RUTHERFORD COUNTY BENEFITS & INSURANCE COMMITTEE
MARCH 24, 2016 COURTHOUSE

MINUTES

MEMBERS PRESENT:	OTHERS PRESENT:
MAYOR BURGESS	MELISSA STREET
ALLEN MCADOO	SHANNON MCNAIR
RHONDA ALLEN	SHERRY DODD
JIM BOWLES	DAN GOODE
JOE HAFFNER	KELLI DERRICK
SUSAN BONEY	ALDEN DAVENPORT
MERRY HICKERSON	VICKI CLAY
JEFF SANDVIG	KELLI PERRIEN
SHAUNTAE SHERRIL	SONYA STEPHENSON
PAULA BARNES	
CHRISTY CROWELL	

The meeting was opened by Mayor Burgess.

APPROVE MINUTES:
A motion was made by Merry Hickerson to approve the minutes from the last Benefits & Insurance Committee meeting on February 25, 2016. The motion was seconded by Paula Barnes and passed unanimously.

FINANCIALS:

Risk Management Director, Melissa Street, began with Fund 264 for the month of February. Claims PEPM was $1,007.00, compared to prior year of $789.00 YTD average $966.00 YTD average compared to prior YTD average of $875.00. Comparing our On-Site Medical Clinics experience our PEPM increases to $1,055.00 compared to prior year of $820.00 for an YTD average of $1,008.00 compared to prior YTD of $908.00.

For fund 266, the month of February YTD ended $397,127.04 compared to prior year of $445,613.69.

WC/OJI STATS:

Dan Goode, Safety Coordinator, reported that for the month of February 2016 had a total of 16 injuries that required medical attention. The YTD injuries total 31 of those 15 were OSHA recordable, 10.3 had restricted days, 12.2 had lost time days and 2 were all others. To compare YTD in 2014 we had 39 injuries, 2015 had 35 and 2016 has 31. This report shows that we are running in the middle on average. Total incurred dollars for 2014 had $ 56,000, 2015 $ 88,000 and 2016 had $72,000. Total incurred dollars for each division was $24,362.30. The BOE incurred 9 injuries with a total of $17,150.00. County General had a total of 7 injuries. The Sheriff's department had 2 injuries, Ambulance Service 1 injury, Solid Waste had 2 injuries, Property Assessor's office had 1, and the Correctional Work Center had 1 injury as well. The total dollars for County General was $7,212.30.

WELLNESS UPDATE:

Kelli Perrien, Wellness Coordinator, gave her report for the month of February 2016. We had our 1st quarter programming registration in the month of February. Know your numbers year 3, Fee assessments-Help tickets, had 39 assessments researched, of those 39, 3employees were refunded. Currently that brings our total fees down to 415, employees that remain are at 8.5%.

Wellness Coaching One on One in February was 6 new visits, 49 Follow-ups for a total of 55 visits with 25 active participants.

Current and Upcoming Activities for April - May 2016 include the following;

Know Your Number's year 4, Online and Biometrics, Online + Clinics are available through 09/30/2016.

Program promo, WOW Countywide for 2016

Lifeservices, Home Buying 101, Online 04/19/2016

In-tune Stress Mgmt, Quarter # 2 group activity, Countywide 04/11/2016 – 04/22/2016

Biometrics Screening, Clinic dates added, Stewarts Creek walk-ins 04/23/2016 & 04/30/2016, Times 7:00-11:00 am

Mammography, St. Thomas Mobile Unit, Stewarts Creek on 05/09/2016 and Blackman on 05/10/2016 Call to make an appointment (615) 222.7644

Sports Physicals, Clinic date added, Stewarts Creek on 05/14/2016 from 7:00 – 11:00 am

Relay for Life, American Cancer Society at MTCS on 05/21/2016 12pm-Midnight

Save the Date, for the Annual Wellness Fair at Lane Agri-Park on 10/14/2016 from 3:00 – 7:00 pm

Mrs. Barnes asked the question about the Know your number's process; could she get a percentage completion periodically in order to know how aggressive we needed to be in our communication to employees.

