



Labor/Management Health Insurance Committee

MINUTES – APPROVED AS DISTRIBUTED – 7/22/14

Date: Tuesday, June 10, 2014
Time: 3:00 p.m.
Place: Lyle Shields Meeting Room
Brookens Administrative Center
1776 E. Washington St.
Urbana, Illinois

Committee Members

Present: Astrid Berkson, Doug Bluhm, Donna Blumer, Deb Busey, Stan Harper, Debbie Heiser, Josh Jones, Tea Jones, Betty Murphy, Josh Reifsteck, Nora Stewart, Steve Ziegler
Absent: Chris Alix, Barb Doyle-Little, Angela Lusk, Michelle Mennenga, Brad Morris, Ed Sexton
Others: Molly Rollings, Jack Wilson & Mike Pauley (Dimond Bros), Bill Spring, Jeff Weber & Todd Greer (ICRMT), John Malachowski (Gallagher Benefit Services), Beth Brunk (recording secretary)

Call to Order

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

Approval of Minutes from May 13, 2014 Meeting

MOTION by Ms. Stewart to approve the May 13, 2014 minutes from the Labor/Management Health Insurance Committee; seconded by Mr. Ziegler. Upon vote, the **MOTION CARRIED** unanimously.

Presentation by Insurance Program Managers Group (IPMG)/Illinois Counties Risk Management Trust (ICRMT)

Mr. Spring stated that IPMG is an umbrella insurance service company that develops programs to help groups manage risk such as workers' compensation, property/casualty and benefits. Currently IPMG is working with over half of the counties in the state through various risk or claims management services – the County has been working with their flagship program ICRMT (workers' compensation/property & casualty liability) for 11 years.

The benefits program, UMED, integrated with ICRMT was started six years ago to control rising health care premium costs for public entities. UMED is a full service benefits third-party administrator – all clients are self-funded. Additional administered services include dental and vision. UMED will be pooling the stop-loss insurers (catastrophic claims) later this year based on conservative underwriting. This program also promotes wellness initiatives through on-site visits, newsletters and website information.

Self-funding provides a means to cost control/savings, customized program design and implementation of networks. Independent Pharmacy Benefit Managers (PBM) vendors are used so the client receives their drug rebates back from the prescription suppliers. Another advantage of self-funding is access to your data through claims and utilization reports.

Vendors in the Champaign County area include HealthLink, Cigna and HFN. HealthLink accesses Carle and Christie primary care doctors and their facilities in different locations. Possible strategies may be to incentivize employees to use Christie instead of Carle for cost savings. ICRMT also has the ability to contract with local out-of-network doctors directly. ICRMT has nurse case managers on staff who help guide employees to the best health care provider for their situation.

ICRMT (workers' compensation) and UMED (health benefits) has a commonality – the health of the employees. There is much crossover between these programs that translates to cost savings when they are both managed by IPMG. Approximately 44% of the County's workers' compensation claims are repeaters. IPMG has found through training and wellness programs, that the repeat claimants are reduced to 10%.

Ms. Murphy asked about the administrative fees related to the HealthLink networks. Mr. Spring replied that it varied from HMO, PPO and open access but he thought the range is from \$5-\$8 per employee/per month. Mr. Spring affirmed that IPMG does not administer a multi-jurisdictional pool specific to health insurance.

The IPMG and Dimond Bros representatives left the meeting at this time.

Discussion on Insurance Options for 2015

Ms. Busey listed the alternatives that have been presented to the Committee – IPBC aggregation health insurance, ICRMT which would have the advantage of sharing information from workers’ compensation and self-funded health benefits programs, Health Alliance fully-funded or Health Alliance self-funded. Mr. Malachowski pointed out the most significant question of any proposal is the amount of the provider contract discounts. The last report he saw in this area showed HealthLink at 10% less in discounts than Health Alliance.

The following questions were proposed to clarify ICRMT’s UMED program:

1. What is the number of UMED benefit clients - share a client list to identify the large & small clients - what is the average client size? How experienced is ICRMT with the health insurance?
2. Who is their Pharmacy Benefit Manager and what is the average rebate?
3. What are the average discounts in Champaign County providers from the various networks they are using?
4. What are the administrative costs for paying claims – what is the range that a group our size can expect to pay?
5. What is the quantifiable benefit that a client can derive from sharing both the health insurance benefit and the workers’ compensation/property liability sides at IPMG?

The comparison of UMED’s administrative costs and discount percentage will determine if ICRMT is a competitive alternative.

Mr. Malachowski stated that Health Alliance will submit their renewal numbers in mid-July. This timing will still allow the Committee to decide on a fully-insured versus self-insured option with Health Alliance for 2015. Ms. Busey commented that if the Committee wants to explore the IPBC or ICRMT opportunities with more research, then it would be better to select the fully-insured option. Once the County has transitioned to a self-insured plan, it should stay committed on that path for a 5-year period to allow good and bad claim years to average out. IPBC will make another presentation on 6/17/14, and any new information will be reported to this Committee.

Last year’s expected claims numbers between Health Alliance fully-insured or self-funded options were very close. If the claims go down, then self-funded is the better option. However if the claims go up, then the fully-insured plan is the better choice. Most public entities in the Health Alliance marketplace are fully-insured. At this time, the Affordable Care Act mandates an additional \$225,000 in taxes on fully-insured plans that are not applicable to self-funded plans.

County Health Fair Subcommittee Update

Ms. Heiser reported that the County Health Fair will be held next Tuesday, June 17th at the Urbana Civic Center from 10:00 a.m. to 2:00 p.m. Twenty-one vendors will be participating. Healthy snacks and door prizes will be available to employees that attend. Payroll flyers will go out to all departments.

Next Meeting

If the additional information from ICRMT and IPBC seems competitive for the County, the Committee will meet on June 24th to discuss the possibility of asking for a specific quote from these companies. The date for the July meeting will depend on the renewal numbers release from Health Alliance – probably 7/15 or 7/22.

Other Business

None

Adjournment

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