



Labor/Management Health Insurance Committee

MINUTES – APPROVED AS DISTRIBUTED 1/20/15

Date: Tuesday, August 19, 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, Donna Blumer, Deb Busey, Barb Doyle-Little, Debbie Heiser, Josh Jones, Tea Jones, Angela Lusk, Michelle Mennenga, Brad Morris, Betty Murphy, Josh Reifsteck, Ed Sexton, Nora Stewart, Steve Ziegler
Absent: Stan Harper
Others: John Malachowski (Gallagher Benefit Services), Beth Brunk (recording secretary)

Call to Order

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

Approval of Minutes from August 12, 2014 Meeting

MOTION by Ms. Stewart to approve the August 12, 2014 meeting minutes from the Labor/Management Health Insurance Committee; seconded by Mr. Sexton. Upon vote, the **MOTION CARRIED** unanimously.

Discussion of Insurance Options for 2015

Mr. Malachowski presented FY2015 cost comparisons for following proposals: Health Alliance Medical Plans (HAMP) fully-insured, HAMP self-insured and Insurance Program Managers Group (IPMG) self-insured. He felt that HAMP's fully-insured offer is the strongest proposal. The HAMP self-insured option has increased the costs for employees with dependent coverage and has less-favorable provider discount rates over its fully-insured option. Mr. Alix commented that HAMP's self-insured proposal looks reasonable, but it is not worth the risk this year. We should keep looking at HAMP's self-insured option in the future.

In 2015, the Affordable Care Act (ACA) mandates that co-pays for prescriptions will accrue towards the out-of-pocket (OOP) maximum. While the County's HRA plan does not reimburse for prescription co-pays, it does pay out for OOP exposure. Based on last year's data, Mr. Malachowski estimated that the HRA account will have an additional \$18,000 expense due to employees reaching the \$1,750 OOP limit faster so that 20% coinsurance claims will be reimbursed out of the HRA account. Mr. Malachowski suggested a small increase to the employees' HRA contribution to offset this added expense. Ms. Busey affirmed that any money left in the HRA account that is not used in the fiscal year stays in the Health Insurance Fund and could be used for wellness initiatives in a self-insured plan. If the County is looking at a self-insured plan, it would need a few years to build the Health Insurance Fund or look at funding the self-insured maximum claims cost to be prepared for the worse.

MOTION by Ms. Heiser to accept Health Alliance Medical Plan Renewal #2 fully-insured plan with the 22.5% HRA increase; seconded by Mr. Zeigler.

Mr. Bluhm suggested increasing the HRA so the County can start to build a balance in the Health Insurance Fund. Ms. Busey affirmed that the money in the Health Insurance Fund is proprietary so it cannot be comingled with other County funds. Ms. Busey proposed increasing the HRA contribution to 25% from 22.5% which would generate an annual total of \$296,760 in the HRA fund.

AMENDED MOTION by Mr. Bluhm to increase the HRA fund contribution by \$21,000 in revenue to remain in the fund at year-end which is effectively paid by both employee and employer funds.

Ms. Heiser and Mr. Zeigler agreed to the friendly amendment.

Roll call vote:

Aye (17) – Alix, Berkson, Bluhm, Blumer, Busey, Doyle-Little, Heiser, Josh Jones, Tea Jones, Lusk, Mennenga, Morris, Murphy, Reifsteck, Sexton, Stewart, Ziegler

Nay (0) – None

MOTION CARRIED unanimously.

Ancillary Lines of Coverage

Lincoln Financial Group Life Insurance – renewal rates not received yet on base life – no change in voluntary life insurance

Reliance Standard Voluntary Vision Plan – accept renewal with no change in rates

Allstate Voluntary Coverages – continuous rates – no change

Benefit Planning Consultants HRA Administration – reduced rates – accept changes

Delta Dental – Voluntary Plan Paid by Employees – 2 proposals:

- 1 year renew at current rate
- Increase rates by 4% and lock in for 2 years

Mr. Malachowski indicated that Delta's rates in this area are 25% below the local competitors.

MOTION by Mr. Morris to approve Delta Dental's 4% premium rate increase locked in for 2 years; seconded by Bluhm. Upon vote, the **MOTION CARRIED**.

MOTION by Ms. Stewart to recommend to the County Board to maintain all ancillary programs for employee benefits; seconded by Ms. Doyle-Little. Upon vote, the **MOTION CARRIED** unanimously.

Next Meeting

The next meeting will be in November.

Other Business

Ms. Heiser wanted to change notice for open enrollment meetings to two weeks due to lack of employee participation. Ms. Busey will talk to department heads to encourage employee participation. Ms. Lusk discussed the idea of surveying employees to see what meeting times would be best for all employees.

Adjournment

MOTION by Mr. Jones to adjourn the meeting; seconded by Ms. Stewart. Upon vote, the **MOTION CARRIED** unanimously. Ms. Busey adjourned the meeting at 3.57 p.m.