

CHAMPAIGN COUNTY
Health Insurance Committee Minutes

Tuesday, September 3, 2013 – 3:00pm
Lyle Shields Meeting Room
1776 E. Washington St., Urbana, IL

MEMBERS PRESENT: Chris Alix, Astrid Berkson, Doug Bluhm, Deb Busey, Stan Harper, Debbie Heiser, Josh Jones, Tea Jones, Angela Lusk, Michelle Mennenga, Brad Morris, Elizabeth Murphy, Josh Reifsteck, Amanda Tucker, Steve Ziegler

MEMBERS ABSENT: Donna Blumer, Barb Doyle-Little, Ed Sexton, Nora Stewart

OTHERS PRESENT: John Malachowski, Kay Rhodes (recording secretary)

CALL TO ORDER

D. Busey called the meeting to order at 3:01 pm.

APPROVAL OF MINUTES

Motion by Lusk to approve the minutes of August 27, 2013, as presented; **seconded** by Heiser.
Motion carried unanimously.

FY2014 RENEWAL RECOMMENDATION

Malachowski said received one additional proposal from United Healthcare. He said they don't currently have a contract with the Christie physicians and said the proposal was a little higher than Blue Cross's proposal without Christie. He said it was only for self-funded, that they would not do a fully insured plan, and said it was not a good option.

Busey noted that they are looking at the 13-month revised proposal from Health Alliance and the 25% HRA, which is a premium cost of \$643 for single employee plan, \$845 for employee plus spouse, \$798 for employee plus children, and \$1,380 for employee plus family. She noted that the plan is the same as they have this year. Busey said they would like to recommend one change in the HRA reimbursement; employees will be reimbursed from the HRA after they have spend \$1,500 and that they won't continue with the pre-reimbursements for certain specific items. Busey noted that based on most of the contracts the County will be absorbing most of the new premium cost and said there has to be some way to start flexing the plan so employees are sharing in cost of health insurance. She felt this would be a fair way to do it.

It was asked if it was the same reimbursement but people would have to wait until they actually hit the \$1,500. Busey said the urgent care reimbursement would no longer apply, but that the co-pay would still count towards the \$1,500. Busey referred to the Rock Island County study, page 4, and said they were talking about the maximum out-of-pocket for employees is \$1,500, which is among the lowest for comparable counties in the study. She noted that in combination with the single deductible, which Champaign County doesn't have, it puts the County in the richest plan for employees by simply changing the requirement that the employee pays the first \$1,500. Someone asked if MRI's would no longer be covered. Busey said they are still covered, but the employee would have to pay for the first one until the \$1,500 maximum is met. Heiser said she can still provide the same letter she does now saying to please process the claim without requiring the employee to pay the co-pay up front. She noted that this will help prevent anyone from overpaying and that it is hard to get money back. Someone asked if they would still be able to have flex spending. Heiser said yes, but that the maximum amount allowable for the upcoming year is \$2,500 instead of \$3,600. It was said that this effectively creates a deductible. Busey said it's not a deductible. She explained plans with deductibles that users pay before any insurance kicks in, and then there is still an out-of-pocket maximum. Busey said the result to the County would be that they will most likely spend less of the HRA budgeted, giving them greater flexibility for the future. It was asked if the County would be agreeable to leave urgent care as immediate reimbursement so that the people who wouldn't normally hit the \$1,500 would still get some reimbursement. Heiser said it was reimbursable this year because the co-payment increased 100%. Malachowski said the difference in out

of pocket would be \$50 because only two of the urgent care visits are reimbursable. Busey stated that the County is going to be increasing its monthly contribution toward the employees insurance by more than \$50. It was asked if that was regardless of the contracts. Busey said that based on the contracts that the County's contribution is going to go up at least \$50 per month (\$600 per year), and they are talking about changing the employee benefit of urgent care to an amount that is \$50 per year. Busey stated that two meetings ago they were looking at changing the County's reimbursement, dropping it to \$1,250 or \$1,000 of HRA cost and said this is a less drastic move but something that is necessary to at least attempt to continue to manage the County's costs. The plan is exactly the same. The only change is in the HRA reimbursement.

Motion by Ziegler to approve plan with a change where the HRA would not reimburse anything until the \$1,500 out-of-pocket maximum is reached; seconded by Murphy.

Labor asked for caucus to discuss. Labor returned.

Lusk stated they have decided to vote no and stay with the status quo. Busey noted that based on that statement there was no consideration to leave the urgent care as being reimbursed but everything else after the \$1,500. Lusk replied they want to leave it as it is right now. Busey stated that is disappointing because it doesn't recognize the incredible burden to the County, and as Alix has said, compensation is compensation and they will deal with the ramifications as they move forward with negotiating contracts and setting salaries. It was stated the County could get that back at the bargaining table. Busey said they can't because this committee is here to set up the design of the health insurance. Someone said they can adjust for that at the bargaining table by asking for higher health insurance premiums. Busey said that's fine, but if this committee is never going to approve any changes to the health insurance plans that would have an impact on the employees, then it's questionable the purpose of the committee, which was to acknowledge the changing health insurance environment and the demand that it creates. She said they can still negotiate what the employee pays towards premiums, but they are driving premium costs up by the way they purchase the health insurance. She said they have worked through that and thinks what they have is the best solution, but the HRA reimbursement was done so the employees would not see a dime change in what they pay and all these benefits are identical to what they were in 2008. She noted that most other companies probably do not have the same benefits that they had six years ago.

