



Labor/Management Health Insurance Committee

MINUTES – APPROVED AS DISTRIBUTED 5/13/14

Date: Tuesday, April 15, 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, Astrid Berkson, Doug Bluhm, Deb Busey, Debbie Heiser, Tea Jones, Barb Doyle-Little, Angela Lusk, Michelle Mennenga, Betty Murphy, Josh Reifsteck, Ed Sexton, Amanda Tucker, Steve Ziegler
Absent: Donna Blumer, Stan Harper, Josh Jones, Brad Morris, Nora Stewart
Others: John Malachowski (Gallagher Benefit Services), Kay Rhodes (recording secretary)

Call to Order

Ms. Lusk called the meeting to order at 3:06 p.m.

Approval of Minutes from March 18, 2014 Meeting

MOTION by Ms. Heiser to approve the March 18, 2014 minutes from the Labor/Management Health Insurance Committee; seconded by Mr. Bluhm. Upon vote, the **MOTION CARRIED** unanimously.

Worksite Wellness Challenge Program Update

Ms. Heiser reported that five teams from the County are participating in the *wechoosehealth365* program. Every week has a new health theme, and the program has been well received. The Affordable Care Act (ACA) provides funding for employer worksite wellness training. Ms. Heiser intends to complete 20-hours of training and may receive \$1,000 in grant funding to be used to develop a wellness program for the County.

County Health Fair Subcommittee Update

Ms. Tucker stated that the fair will occur on 6/17/14 at the Urbana Civic Center from 10am – 2pm. Invited vendors include health clubs, health food stores, health providers and the Urbana Park District. Door prizes will be available to employees that visit a certain number of vendors. Fruit, water and granola bars will be available to the participants. Employees' families will also be able to attend.

Lower-End Claims

Mr. Malachowski distributed a summary concerning the history of the County's plan for lower-end claims (\$0 to \$1,000) over the last four years with Health Alliance. He noted that approximately 50% of the participants had a claims level of \$1,000 or lower only representing only 4-5% of the total plan-year claims (includes prescription drug claims). In terms of a premium reduction strategy, assessing an up-front deductible on the plan will impact only half of the people in the plan. In the County's health plan, Mr. Malachowski stated that about 90% of the claims are coming from 10% of the population.

Aggregate Insurance Pool

Ms. Murphy stated that Champaign County Regional Planning Commission coordinated an effort to see if a municipal cooperative could be formed which will have more bargaining power to get better health insurance rates. Intergovernmental Personnel Benefits Cooperative (IPBC) has been doing this in the Chicago area for about 40 years. The average increase since 2010 has been 5%. If the collective costs are less than the aggregated claims, those dividends go back to the municipalities in the pool. On May 14th, Ms. Murphy explained that County representatives and local

municipalities will meet with IPBC to receive individual quotes based on the claim history of the units of government interested in participating. Resolutions would need to be in place by July to enter the aggregate insurance pool on 1/1/15. Ms. Busey clarified that IPBC will form another sub-pool comprised of our local entities.

Mr. Malachowski stated that the IPBC program is a self-funded plan that looks like a fully-insured plan. It mostly contracts with Blue Cross Blue Shield as most of their pool participants are located in Chicago and southern Illinois. Champaign County has Health Alliance as the dominate health insurer. Individual entities are responsible for claims up to \$35,000 per participant. Those claims between \$35,000 - \$125,000 are put into the pool and all members share those claims. Stop loss insurance goes into effect for those claims over \$125,000. As the risk is spread over a larger number of people, it becomes more manageable. Each governmental agency in the pool will have its own rate based on actuarial adjustments in coverage. A monthly premium is assessed on the number of participants and is put into a reserve (dividend) which could be paid back if the claims are less than the plan-year's total monthly assessment. The advantages of IPBC over a self-insured plan are consistent cash flow and a potential to break open the market of health care insurers in our area.

Ms. Berkson wondered how Blue Cross will be able to make up the discounts offered by Health Alliance since our local providers are Carle and Christie Clinic. Mr. Malachowski thought that was a concern that IPBC has not addressed. Ms. Murphy hoped that an exodus from Health Alliance to Blue Cross via the IPBC program would cause Health Alliance to lower their rates. Currently Blue Cross is accepted by Carle Hospital and Carle specialists but not accepted by Carle primary doctors. Mr. Alix commented that municipalities leaving Health Alliance may put additional pressure on Carle to allow Blue Cross discounted access to their primary care doctors. Mr. Malachowski noted that United Healthcare may be brought in as a third player in the local health care insurer market if it is opened up.

In consideration of collective bargaining agreements, Ms. Busey stated that IPBC will have to be very explicit in the details of the plan before the County would be willing to commit. Illinois Counties Risk Management Trust (ICRMT), our current carrier for workers' compensation & liability can also do aggregation and has access to the local doctors through the Health Link Network. Ms. Busey thought that ICRMT should also provide a proposal to see what could be done for our group health plan.

Before the County would sign on with IPBC, Mr. Alix would like to seek neutral third-party advice as Mr. Malachowski works for Gallagher & Co. who also advises IPBC. Mr. Zeigler wondered if our aggregation of municipalities had enough leverage to motivate Health Alliance into lower rates. Mr. Zeigler also wanted clarification of who will defend lawsuits if the County decides on a self-insured plan. The third-party administrator will determine if a claim is eligible. Mr. Alix thought it would made sense for negotiating purposes to have only municipalities in the Health Alliance coverage area in the sub-pool.

Ms. Busey asked Mr. Malachowski to find out if the quotes from IPBC would include Blue Cross and Health Alliance. Ms. Murphy will contact ICRMT to see what kind of a health plan they could offer the County.

Other Business

None

Next Meeting – May 13, 2014

The next meeting will be on 5/13/14 in the Lyle Shields Meeting Room at 3:00 p.m. There will be a presentation by IPBC about their proposed plan for County.

Adjournment

Ms. Busey adjourned the meeting at 4:20 p.m.