

CHAMPAIGN COUNTY
Health Insurance Committee Minutes

Tuesday, August 7, 2012 – 3:00pm
Meeting Room 3
1776 E. Washington St., Urbana, IL

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

MEMBERS ABSENT: Stephanie Holderfield, Josh Jones, Tea Jones, Elizabeth Murphy, Josh Reifsteck, Steve Ziegler

OTHERS PRESENT: John Malachowski

CALL TO ORDER

Busey called the meeting to order at 3:04 pm.

APPROVAL OF MINUTES

Motion by B. Mennenga to approve the minutes of June 19, 2012, as presented; seconded by Sexton. **Motion carried unanimously.**

REVIEW OF PREMIUM RENEWAL FORMULA & UPDATE ON FY2012 RENEWAL PROCESS

Malachowski went over the renewal rate offer and provided a handout. He explained that the insurance company looks at the current period and previous two full years, then pulls out the claims exceeding the pooling amount. They then have to project claims forward to six months into the next plan year. Health Alliance uses an inflation trend rate of 6.4%, which Malachowski said won't argue with since it is already below industry standards of 7.5%-7.9%. The insurance company assigns a heavier weighting to the current period since it is most creditable then adds in administrative costs to get to the renewal rate.

Malachowski stated another point won't argue with is the 84% credibility rate. Higher credibility tends to mean higher costs. He went on to say that an area they went back to Health Alliance for an adjustment is the 2009 numbers. Health Alliance was asked to eliminate those numbers or to reduce the weighting from 30% to 15%.

Morris asked if the \$150,000 pooling number was low. Malachowski explained that the pooling number is like a deductible. It has been looked into changing the pooling number to \$200,000 or possibly \$250,000. Berkson stated that one person made up the pooling number. Malachowski explained that the pooling number is only added once and that the number isn't from just one individual. Discussion continued.

Malachowski stated that the goal is to get as low of a renewal number as possible without making any changes to the plan. Once negotiations have produced the lowest number possible, that is when the plan should be looked at to see if any changes are needed.

Malachowski said another thing being looked at is the County becoming completely self funded. He went on to say that this may not be the year to do so because current claims are trending up. Berkson stated she is very worried about becoming self insured and going up against a local monopoly like Health Alliance. Malachowski explained that

negotiations would still be with Health Alliance discounts. He stated that self-funded plans should be looked at over a five year period. One year typically looks fantastic, one year is terrible, and the other years give a truer picture of the plan. Busey asked what the standard is to have in reserve before going self-funded. Malachowski said 25%.

Busey asked if the County would go back to Health Alliance and ask for multi-tiered rates once that lowest number is reached. Malachowski answered that those rates had already been asked for. He will also find out from Health Alliance the percentage of claims that come from employees, the percentage from spouses, and the percentage from children.

Malachowski said he expects to have revised numbers back from Health Alliance next week.

OTHER BUSINESS

Malachowski reported that there were 196 responses to the wellness survey, which is more than expected. D. Mennenga stated that no-one at the nursing home had asked for paper copies since most don't have computer access. Berkson felt shouldn't wait for them to ask, but send paper copies. Malachowski stated he wasn't sure it was worth printing 1,000+ pages for the number of responses would get back. The committee agreed that paper copies should be sent. D. Mennenga stated they will go out Friday with pay checks.

Busey asked if another step should be anticipated before moving to self-funded. Malachowski answered that there were some options before becoming self-funded. He went on to say that he expects the HRA fund to pay out \$130,000 of the \$160,000 budgeted. Busey felt that any money left over should be kept to use for possible wellness programs if the committee decides to implement any.

Busey reminded everyone that the next meeting is August 14, 2012 in Meeting Room 3.

ADJOURNMENT

Meeting declared adjourned at 4:03 pm.

Respectfully submitted,

Linda Lane
Administrative Assistant