



Labor/Management Health Insurance Committee

MINUTES – APPROVED AS DISTRIBUTED 08/11/15

Date: Tuesday, July 28, 2015
Time: 3:00 p.m.
Place: Lyle Shields Meeting Room
Brookens Administrative Center
1776 E. Washington St.
Urbana, Illinois

Committee Members

Present: Chris Alix, Deb Busey, Barb Doyle-Little, Debbie Heiser, Josh Jones, Tea Jones, Barb Mann, Michelle Mennenga, Brad Morris, Betty Murphy, Tami Ogden, Dwayne Roelfs

Absent: Astrid Berkson, Donna Blumer, Stan Harper, Angela Lusk, Josh Reifsteck, Nora Stewart

Others: John Malachowski (Gallagher Benefit Services), Tammy Asplund (recording secretary)

Call to Order

Ms. Busey called the meeting to order at 3:01 p.m.

Approval of Minutes from July 14, 2015 Meeting

MOTION by Ms. Murphy to approve the July 14, 2015 meeting minutes from the Labor/Management Health Insurance Committee; seconded by Ms. Doyle-Little. Upon vote, the **MOTION CARRIED** unanimously.

Preliminary Renewal Proposal

Mr. Malachowski opened the discussion with a review of what has transpired since the last committee meeting. He has had discussions with Blue Cross/Blue Shield, United Health Care and Coventry; none of which have completed proposals. He also met again with Health Alliance to review the disagreements with the formulas used in the Renewal Proposal # 1.

He provided handouts pertinent to the discussion and began with a review of the Current (Insured) Plan from Health Alliance. The committee reviewed and discussed the Basic Premium / Cost Comparison handout. Alternate J column is detailed on the "Potential Plan Change" handout. The most significant changes are the increased OOPM and adjustment to the HRA. Mr. Malachowski stressed the last two columns (on the right) are pure conjecture.

The final handout (Summary of HRA Expenses – Up Front Copays) contains the information requested in the last LMHIC meeting held on July 28th. Upfront copays pertain to imaging services, outpatient surgery and hospital stays. Mr. Malachowski believes 2015 will stabilize (% copays) and come in near the 30%; as in previous years.

Mr. Malachowski displayed slides (no handouts) claim history for 2013, 2014 and YTD 2015.

- Individuals with claims less than \$1,000 = 53% (2013 & 2014) & 68% current year
- Individuals with claims of \$15,000 or more (representing those who met the OOPM) = 5% (2013 & 2014) & 3% current year

He believes there are approximately 6 points (%) that can be removed from the proposed Health Alliance increase (Renewal # 1) based on issues found in the formulation. According to Mr. Malachowski, Health

Alliance is reluctant to commit to any changes to their Renewal # 1; given the status of the current year's claims. He feels our bargaining power this time around is weaker than it has been in the past.

The committee reviewed the County's plan history; including the recent addition of Tiers to the plan to offer a variety of coverage (employee plus spouse; employee plus children only). Mr. Malachowski commented that claims are coming from the 55+ age bracket, both employee and spouses. He commented that Health Alliance may determine they are "under-charging" for children.

Mr. Malachowski hopes to have proposals from the other companies for the next meeting, as well as at least one alternate proposal from Health Alliance.

Ms. Busey asked how much of the total is due to ACA. Mr. Malchowski responded that 4.25% of current number is ACA tax fees. This should be the final year of large increases due to this program. If ¾% is removed from the total, the number left is the increase for Health Alliance.

Other Business

None

Next Meeting

The next meeting is scheduled for Tuesday, August 11th.

Adjournment

Ms. Busey adjourned the meeting at 3:48 p.m.