

CHAMPAIGN COUNTY
Health Insurance Committee Minutes

Tuesday, September 4, 2012 – 3:00pm
Jennifer K. Putman Meeting Room
1776 E. Washington St., Urbana, IL

MEMBERS PRESENT: Donna Blumer, Deb Busey, John Farney, Tea Jones, Brian Mennenga, Debbie Mennenga, Michelle Mennenga, Brad Morris, Elizabeth Murphy, Ed Sexton, Amanda Tucker, Steve Ziegler

MEMBERS ABSENT: Astrid Berkson, Stephanie Holderfield, Josh Jones, Barb Doyle-Little, Josh Reifsteck, Debi Young

OTHERS PRESENT: John Malachowski

CALL TO ORDER

D. Busey called the meeting to order at 3:05 pm.

APPROVAL OF MINUTES

Motion by B. Mennenga to approve the minutes of August 28, 2012, as presented; seconded by Farney. **Motion carried unanimously.**

REVIEW OF PREMIUM RENEWAL FORMULA & UPDATE ON FY2013 RENEWAL PROCESS

Malachowski started by giving hand out with the proposed 2-tier rates for the 20% MID HRA plan. He addressed the questions of whether or not convenient care is considered urgent care. He stated that it is and the co-pay is \$50. He went on to say that all Health Alliance plans for new business effective September 1 and all renewals effective October 1 have this provision. He mentioned the possibility of an increase in the HRA to cover part of the co-pay. The old plan had the same co-pay for a doctor visit and a convenient care visit. He suggested that the HRA would reimburse \$25 for the urgent care visit up to two times per person per year. Malachowski asked Health Alliance for the number of previous urgent care claims but did not have the figures yet. B. Mennenga said it would be nice to have those figures but thinks that two reimbursements are reasonable. Malachowski explained that if there were 1,000 members and all of them went to urgent care once, the HRA would have an exposure of \$25,000. If only half of the members went to urgent care but went twice instead of once, the exposure would be the same. Malachowski thinks 200 urgent care visits is more likely which would be an exposure to the HRA of \$5,000. Blumer said that in the past Head Start teachers have been told to go to convenient care because of their exposure to children and it being easier than getting in to see their doctor. She continued by saying that any increase would be hard for the Head Start employees.

Murphy asked how Health Alliance rationalized charging the same for urgent care as for a specialty doctor. Malachowski said they are following industry standard and that often times this type of visit will result in a second follow up visit with regular physicians. Farney asked if Health Alliance was doing this for all renewals; he wanted clarification to be able to explain to employees. Malachowski said all renewals effective October 1 would have the \$50 urgent care co-pay. He continued by saying that the plan can be written any way the County wants when they become fully self-insured, but this is what will have to deal with until then.

Malachowski moved on to prescription and specialty drug coverage. He stated that currently about 75% of the claims are for generic drugs and the average cost per prescription is under \$10. He noted that under the alternate plan those co-insurance payments would decrease to \$7. D. Mennenga asked if the under \$10 average included the free and \$4 prescriptions. Malachowski said it did. He also said that currently two people have met the \$1,500 specialty maximum; last year there were four. Under the alternate plan that maximum increases to \$2,500.

Malachowski provided a handout showing the premium comparisons. If stay with current plan the rate goes up by \$68/month and if move to alternate plane the rate goes up by \$22/month for a total savings of \$554/year, which Malachowski says would pay for 18 urgent care visits per year at the increased rate. The savings is based on dependent coverage. Malachowski noted that the real difference is that the County would be saving \$490,000 with the alternate plan and increase in the HRA, which he said would be shared by both the County and employees.

Busey said the first step moving forward is to decide which plan to recommend, then make a decision on the different tiers and send out an all user email. D. Mennenga asked if BPC could get the codes. Malachowski said they could and they would set up the account however the County wants. Murphy asked if the \$25,000 is added to cover urgent care would the County still be under the 20% threshold. Malachowski answered that \$12,000-\$15,000 would be ok, but would have to see how the year goes. He also stated that if the County wants to reimburse four urgent care visits, they can make that decision. Ziegler asked if the 2-tier plan would be able to absorb that cost. Busey stated that the 4-tier plan doesn't change the discount.

