



CHAMPAIGN COUNTY BOARD
LABOR MANAGEMENT HEALTH INSURANCE COMMITTEE
County of Champaign, Urbana, Illinois

MINUTES – APPROVED AS DISTRIBUTED ON JANUARY 17, 2017

DATE: Tuesday, October 18, 2016
TIME: 2:00 p.m.
PLACE: Lyle Shield's Meeting Room
Brookens Administrative Center
1776 E. Washington St. Urbana, IL 61802

Committee Members Present: Chris Alix, Astrid Berkson, Donna Blumer, Debbie Heiser, Barb Doyle-Little, Josh Jones, Tea Jones, Angela Lusk, Barb Mann, Matt McCallister, Michelle Mennenga, Betty Murphy, John Naese, Tami Ogden, Dwayne Roelfs and Rick Snider

Committee Members Absent: Brent Frye Stan Harper, and Josh Reifsteck

County Staff: Tammy Asplund (Recording Secretary)

Others Present: John Malachowski (Gallagher)

Call to Order

Mr. Snider called the meeting to order at 2:05 p.m.

Approval of Minutes from October 11, 2016 Meeting

There was a Motion by Ms. Lusk to approve the October 11, 2016 meeting minutes from the Labor Management Health Insurance Committee; seconded by Ms. Heiser. Upon vote, the MOTION CARRIED unanimously.

Discussion

Mr. Snider stated there is a significant obstacle in the negotiation with Aetna regarding the payment schedule. Health Alliance is currently on a 60-day cycle regarding premium payments. Because Aetna is self-insurance, it uses the monthly premiums to cover claims. So, the issue is that Aetna only will allow a 15-day grace period. This is actually longer than their usual (2 days) grace period. 15 days is not enough time to do all that the County requires (auditing of the bills prior to payment, etc.). The most serious problem with the Aetna billing is the issue with January payment. In order to start with Aetna, the County would need to pay in December 2016. This would require funds in addition to the Health Alliance payment for December. This translates to an additional ½ million dollars the County would need to find. Several options were discussed with the Treasurer and Auditor, but no solution has been found. At this time, Aetna is not a feasible option for health care insurance in 2017.

Ms. Mann asked whether the County would ever be able to replace Health Alliance; based on this payment issue. Mr. Malachowski responded that one of the issues is fully insured versus self-funded. Fully insured plans will always allow a minimum of a 30-day grace period; and would be much more likely to negotiate up to 45 days. A self-funded plan has to have the money in advance, because claims are paid with premium dollars already collected.

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Mr. Malachowski reviewed the process of this committee. He stated he believes this year's process started out unlike other years primarily because the County has never been given a renewal with such a significant (51%) increase. He reminded the committee that when Gallagher's underwriters analyzed the numbers, they recommended a 67% increase (based on claims). He believes the process worked as it was intended.

Mr. Jones expressed concern that the County will be in the same situation (unable to choose any plan other than Health Alliance) next year because of the payment issue. There was discussion by the committee regarding what may be done in the future to allow the County more options for health insurance. Mr. Snider acknowledged the need to build the fund balance in order to have more options in the future.

Ms. Blumer asked whether the County had the ability to offer two different plans (Aetna & Health Alliance, for example); as they used to do this in the past. Ms. Heiser reviewed the County carrier history and stated that eventually one carrier was chosen in order to realize better savings. Mr. Malachowski stated that none of the companies that quoted this year would be willing to "share" the County with another carrier.

Mr. Malachowski stated that Gallagher routinely is asked by other companies/entities to go through the exercise of figuring out what the cost would be if they did not offer insurance to their employees. There was discussion by several members regarding employees' reluctance to change; people are afraid of change. Mr. Jones reminded the committee that those employees who have voiced dissatisfaction about the choice made by the committee don't have all of the information the members of the committee have.

Mr. Snider suggested the communication process should be examined before next year's renewal.

There was a Motion by Ms. Murphy to approve the Health Alliance fully-insured plan with the \$2000 deductible; seconded by Ms. Heiser. A roll call vote was taken. Upon vote:

Aye – Alix, Berkson, Little, Heiser, Murphy, Mann, Ogden, Snider, McCallister, Mennenga, Naese, Blumer, Jones (T), Lusk

Nay – Jones (J)

MOTION CARRIED.

Ms. Heiser stated open enrollment will be held the weeks of November 7 and 14. Mr. Snider offered to draft a memo to announce our decision to the committee members so they can share with their respective groups. There was discussion regarding education and managing expectations for next year. Mr. Snider commended the committee on the work they performed this year.

Other Business
None

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Next Meeting
TBD

Adjournment

There was a Motion by Ms. Little to adjourn the meeting; seconded by Ms. Mennenga. Upon vote, the MOTION CARRIED unanimously Mr. Snider adjourned the meeting at 3:13 p.m.

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