



## ***Labor/Management Health Insurance Committee***

### ***MINUTES – APPROVED 6/10/14***

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**Date:** Tuesday, May 13, 2014  
**Time:** 3:00 p.m.  
**Place:** Lyle Shields Meeting Room  
Brookens Administrative Center  
1776 E. Washington St.  
Urbana, Illinois

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#### **Committee Members**

**Present:** Chris Alix, Astrid Berkson, Donna Blumer, Deb Busey, Stan Harper, Debbie Heiser, Barb Doyle-Little, Angela Lusk, Michelle Mennenga, Betty Murphy, Josh Reifsteck, Steve Ziegler  
**Absent:** Doug Bluhm, Josh Jones, Tea Jones, Brad Morris, Nora Stewart, Ed Sexton  
**Others:** Gregg Aleman & Erin Duffy (Gallagher Benefit Services), David Cook (IPBC), John Malachowski (Gallagher Benefit Services), Beth Brunk (recording secretary)

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#### Call to Order

Ms. Busey called the meeting to order at 3:05 p.m.

#### Approval of Minutes from April 15, 2014 Meeting

**MOTION** by Mr. Ziegler to approve the April 15, 2014 minutes from the Labor/Management Health Insurance Committee; seconded by Ms. Lusk. Upon vote, the **MOTION CARRIED** unanimously.

#### Presentation by Intergovernmental Personnel Benefits Cooperative (IPBC)

Gregg Aleman, Area Senior Vice President of Gallagher Benefit Services, and David Cook, Executive Director of IPBC, gave a brief overview of IPBC. The company was started in 1979 and its member population is mostly centered in the Chicago area. It is built and run by the member public entities as a claim financing mechanism. Claims are spread out among all 30,000 members which make the cost more predictable. IPBC subcontracts with insurance carriers including Blue Cross Blue Shield (BCBS), United Healthcare and CIGNA. The public entities are better able to control costs due to the transparency of IPBC. Every member has great flexibility in the plan design – there are 260 plan designs between 76 communities. An Executive Board meets every two months to monitor the operations. IPBC has \$98 million in reserve funds and in the past seven years has grown an average of 10% per year. If the actual claims numbers are less than the money paid in monthly premiums, a dividend will be paid back to the municipal entity.

Mr. Alix inquired why the IPBC renewal rate adjustments were trending down. Mr. Aleman responded that four main factors has contributed to the lower renewal rate percentages including better contracts with Express Scripts Medco, increased growth of IPBC, return on wellness and greater participation from United Healthcare especially in metro East St. Louis and Chicago. Mr. Aleman stated that six or seven years ago, IPBC attempted to work with Health Alliance but was unable to do so due to Health Alliance's lack of transparency.

Mr. Alix commented that the challenge is the relationship between Carle and Health Alliance. Many employees have Carle primary-care doctors that would not be covered under BCBS. Mr. Alix wondered if there would be enough primary-care doctors in other networks in town to take care of the additional people that would move to BCBS. The issue is to find a carrier who can negotiate a discount with the Carle primary-care doctors or achieve a cost savings sufficient to cover the difference in the discounts that we would not get in using Carle primary-care doctors. Mr. Aleman replied that some of those questions will be addressed tomorrow in a meeting with interested municipalities, IPBC and BCBS.

Ms. Busey asked what a municipality could expect for rates on entering a new sub-pool. Mr. Aleman there may be an additional cost in the first year due to a lack of information about the rates in a new area for IPBC. Subsequent years should normalize those costs. Ms. Busey inquired how individual group performance may impact the dividend. Mr.

Aleman stated that a better member loss ratio will positively affect the dividend coming back. Mr. Alix asked what commonality is expected among the members in a sub-pool. Mr. Aleman responded that the sub-pools are organized geographically. There is one voting member per sub-pool represented on the IPBC Board – currently there are 38 voting members.

**The IPBC and Gallagher (Chicago branch) representatives left the meeting at this time.**

#### Discussion on Insurance Options for 2015

Ms. Busey noted that IPBC requires a commitment in July 2014 to allow participation in their program for January 2015. Mr. Malachowski thought it may be advantageous if IPBC would approach HAMP again to explore their options for working together. In the meeting tomorrow, BCBS representatives may have a creative solution to accessing the Carle primary-care doctors. The capacity issue should also be addressed with BCBS. Mr. Malachowski commented that the financial aspect of IPBC is very compelling. Christie Clinic and Presence Health are already in BCBS's network. In the County's plan, 35% claims are from Christie and 65% are from Carle. Employees can still access Carle specialists and other Carle services under BCBS – just not the primary-care doctors. If employees opted to continue with Carle primary-care doctors out-of-network under BCBS, there would be higher plan claims and employee out-of-pocket costs.

Ms. Busey stressed that union representatives of this Committee should talk to their members about their receptivity of having only Christie Clinic primary-care doctors as an option if the County goes with IPBC. This Committee will be making the decision as to what health care plan the County will choose. Another health insurance option which will be presented to this group at the June meeting will be from Illinois Counties Risk Management Trust (ICRMT), our workman's compensation provider. The Committee will decide from options presented by IPBC, ICRMT and Health Alliance. A Committee decision must be made by October 1<sup>st</sup> for budget purposes.

#### County Health Fair Subcommittee Update

Ms. Heiser reported that the County Health Fair will be held on June 17<sup>th</sup> at the Urbana Civic Center from 10:00 a.m. to 2:00 p.m. Payroll flyers will go out to all departments. Employees will have vendors initial a card which will be used to win raffle prizes. Vendor attendees include Public Health District, Durst Cycle, Body N Sole, Strawberry Fields, Common Ground, health clubs, massage therapists and various health carriers. There will be another meeting on May 29<sup>th</sup> to finalize the details. Ms. Busey will recommend to Department Heads/Elected Officials that they allow employees to participate in this event.

#### Next Meeting

The next Committee meeting will be on June 10<sup>th</sup>.

#### Other Business

Ms. Murphy reported that she researched Illinois Program Manager's Group (IPMG) – a subsidiary of ICRMT. She could find no evidence that they created a multi-jurisdictional health insurance pool. IPMG is experienced in certain insurance niches but a health insurance pool in not one of them. Ms. Busey indicated that they are advantages to having workman's compensation and medical with the same provider. While they do not have pools, they offer health insurance to public entities. An additional advantage is the Health Link network which would include all doctors in this area. Health Link is a sub-set of Health Alliance. Mr. Malachowski noted that Health Link originated in St. Louis and contracts with doctors over a regional area larger than the Health Alliance network. Insurance carriers will offer Health Link as the network if they do not have their own proprietary network in an area. Health Link discounts are similar to United Healthcare but providers do not like them since they have to pay a fee over a network discount contract.

#### Adjournment

Ms. Busey adjourned the meeting at 4:25 p.m.