Mrs. Perrien told the committee that a Post Card was mailed to all employees reminding them of the biometrics date, hoping that employees would schedule during Spring Break. Mrs. Perrien also told the committee that we currently have a low completion rate. We have also added walk-in dates hoping that employees will take care of their biometrics before or during the summer. Mrs. Perrien told Mrs. Barnes that she could provide that information to her.

Mrs. Street asked Mrs. Perrien what is the accuracy level of the information, will there be a delay in some instances of the processing of the information within the Cigna Systems?

Mrs. Perrien responded, currently the only report she has is of the Health Risk Assessment. However, Mrs. Perrien told the committee that she was not familiar with the Biometric numbers but she could provide them for the next Insurance Meeting in April.

Mrs. Street also pointed out that the process was not all inclusive, employees could have completed part of the process and not the other, or may not have fed through the system, and the report can serve as a guide.

Willis Benchmark Survey

Mrs. Street addressed the committee to remind the committee members that Willis Tower and Watson were awarded the Broker of Business contract for Rutherford County Government effective March 1, 2016. Mrs. Kelly Derrick is our Account Executive; Mrs. Derrick will cover a Benchmarking Survey based on Willis Tower and Watson's book of business.

Medical Plan Eligibility:

Medical plan waiting periods (the amount of a time an employee needs to wait before becoming eligible for medical benefits) vary among employer respondents. Seventeen Percent have no waiting period (employees are eligible for medical benefits on the date of hire). The most common waiting periods were first of the month following date of hire (24%) followed by the month following 30 days of employment (23%).

Medical Plan Offerings and Enrollment:

Type of medical plans offered; most respondents (87%) offer a PPO/POS plan. HSA-eligible CDHPs are the second most prevalent medical plans offered (47%).

Number of medical plans offered; most employers (85%) offer three medical plans or fewer. More than one-third (36%) of employers offer two medical benefit plan options.

Average enrollment per plan type, when offered, average PPO/POS plans is 67% of total medical enrollment. While only 22% of employers offer HMOs, those that do report 46% HMO/EPO enrollment of total medical enrollment.

Employee contribution differentiation, the most common way to differentiate employee contributions is through completion of wellness incentives (19%), followed by varying contributions based on tobacco and non-tobacco status (17%).

Medical Plan Cost:

PPO/POS premium and contributions by region, from a regional perspective, while the Northeast has the highest premium dollar amounts, the West has the highest employee contributions as a percentage of premiums within 27% for individuals and 37% for family coverage.

PPO/POS premiums and contributions for PPO/POS plans are similar among small and large size employers.

HRA plan premium and contributions, the average monthly premium for HRA plans across all employers was $511 for individuals and $1,453 for families. Employee contributions as a percentage of premium was 21% for individuals and 29% for families. Family coverage contributions as a percentage of premium is 9% higher for small employers.

CDHP with HRA Plan Design Details:

HRA employer contribution by employer size, the median contribution to health reimbursement accounts by employers is $ 500 for individuals and $ 1,100 for family coverage. Smaller employers have slightly higher account contributions than larger employers.

Rutherford County is in line with where most employers are offering.

Dental Plans:

Premiums and contributions by employer size, smaller employees have higher premiums that larger employers, and employee contributions, both from a dollar amount standpoint and percentage of premium, are higher than larger employers.

Number of Dental plans offered to active employees, Ninety-nine percent of all employers offer group dental benefits. Most (63%) offer on dental plan option.

Orthodontic Coverage, Eighty percent of dental plans include orthodontic coverage. More than half of employers (52%) provide this benefit for children (under age 19) only.

Nearly all (95%) of employers apply a lifetime maximum benefit for orthodontia. When offered, the median lifetime maximum is $1,500.

Benefits Strategy:

Assuming no plan design changes, year the Cadillac Tax is projected to be incurred, only forty-one percent of respondents have projected the potential liability of the 40% excise tax (the so-called "Cadillac" tax is effective 2020).

