

CHAMPAIGN COUNTY
Health Insurance Committee Minutes

Tuesday, August 21, 2012 – 3:00pm
Meeting Room 3
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, Ed Sexton, Amanda Tucker, Debi Young

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

OTHERS PRESENT: John Malachowski

CALL TO ORDER

B. Mennenga called the meeting to order at 3:01 pm.

APPROVAL OF MINUTES

Motion by Morris to approve the minutes of August 7, 2012, as presented; seconded by Farney. **Motion carried unanimously.**

REVIEW OF PREMIUM RENEWAL FORMULA & UPDATE ON FY2012 RENEWAL PROCESS

Malachowski started by saying there has been much back and forth with Health Alliance and it was confirmed on the phone on the way to this meeting that they are sticking to their original renewal rate with no adjustments. He noted that their renewal rate is with no plan change. He went on to say that he has never seen anything like this before.

Malachowski said that even minor changes to the plan will change the plan costs. Other plans with Health Alliance are now being looked at. One option is a 6-tier drug plan that Health Alliance has gone to. He noted that if any changes are made to the County's plan, the 6-tier drug plan will automatically take effect. Malachowski is looking at options with the HRA and what effects the 6-tier drug plan would have.

Malachowski stated that the self-funded insurance proposal with Health Alliance is the same plan the County currently has with no changes. He said that Health Alliance will not support any other plan for the self-funded option.

Malachowski continued by saying that they talked at great lengths today to Coventry and are trying to get numbers that have both Christie and Carle doctors. He noted that Coventry doesn't have an actual discount contract with Carle, but they have some type of agreement where they do get discounts, however they aren't nearly as much as the discounts Health Alliance gets with Carle. He said he doesn't know yet what the Coventry discounts are and that there are no other players in Champaign County to go to. He went on to say that Aetna is purchasing Coventry, but the deal will not go thru until 2013. Malachowski said one reason Aetna could be buying Coventry is that they are betting on Obama being re-elected and the health care reforms going into full effect which means large changes in Medicaid, of which Coventry has a lot of business. He said another reason is that they don't currently have a

footprint in this area and could be trying to establish themselves here. He couldn't say if it will be a good move for Champaign County or not.

Malachowski said the next step with Health Alliance is to take a look at plans with larger out-of-pocket amounts. He also said should look at the HRA to see what can be done to keep the out-of-pocket expense the same for plan participants and if it makes sense to take on that risk. He said he has asked Health Alliance for all plan options with out-of-pocket expenses up to \$5,000.

B. Mennenga asked if the 6-tier drug plan would save the County money. Malachowski answered probably not, but that will be the only option if any changes are made to the plan. Discussion continued.

B. Mennenga asked for a printout with all the different breakdowns. Malachowski said he will put one together. He said that the goal is to keep the plan as close to the current plan as possible.

M. Mennenga asked about medical tier options. Malachowski said it won't change the employee rate. He gave an example of a 4-tier plan: employee only, employee and spouse, employee and one child, or employee and family. He went on to say that this type of plan will most hurt the single parent with more than one child because their only option is the employee and family plan which is the most expensive.

Morris asked when it made sense for the County to become self-insured. Malachowski answered no more than one year. Choosing a plan this year is the final step before becoming self-insured. Malachowski admitted that he had hoped an idle threat of going to Coventry would persuade Health Alliance to adjust their numbers. He went on to say that Champaign County needs a plan that includes both major clinics in town and doesn't think splitting the insurance between Health Alliance and Coventry is a good idea.

Malachowski stated that Coventry could in effect "buy the business" with an 8% renewal rate, taking the risk that it will be a low claims year, but that the renewal for next year could be 32%. Blumer asked if the State of Illinois status affects the renewal rate. Malachowski said no one knows and when Health Alliance is asked about it, they always refer to their standard press release.

Busey asked for pricing on a plan with Christie doctors only. B. Mennenga asked what percentage of participants were with Personal Care in the past. D. Mennenga stated that it was about a 60-40 split. Discussion continued.

Malachowski explained that the only difference in a self-funded plan with Health Alliance as administrator is that the premiums fluctuate from month to month rather than remain constant. Berkson asked what reserve the County should have before becoming self-insured. Malachowski answered that for a group this size, \$1,000,000, which is 20-25% of average claims. He stated that the maximum claims are 20-25% above the average claims.

Young agreed about getting pricing for a plan with Christie doctors being in-network and Carle doctors being out-of-network, but is concerned about those who have major medical issues having to switch doctors. Malachowski said those people are given 90-day notice that their doctor is no longer part of the plan but that claims made during those 90 days would be paid. D. Mennenga asked if there was a way to see how many of the claims were for wellness checks paid at 100%. Malachowski said that it is less than 1%. Berkson asked if there has been a large change in the demographics at the County. Malachowski said that there had been a change, but not very significant.

Busey asked about an advantage with a national carrier for retirees that have re-located out of central Illinois. Malachowski said a national carrier does have that advantage since a provider can be found almost anywhere in the country, but that it should not be a deciding factor in the plan decision.

OTHER BUSINESS

B. Mennenga asked about wellness survey responses. D. Mennenga said she had received about 75 back from the Nursing Home. Malachowski said the group would have much bigger things to discuss next week and could look at the surveys at a later date.

B. Mennenga reminded everyone that the next meeting is August 28, 2012 and will move to the Jennifer K. Putman meeting room.

ADJOURNMENT

Meeting declared adjourned at 3:57 pm.

Respectfully submitted,

Linda Lane
Administrative Assistant