



Labor/Management Health Insurance Committee

MINUTES – Approved 2/18/14

Date: Tuesday, January 14, 2014
Time: 3:00 p.m.
Place: Lyle Shields Meeting Room
Brookens Administrative Center
1776 E. Washington St.
Urbana, Illinois

Committee Members

Present: Chris Alix, Doug Bluhm, Deb Busey, Stan Harper, Debbie Heiser, Josh Jones, Tea Jones, Angela Lusk, Brad Morris, Betty Murphy, Ed Sexton, Nora Stewart, Amanda Tucker, Steve Ziegler
Absent: Donna Blumer, Michelle Mennenga, Barb Doyle-Little, Astrid Berkson, Josh Reifsteck
Others: John Malachowski (Gallagher Benefit Services), Tara McCauley (C-U Public Health District), Beth Brunk (recording secretary)

Call to Order

Ms. Busey called the meeting to order at 3:04p.m.

Approval of Minutes from September 3, 2013 Meeting

MOTION by Mr. Zeigler to approve the September 3, 2013 minutes from the Labor/Management Health Insurance Committee; seconded by Ms. Stewart. Upon vote, the **MOTION CARRIED** unanimously.

Worksite Wellness Challenge Program by Champaign-Urbana Public Health District

Tara McCauley gave a brief presentation of a Worksite Wellness Challenge Program that is available to County employees. The Champaign-Urbana Public Health District is able to offer this program free-of-charge due to grant funding. The on-line program can be accessed at www.wechoosehealth365.com. Individual employees can use this website for their own personal goals or join as groups. Ms. Busey asked Ms. McCauley to give another brief introduction of this program at the Department Heads meeting on February 5th, where it will be decided how to promote this program to County employees. If the program proves to be popular with employees, there may be monetary incentives offered to “winners” of specific goals.

Additionally, a sub-committee consisting of Nora Stewart, Angela Lusk, Amanda Tucker and Ed Sexton will organize a County Health Fair. Mr. Malachowski will be a resource as he has aided another client in organizing health fairs. Mr. Alix thought this forum would be a good opportunity to see if local health clubs would offer discounts to employees. Ms. Lusk also knew of a personal trainer and massage therapist who would like to have any opportunity to offer their services to County employees.

Claims Review for FY2013

Mr. Malachowski discussed the summary of the last three years of claims to Health Alliance by Champaign County Employees. Total expenses of the plan less total premiums received by Health Alliance equal a (\$265,217) loss to Health Alliance. On a per member basis, Health Alliance has a loss of (\$20.80) per plan member/ per month. For claims over \$100,000, the last fiscal year is the lowest at 3 claims totaling \$416,804. Mr. Malachowski highlighted that Health Alliance has the best discount rate of anyone in Champaign County at 61.52% - it is the true value of the insurer and the quality of the plan.

Mr. Malachowski handed out a summary of the prescription drug claims for Champaign County Employees. He encouraged the use of mail-order prescriptions as a means to save money for the plan. Ms. Heiser will e-mail all users to promote this program.

Self-Funding

Mr. Malachowski discussed the document, *Understanding Self-Insured Group Health Plans*, which was included in the meeting materials. He thought it provided a good explanation of self-funded insurance and the associated risks. The County would most likely look at the option of a self-funded plan with stop loss coverage. The market is currently soft on stop loss coverage so it would not probably be a significant investment to buy that protection from an insurance carrier. At this time, the two providers would be Health Alliance and Blue Cross. With the current rules on the Affordable Care Act (ACA), a self-funded option would save the County approximately \$150,000-\$160,000 in taxes and fees. However, the current Administration may try to change those laws to collect additional money.

Ms. Busey requested a comparison of the last two years from the County's Plan using estimates on stop loss coverage to see what the approximate cost would have been if under the self-insured option. Mr. Malachowski will provide that comparison for Committee review prior to the next meeting. Mr. Alix commented that employee compensation will balance wages with increased insurance premiums paid by the County as it all comes out of the same pool.

To design a proposed self-insured plan, Mr. Malachowski suggested using the Rock Island Benchmark Survey as a starting point. Some mandated ACA coverages must be included in the plan. Ms. Murphy asked for demographic data for the County as she understood self-insured plans benefit younger age groups. Additionally, she would like some guidance on what would be an appropriate reserve level. Mr. Malachowski noted that insurance claims fluctuate monthly so it would depend on the employer's risk comfort level and cash flow.

Ms. Alix would like to informally talk to other local governmental entities that are self-insured. Mr. Malachowski will check with Health Alliance to see what other governmental institutions may be interested in discussing their experience with the self-insured option.

Next Meeting – February 18, 2014

Since the plan design may take some time, Ms. Busey suggested monthly meetings in February, March, April and May. The Committee agreed. The next meeting will be on 2/18/14 in the Lyle Shields Meeting Room at 3:00 p.m.

Other Business

None

Adjournment

Ms. Busey adjourned the meeting at 4:27 p.m.