Motion by Ziegler to approve the Alternate Plan 20% Mid HRA with two urgent care co-pay reimbursements. Seconded by Farney. Murphy asked if the plan is approved will the 4-tier option no longer be available. Busey answered no, the 4-tier option can still be adopted. A roll vote was taken: Deb Busey **yes**, Brian Mennenga **yes**, Donna Blumer **yes**, John Farney **yes**, Tea Jones, **yes**, D. Mennenga **yes**, M. Mennenga **yes**, Brad Morris **yes**, Elizabeth Murphy **yes**, Ed Sexton **yes**, Amanda Tucker **yes**, Steve Ziegler **yes**. **Motion approved unanimously.**

Discussion moved to the different tier plans. Malachowski said the 3-tier plan is very confusing, so it was discounted and they looked at what many others are offering. He provided a handout and said the numbers do include the HRA. Malachowski explained that the first column shows less than 1% difference between the 2 and 4-tier plans, which is tolerable. The second column shows the 2 and 4-tier rates for the current plan at renewal prices, and the third column shows the 2 and 4-tier rates for the plan just approved. Malachowski stated that this gives enough to pay Health Alliance and cover the HRA funding. Tucker asked if the numbers included the new HRA amounts. Malachowski said they did. Murphy asked if the employee/child coverage was one child or all children. Malachowski said all children. D. Mennenga stated that the employee with a spouse and children are the ones who are really going to be affected. Malachowski said that is a 20% increase but he expects that during open enrollment many people who have family coverage currently may switch. D. Mennenga asked if the email should be sent to those who currently have family coverage or to all users. Busey answered all users, but that it will include only the rate information for the approved plan. It will also state that if employees have any questions they need to contact their bargaining representative. Busey asked for input about whether the responses should be sent to one person or to each representative. It was decided that responses should go to individual bargaining representatives. Busey said she would put together a draft of the email and send to the committee before sending to all users by the end of the week. Sexton asked how much the family coverage was going to go up. Murphy answered \$233/month or about \$226/pay. Busey noted that is a big jump and will need to find out how many there are with that coverage.

Busey recommended presenting the plan to the Finance Committee and asking them to work with the committee to present the plan to the full County Board on September 18.

Malachowski moved on to the dental plan. He provided a handout with the renewal rates and noted that the out of network costs go from 40% to 50%. He explained the County has the option of a one year renewal at a 7% increase or a two year renewal at a 10% increase. He noted that if the one year at 7% is chosen that the County can expect to pay at least a 7% increase next year. He reminded everyone that this is a 100% voluntary plan and 100% employee paid. Busey stated that if the County did 7% this year and 7% next year, an employee might pay less now but there is the potential going into the third year that the cost would increase much more. She thinks the two year at 10% is good even though it costs slightly more the first year but it won't go up next year. **Motion** by Farney to approve the two year dental plan with the 10% increase. Seconded by Ziegler. **Motion approved.**

Malachowski next discussed the option of a vision plan. He provided a handout and explained that two carriers were being looked at. EyeMed contracts with both private and chains but they concentrate more on the chains. VSP contracts with private providers. There is a \$10 co-pay for in-network providers and a reimbursement up to \$35 for out-of-network providers. Malachowski recommended making the plan effective 1/1/13 so it will be on the same schedule as the dental plan. He noted that the amounts on the handout were per year amounts. He said a vision plan will usually cover 50% and the employee pays 50%. He said the employee needs to decide if it's worth it to pay \$7/month to get glasses 50% paid for. Malachowski recommended having the insurance company provide packets that can be distributed to employees. He stated that education of the plan is critical for successful enrollment. He reminded everyone that this is also a 100% voluntary plan that is 100% paid for by the employees. He asked if the committee wanted to recommend offering vision coverage. He noted that if you enroll you cannot change your mind and cancel; you have to remain enrolled until the next open enrollment. **Motion** by Sexton to accept vision coverage. Seconded by M. Mennenga. **Motion approved.**

OTHER BUSINESS

Malachowski asked about going over the wellness plan. Busey said will wait until all the plan issues are done.

D. Mennenga said that flex spending will cover Lasik, but the law has changed the amount an individual can put into a flex spending account effective 1/1/13. She noted that the County has chosen to continue to allow \$3600 to be put into the account because the County's renewal dated is 12/1/12.

Busey stated that there are three plans to present to the Finance Committee. At the next meeting the committee will put together a structure to present to the board. That meeting will be on Monday, September 17, 2012 at 3:00pm in the Jennifer K. Putman meeting room.

ADJOURNMENT

Meeting declared adjourned at 4:17 pm.

Respectfully submitted,

Linda Lane
Administrative Assistant