we will have a rate of X%, included in that proposal is how the broker is paid. It is not a fee on top but part of the bid. Mrs. Street told the committee that she would like to send out a Broker of Record bid. We currently are in a situation where Cowan has won a lot of the bids, which enables me, because of my background, to ask Cowan to step up and help. Cowan has several various products that they receive payment from; we asked them to be a partner to Rutherford County. Cowan has been more than willing to partner with Rutherford County. Mrs. Miller, my predecessor, built into one of her bids that whatever broker was awarded that bid would provide Open Enrollment services. As a result of that bid, Cowan Benefits provide Open Enrollment material, meetings, communications, a lot pieces to Open Enrollment that we don't have the staff to do. All services provided by Cowan are paid out of commissions. We contribute somewhat toward the $300,000.00; Rutherford County pays for a $35,000.00 in Life Insurance and Long Term Disability insurance for our employees. In 2014, on the LTD insurance we paid as part of our overall rate $50,335.30 in commissions. Built into those rates was commission that was paid to Cowan Benefits. We need help in our department; we need to have a contractual leverage to get the work from someone who is knowledgeable about the market place. They would provide the support level that is needed to further enhance our programming offerings that we currently have. That is why we are requesting to release a Broker of Record bid. It would clearly define the expectations of that broker that was awarded the bid. The broker would receive a percentage of everything except property and causality, Cigna components mentioned earlier, such as, stop loss, medical, dental, and vision. It would be the same as what we have in place today. The broker would continue to provide the same Open Enrollment materials; they would further assist with our ACA compliance, additional assistance in lieu of adding additional staff. They would also work with us on our Wellness Program. Cowan Benefit does this today but they are not contracted to do so. Mr. Brown with Cowan has helped me in the past during the meetings where we reviewed the rates.

Mrs. Street asked the committee for approval to release a Broker of Record Bid. To write the RFP bid and evaluate all Brokers, upon the award of the Broker of Record, we would put all of our carriers on notice that we have accepted a Broker. All commissions will be transferred to the New Broker.

Mr. Burgess stated that through commissions Cowan receives $303,623.00; if we don't receive another bid that would be less than what Cowan receives would it be to our advantage to make changes.

Mrs. Street suggested that we could write the bid where we could limit them to a flat commission that they could charge per product; there are various ways to structure their income.

Mr. Burgess asked if it would be wise to issue a separate RFQ, request for qualifications that exclude those that are really not equipped to perform the services needed.

Mrs. Street responded by saying the bid could be crafted in a way that would reveal their strengths and weaknesses. There are a lot of companies in Nashville's market place that have brokers that offer various different programs.

Mrs. Street also mentioned that she spoke to the City of Murfreesboro regarding their Broker bid; the City of Murfreesboro sent their bid out in 2013. Cowan Benefits was awarded the bid. I will make sure that the bid is crafted in a way that meets our needs.

Mr. Burgess asked Mrs. Street to give some advantages that would be better than what the current option provides.

Mrs. Street responded by saying that in the current situation we are fortunate that Cowan Benefits has come forward with the best proposals. Every time you bid a broker you could have a different broker for every line of business. There is a lot of work that needs to be done.

Mr. Burgess said with this approach it would give us more support for less money than what we are currently spending.

Mrs. Street replied that even if it was the same cost, to have a contractual relationship, so there would be a designed set of deliveries.

Mr. Burgess asked when the contract would be in place?

Mrs. Street, ideally the contract would be in place by March 1, 2016. I have 3 bids that need to go out in the spring and the new broker could help with those as well.

Mr. Burgess mentioned that there were 2 approaches; hire a consultant that would be paid per employee verses a broker of record. Can you give the differences?

Mrs. Street, it depends on how you want to pay them. We can continue to pay them out of commissions that are built into the rates, or we can have majority paid out of the insurance fund. To do that it would cost around $2.00 per eligible employee per month, averages around $ 6,000.00 employees for a total cost at $144,000.00 a year. We could hire 3 more fulltime employees for the same money.

Mr. Burgess asked Mrs. Street if she believed hiring a Broker of Record would be to our advantage?

Mrs. Street responded that it is our current structure and it has worked for several years.

Mrs. Barnes stated on behalf of the School Board, the School Board has expressed concern about issuing a Broker bid and would prefer a Consultant over a commission paid Broker.

Merry Hickerson added that a Consultant will be paid by everyone that uses the Insurance Fund through Medical. If an employee doesn't enroll in any of the Voluntary product, the employee that is enrolled in the Medical would also pay for the Consultants commissions, whereas if you go with a Broker only the employees that are enroll in the Voluntary products pay commissions. The convenience of payroll deducting these products, a Broker will bring in those companies that can best serve Rutherford County. We have had a Broker for many years; they have served Rutherford County well. A contract is needed to clearly state what is expected of this Broker relationship.

Mrs. Street replied, a Broker will be motivated to bring the best products to Rutherford County to make more commissions; the more they sell the more commissions they make.

Mrs. Allen told the committee that she has 20 years in Corporate Healthcare, much of it in Managed Care. I see the advantage of having a Broker, someone that has great expertise. Mrs. Allen added there is so much changing so rapidly and so complicated. To expect 3 employees to manage this and their daily duties is asking a lot. It would be easier for an expert to come in and help. You would know this is what Broker's do. I am in favor of the Broker of Record, because of her past experiences; the value that it would bring to you and your team.

Mrs. Allen made a motion to approve the recommendation to issue a Broker of Record Bid.

Mrs. Hickerson seconded that motion.

Committee approved with the exception of Mrs. Barnes, she voted no.

Other Business:

None

The meeting was adjourned at 2:20

Ernest Burgess, Chairman
Rutherford County Benefits & Insurance Committee