

CHAMPAIGN COUNTY
Health Insurance Committee Minutes

Tuesday, August 28, 2012 – 3:00pm
Jennifer K. Putman Meeting Room
1776 E. Washington St., Urbana, IL

MEMBERS PRESENT: Astrid Berkson, Donna Blumer, Deb Busey, John Farney, Josh Jones, Tea Jones, Barb Doyle-Little, Brian Mennenga, Debbie Mennenga, Michelle Mennenga, Brad Morris, Elizabeth Murphy, Ed Sexton, Amanda Tucker, Debi Young, Steve Ziegler

MEMBERS ABSENT: Stephanie Holderfield, Josh Reifsteck

OTHERS PRESENT: John Malachowski

CALL TO ORDER

D. Busey called the meeting to order at 3:00 pm.

APPROVAL OF MINUTES

Motion by Berkson to approve the minutes of August 21, 2012, as presented; seconded by Farney. **Motion carried unanimously.**

REVIEW OF PREMIUM RENEWAL FORMULA & UPDATE ON FY2012 RENEWAL PROCESS

Malachowski began by saying that Coventry only has a contract with Carle doctors for fully funded plans. They will only include both facilities for self-funded plans. He went on to say that Coventry isn't aggressively pursuing the business, which leads back to Health Alliance.

Malachowski noted that the County essentially has two medical plans, one from Health Alliance and the HRA from BPC. Malachowski added the costs of the HRA utilizing a 20% HRA and based on 484 single and 146 family enrollees. The projected cost under the original renewal agreement is 5.9 million and once the HRA is added in the cost increase drops. Malachowski said numbers were re-run utilizing two additional months of information. The per employee per month claim cost improved and as a result, Health Alliance came back with a reduced renewal rate. The net result cost of the two plans is a 14.53% increase.

Malachowski stated that several plans were looked at utilizing different HRA percentages. He noted that the County currently pays \$4.8 million for the current plan and the new plan would be \$5.0 million. He said that changing the deductible from \$1500 to \$3000 would cost the HRA \$232,000 for a total premium of \$5.2 million. Malachowski stated that nets to a 4.8% increase instead of a 17% increase. He mentioned adjusting the insurance premiums internally and having the County take on more risk. Malachowski said that most people are probably expecting and increase and the option of keeping the current plan is there.

Farney asked if current drug data could be obtained to plug into the new plan to see what costs will be. Malachowski answered that the new plan will actually reduce prescription co-payments in most cases.

Malachowski explained the differences between the current plan and the proposed plan. The current plan has a \$2500 out of pocket max and the County is self-insuring \$1000 of that to reduce out of pocket costs to \$1500. The office co-pays are \$20 for primary, \$40 for specialty,

and \$500 for MRI, in-patient care, etc., which the HRA reimburses up to \$1000. The prescription co-pays are \$15, \$25, and \$40. The proposed plan changes the out of pocket expense to \$3000, \$25 for primary, \$50 for specialty, and \$1000 for MRI, in-patient care, etc., and \$200 vs. \$175 for emergency room. Tucker asked where the urgent care fell under the current plan. Malachowski said it wasn't specified. D. Mennenga asked if urgent care was the same as convenient care. Malachowski said that it was, but he will check to see what determines if it gets billed as urgent care.

Malachowski then explained the changed in prescription coverage with the 6-tier plan. The RxExtra will remain the same. The value based name brand drugs are a 10% co-insurance now and will go to a flat \$25. The generics will drop from \$15 to \$7. The brand name formularies will drop to \$25 from \$30. The brand name non-formularies remain the same at \$50. Specialty meds now have a 20% co-insurance that will go to \$100 for formularies and \$150 for non-formularies. Anything that is not on their formulary lists will be a 50% co-insurance. The tier 2 generic plan is currently the second most utilized and the co-insurance will drop \$20. Malachowski noted that most prescription costs are generic drugs and the co-insurance will drop to \$7.

Malachowski stated that if the County keeps the current plan, the increase for FY2013 will be \$869,000. If the County goes to the new plan, the FY2013 increase will be \$241,000. With the new plan, family coverage increases \$22/month while with the current plan, the increase would be \$101/month. Malachowski explained that the goal was to keep the plan as close to the current plan as possible without making changes to the out of pocket max. The negative is that the doctor co-pays go up, but the positive is that the co-insurance for most prescriptions goes down.

Malachowski was asked to give costs for 4-tier medical plans.

	<u>Current Plan</u>		<u>Proposed Plan</u>	
	Current	Increased to	Employee	\$558
Employee	\$540	\$620	Employee & Spouse	\$738
Employee & Spouse		\$821	Employee & Children	\$697
Employee & Children		\$775	Family Coverage	\$1205
Family Coverage	\$1143	\$1340		

Both tables above are without the HRA costs.

Busey said a decision needs to be made by next Tuesday because this needs to go to the board at the September 20th meeting. She asked if the group was ready to say they supported the benefit structure of the plan or not. B. Mennenga says most people he's talked to are expecting an increase. Malachowski said this needs to be looked at as a big picture scenario that protects individual if something major happens. He went on to say that the new plan doesn't change the big picture even though some costs go up slightly.

D. Mennenga pointed out that the out of pocket expense has remained the same for three years. B. Mennenga asked how many people had reached the out of pocket maximum. Malachowski said he didn't know exactly, but there were at least eight that he knew of.

Murphy asked who assumes the risk if the HRA goes over 20%. Malachowski said the County, but based on past numbers he doesn't think it will go over 16-17%. Farney asked if the numbers fit with the board's projected costs. Busey answered that it does.

Busey suggested that once a plan is selected; send an email to all users describing the differences between the current 2-tier and potential 4-tier options for insurance, and request input from users as to which option is preferred. Busey went on to say that the basic plan selection should ideally be made within 2 weeks. Several people wanted more clarification on

the convenient/urgent care issue and more information on the pharmacy coverage before making a decision. Malachowski said he would have that for next week's meeting. Busey said that if there is clarification on the convenient/urgent care and information on the pharmacy coverage at next week's meeting that everyone should be prepared to vote on the plan to be selected.

Malachowski moved the discussion to the volunteer dental plan, which is expiring. Their renewal rate was and 8% increase for one year or a 14% increase for two years. Malachowski said he went back to them with a 7% increase for one year and a 10% increase for two years which he feels is the best the County can get. He noted that Delta Dental has the biggest network in this area and reminded everyone that this is a 100% voluntary plan with 100% of the premiums paid by the employees.

Malachowski next said that there is an opportunity to add voluntary vision insurance. He said that rates were obtained from three carriers. Delta requires a 15% participation rate which Malachowski doesn't think the County can reach. The other two are VSP and IMED Vision which have very similar plans and would cost the employee around \$7 for single coverage which would be a locked-in rate for two years. The difference is that VSP is a network of private doctors while IMED is chains like Pearl Vision and Bard Optical. Both only require 10 participants. It was asked if both plans could be used because of the low enrollment requirement. Malachowski said that could not be done. He said he will have printouts next week for these plans.

OTHER BUSINESS

Busey stated that the wellness plan was going to be put off until a decision on the 2013 health insurance plan has been made.

Busey reminded everyone that the next meeting is September 4, 2012 in the Jennifer K. Putman meeting room.

ADJOURNMENT

Meeting declared adjourned at 4:18 pm.

Respectfully submitted,

Linda Lane
Administrative Assistant