Planned changes as a result of the excise (Cadillac) tax, of the employers who are planning to make changes to their plans to avoid the tax, most are planning to make plan design changes (89%), followed by changes to employee contributions (73%). Making any adjustments to compensation is only being considered by 6% of employers.

Likelihood of continuation of Health Benefit offerings over the next 5 years, even in the face of rising cost and regulatory actions, employers remain committed to providing health benefits, with 85% stating that they are very likely to continue offer health benefits over the next 5 years.

Mrs. Street summarized that Rutherford County is in line with most employers. We have a higher participation in the HRA plans that have a higher deductible; whereas, most companies have a higher participation in a PPO plan which offers a lower deductible, therefore, drive up the premium cost. Also, to the advantage of our employees, Rutherford County pays a higher contribution rate than most companies.

Medical Stop Loss Premium:

Mrs. Street introduced Alden Davenport, Senior Financial Client Manager with Willis Tower Watson.
Mrs. Street provided a quote from Cigna showing three options compared to the current policy. She recommended staying with the current level of $750,000 Individual Pooling Level and $1,250,000 Annual Individual Stop Loss Maximum with a per employee premium of $7.21 and an effective date of July 1, 2016. She also provided a 6 year premium and performance comparison.

A motion was made by Mrs. Hickerson to approve Stop Loss Option 1 Plan; Mr. Sandvig seconded the motion and passed unanimously.

Dental Rates:

Mrs. Street provided a comparison rate chart for dental coverage for each option available for dental coverage. The rates reflect no increase in employee cost for option 1 or 2 and a 10% increase for the option 1-buyup plan that includes orthodontia. The recommended rates effective for January 1, 2017 are:

2017	Option 1			Option 1 - BuyUp			Option 2	
BOE	Single	Family		Single	Family		Single	Family
Total Rate	$24.30	$75.53		$32.01	$99.57		$39.90	$124.14
Employee Portion	$11.34	$62.57		$17.75	$85.32		$26.94	$111.18
County Portion	$12.96	$12.96		$14.26	$14.25		$12.96	$12.96
Employee Increase	$-	$-		$1.61	$7.76		$-	$-

County	Single	Family		Single	Family		Single	Family
Total Rate	$20.25	$62.94		$26.68	$82.97		$33.25	$103.45
Employee Portion	$9.45	$52.14		$14.80	$71.09		$22.45	$92.65
County Portion	$10.80	$10.80		$11.88	$11.88		$10.80	$10.80
Employee Increase	$-	$-		$1.35	$6.46		$-	$-

Merry Hickerson made a motion to approve the Dental Rate Increase to the Buy-up plan; the motion was seconded by Mr. Sandvig and passed unanimously.

Vision Rates:

Mrs. Street provided a rate chart for vision coverage for current year versus the upcoming year. This coverage is 100% employee paid and the following recommended rates would be effective January 1, 2017:

Individual	$ 6.98
Employee/Spouse	$ 14.66
Employee/Child	$ 12.92
Employee/Family	$ 20.25

Mrs. Barnes made a motion to approve the Vision Rate Increase; the motion was seconded by Mr. Bowles and passed unanimously.

Medical Rates:

Mrs. Street presented charts providing a comparison of the 2016 medical rates to the proposed 2017 medical rates with the two options presented to the insurance committee.

Option 1 mirror the current plan design and has a 1% reduction in the County portion. This plan results in a 6% increase over current year premiums for active employees and retirees.

Option 2 mirrors the current plan design and has a 1% reduction in the County portion. This plan results in an increase over current year premiums of 4% for the copay plan, 13.8% for the deductible plan and 2% for the HRA and post-65 retirees.

Mrs. Street stated that the budget is about $67 million to fund the plan.

A motion was made by Mr. Sandvig to approve the Medical Rate Increase, Mrs. Hickerson seconded the motion. Motion was approved with the exception of Mr. McAdoo who opposed.

Other Business:

Mrs. Street mentioned to the committee that next month we will present the Property and Casualty Renewal; we are excepting bid proposals for Life, LTD and STD.

The meeting was adjourned at 1:50.

Ernest Burgess

Ernest Burgess, Chairman
Rutherford County Benefits & Insurance Committee