Busey asked for a roll call vote. A "no" means they will not adjust the HRA reimbursement structure so every employee will pay the first \$1,500. A "yes" means support for the employee paying the first \$1,500 before the HRA kicks in. Alix said that since a counter proposal has been suggested, which is everything but urgent care, he would like to amend the motion; second by Heiser. Lusk asked for clarification. Busey explained the amendment would be that they would continue to reimburse for 50% of urgent care visits before reaching the \$1,500 and everything else would be reimbursed after the \$1,500 was reached. Labor went into caucus.

Labor returned. Busey stated the motion on the floor is a motion to amend the original motion to indicate that employees will be reimbursed for half of the urgent care visits even if they haven't hit the \$1,500 and for anything above the \$1,500 out-of-pocket maximum up to \$3,000. Alix-Y, Bluhm-N, Harper-Y, Heiser-Y, J Jones-N, T Jones-N, Mennenga-N, Murphy-Y, Tucker-Y, Ziegler-Y, Lusk-N, Busey-Y, Reifsteck-N. Busey noted the motion passes as an amendment to the main motion 7-6. Busey noted the main motion requires 12 votes, 75% of 16 members of committee. The main motion would be to adopt a change in the HRA, that the County would reimburse 50% of urgent care and everything over \$1,500. Alix-Y, Bluhm-N, Harper-Y, Heiser-Y, J Jones-N, T Jones-N, Mennenga-N, Murphy-Y, Tucker-Y, Ziegler-Y, Reifsteck-N, Lusk-N, Busey-Y. Busey noted motion failed 7-6.

Busey would entertain a motion to approve the plan for FY 2014 as presented with no change to the HRA structure. Motion by Lusk; seconded by Alix. Alix-Y, Bluhm-Y, Harper-N, Heiser-N, J Jones-Y, T Jones-Y, Mennenga-Y, Murphy-Y, Tucker-Y, Ziegler-N, Reifsteck-Y, Lusk-Y, Busey-N. Busey stated motion failed 9-4.

Busey asked for any discussion or opportunity, primarily in the HRA, for any form of change that everyone could agree on. Busey asked Heiser for the current additional HRA benefits an employee receives before they hit \$1,500. Heiser said reimbursement is \$1,000 co-pay for an MRI, out-patient surgery reimbursement is \$1,500, hospitalization reimbursement is \$1,500 and urgent care is \$25 up to two visits per person per year. Busey asked for opportunities to adjust any of those to potentially limit the HRA liability, e.g. instead of \$1,000 for an MRI could it be changed to \$500, and instead of \$2,000 for outpatient surgery and hospitalization change it to \$1,000. Someone asked if they would be amenable to reduce the amount of the HRA from \$3,000 to \$2,500, putting it on the people that use the services more. Busey asked if changing the County's contribution from \$1,500 to \$1,250 and keep everything else the same was what they were saying. The answer was instead of adjusting on the front end to adjust it on the back end to where the County doesn't see as much exposure and the person that uses the plan is the

one that sees the exposure. Busey noted an employee would have to get to \$1,750 before they would see reimbursement if they were just doing routine things. She noted they would be changing what the HRA reimburses on outpatient surgery and inpatient hospitalization from what it is now to \$1,250. Heiser asked if the maximum reimbursement for single would go from \$1,500 maximum to \$1,250 and family would go from \$3,000 to \$2,500 was what they were saying. The answer was to put it on the back end instead of the front end. Busey explained that the way reimbursement is done is really on the front end, so the people who are really at risk are going to have less this way, but they are saying that if they cut the reimbursements that happen ahead of hitting the out-of-pocket maximum in half of what they are today, there would be savings from that. Busey asked Malachowski for input on analysis. Malachowski said they are correct. If they cut the total reimbursement on an HRA from \$1,500 to \$1,250 is, in his opinion, a much more devastating position that the original option of limiting the out-of-pocket and move it to the back end. The population using the plan will get hit \$250 more out of their pocket than in the example used on urgent care co-pay where they would have two \$25 co-pays more out of pocket. Someone asked to talk about several of the options that mentioned over the last several meetings. Busey said the one raised is an option. She said if someone had an MRI and only had one, the current reimbursement is \$1,000. If the HRA is adjusted from \$1,500 to \$1,250, the employee would still get the \$1,000, and if the rest of the year nothing went badly and the employee only spent another \$250 they would be ok. But if an employee had an MRI, a CT, and had to be hospitalized they will be worse off under that scenario because they will only get \$1,250 instead of \$1,500. Malachowski noted the decrease to \$1,250 would accomplish some savings and push some of the burden to the individual who is the higher-end user and preserves everything else. It was asked how many people don't hit the out-of-pocket maximum. Malachowski said 48 users to date, out of 690 possible. Busey asked the total number of individuals insured. Malachowski said its not quite 1,200.

Steve Ziegler made the motion to approve the Health Insurance Plan as presented with the only change being the HRA reimbursement to go to \$1,250 paid by the County for single coverage; and \$2,500 paid by the County for plans which include dependent coverage; seconded by Lusk. The motion was unanimously approved by all thirteen members present.

UPCOMING MEETING DATES

Busey stated that the next meeting would be **October 15, 2013** to discuss rewards with different premium structures, e.g. smoking vs. non-smoking.

OTHER BUSINESS

None

ADJOURNMENT

Meeting declared adjourned at 4:15 pm.

Respectfully submitted,

Linda Lane
Administrative Assistant