



Approved 4/15/2014

Labor/Management Health Insurance Committee

MINUTES – SUBJECT TO REVIEW AND APPROVAL

Date: Tuesday, March 18, 2014
Time: 3:00 p.m.
Place: Lyle Shields Meeting Room
Brookens Administrative Center
1776 E. Washington St.
Urbana, Illinois

Committee Members

Present: Astrid Berkson, Doug Bluhm, Donna Blumer, Deb Busey, Debbie Heiser, Josh Jones , Tea Jones, Barb Doyle-Little, Michelle Mennenga , Betty Murphy, Josh Reifsteck , Ed Sexton, Amanda Tucker
Absent: Chris Alix, Stan Harper, Angela Lusk, Brad Morris, Nora Stewart, Steve Ziegler
Others: John Malachowski (Gallagher Benefit Services), Beth Brunk (recording secretary)

Call to Order

Ms. Busey called the meeting to order at 3:04 p.m.

Approval of Minutes from February 18, 2014 Meeting

MOTION by Mr. Sexton to approve the February 18, 2014 minutes from the Labor/Management Health Insurance Committee; seconded by Ms. Heiser. Upon vote, the **MOTION CARRIED** unanimously.

Worksite Wellness Challenge Program Update

Ms. Heiser reported that five County teams have signed up for the *wechoosehealth365* program. The focus this week is on stress reduction.

County Health Fair Subcommittee Update

Ms. Tucker stated that the Urbana Civic Center is available over the lunch hours (10:00am – 2:00 pm) at the end of June for a \$300 deposit. The Subcommittee requested an additional \$300 for raffle prizes. Ms. Busey thought the Insurance Fund would be able to fund the \$600. Once the date is established, Ms. Tucker will contact various vendors representing fitness, nutrition and insurance. The format for the County Health Fair will be presented at the April LMHIC meeting.

Potential Premium Reduction Strategies

With the use of modeling software, Mr. Malachowski showed some plan design options and the corresponding changes to the claims cost:

Assuming \$5,000,000 in claims:

	Option	Estimated Claim Change	
#1	Remove employer HRA funding	\$350,000 reduction	
#2	Increase deductible to \$250	\$9,000 reduction	minimal impact
#3	Increase deductible to \$500	\$150,000 reduction	change in participant behavior
#4	Decrease Out of Pocket Maximum from \$3,000 to \$1,500	\$300,000 increase	
#5	Decrease Out of Pocket Maximum from \$3,000 to \$1,750	\$242,000 increase	
#6	Increase Out of Pocket Maximum from \$3,000 to \$5,000	\$110,000 reduction	
#7	Increase Out of Pocket Maximum from \$3,000 to \$6,350	\$163,000 reduction	
	#1 + #3	\$110,000 reduction	
	#2 + #5	\$250,000 reduction	

Mr. Malachowski explained that the Affordable Care Act (ACA) has mandated that as of 1/1/15, plans must include prescription drug co-pays in accumulating the maximum out-of-pocket costs. This cost has been figured into the above scenarios. In the County's current plan, Ms. Heiser explained that copayments do not apply to the out-of-pocket maximum but coinsurance percentages do.

For comparison purposes, the out-of-pocket maximums in the ACA marketplace exchanges are in the following range:

Year	Individual	Family
2014	\$6,350	\$12,700
2015	\$6,600	\$13,200

Mr. Malachowski reminded the Committee that the self-funded option would save approximately \$150,000 in taxes and fees as the law stands now.

Ms. Busey stated that County staff met with Intergovernmental Personnel Benefits Cooperative (IPBC) group to explore the concept of aggregation insurance with municipal entities such as the County, Cities of Urbana & Champaign, Mahomet, Savoy, Rantoul and others. The pool has approximately 11,000 individuals. This is a self-funded option that currently uses Blue Cross as a provider. Unfortunately under Blue Cross, Carle primary doctors are not covered but Christie primary physicians are. Ms. Busey stated that if the pool experience less cost than anticipated for stop loss insurance, the dividends are paid back to the participants. This may be a less volatile option than self-insurance by the County alone. Mr. Malachowski thought the pool's plan design does not resemble our current plan in that it passes the up-front cost to the employee. Also a commitment to the IPBC pool is required by July to begin the plan year on 1/1/15. Mr. Malachowski will confer with the IPBC group to present a comparison at the next meeting.

Ms. Busey stressed the need to seriously consider increasing the deduction and out-of-pocket maximum for a \$250,000 savings – a \$20/individual per month savings. Ms. Heiser requested that Mr. Malachowski provide the number of people in the County plan from last year that would reach the \$500 deductible.

Other Business

None

Next Meeting – April 15, 2014

The next meeting will be on 4/15/14 in the Lyle Shields Meeting Room at 3:00 p.m.

Adjournment

Ms. Busey adjourned the meeting at 4:05 p.m.