

COMMITTEE REPORT

COMMITTEE: Ad-Hoc Health Insurance Committee
CHAIRPERSON: Ron Smith
DATE/TIME: January 20, 2015 @ 9:00 a.m.

PRESENT:

<input checked="" type="checkbox"/> Ron Smith	<input checked="" type="checkbox"/> Diane Williams	<input checked="" type="checkbox"/> Lori Stangl
<input checked="" type="checkbox"/> Jean Dimke	<input checked="" type="checkbox"/> John Meyerhofer (9:40 am)	<input type="checkbox"/> Craig Ketelsen
<input checked="" type="checkbox"/> Angie Kaiser	<input checked="" type="checkbox"/> Kathy Phillips	<input checked="" type="checkbox"/> Steve Keeffer
<input type="checkbox"/> Bill Bingham	<input checked="" type="checkbox"/> Mike Moser	<input type="checkbox"/>
<input checked="" type="checkbox"/> Dan Reimer	<input checked="" type="checkbox"/> Jim Goken	
<input type="checkbox"/> Steve Rutz		

Others: Steve Hamilton, Scott Wernet, John Korth, Dan Gilbert and Terry Kane

1. **Call to Order** – Ron Smith called the meeting to order at 9:04 a.m.
2. **Roll Call** – Ron Smith asked for roll call – a quorum of members was present.
3. **Approval of Minutes** - Steve Keeffer made a motion to approve the minutes of the December 16, 2014 meeting with the correction of marking Diane Williams as present. Mike Moser seconded and the motion passed.
4. **Citizens' Comments** - none
5. **Unfinished Business**

a) **Review of HSA Health Insurance Options**

Dan Reimer reviewed the cost comparison sheet for the 2014 medical benefit renewal which shows the savings of a high deductible plan compared with the current HMO plan. He also reviewed the breakdown of the premium of both options and how much is paid by the County and how much is paid by the employee. The committee has seen much of this information before.

6. **New Business**

a) **Discussion and possible action regarding options for Jo Daviess County Group Health Insurance**

Reimer prepared and reviewed several cost analyses with various levels of health savings account (HSA) contributions by the County. These possibilities were compared to the cost that the County currently has for the health insurance benefit. It is unknown whether more employees will enroll in the health insurance plan because the 4-tier plan might be more desirable than the current 2-tier plan of simply single and family options. Reimer also prepared cost analyses with changes to the number of enrolled employees in the various tiers to account for possible enrollment changes so the committee can see how those changes may affect the County's cost.

Using one of these possible contribution levels, Steve Hamilton reviewed four different case studies involving singles and families so the committee could see how the HSA plan works in various situations. The worst case scenario showed how a family could have higher out-of-pocket expenses in the first year of the plan. The examples used the embedded deductible because it is a little bit safer even though the premium is a little higher.

The committee discussed that there are some retirees still on the health insurance and how they can be accommodated.

There was discussion of prescription drugs and costs. Hamilton provided some

information and costs for the top 25 prescription drugs used by our group during the calendar year of 2014. It shows that nearly 83% of the prescriptions are generic which he says is very commendable for our group. The high deductible health insurance plan does not offer a prescription card like the current HMO plan has, but they do have negotiated discounts for prescriptions and the savings could be 30-40% below the cash price. He also stated that if we switch to this plan then users will see much more information regarding explanations of benefits and how they relate to the deductible so there will be more awareness of actual costs for health care.

b) Discussion and possible action regarding FY2016 JDC Group Health Insurance

Angie Kaiser asked about the next step. The committee discussed a survey to ask which tier employees would be likely to enroll in but the consensus was that without more detailed information the employees will be confused about this possible plan. Especially since this committee is just starting to understand how it will work. Hamilton suggested that a group meeting be held as if it is open enrollment with information about an HSA plan and go over the scenarios just like he did today for the committee.

Ron Smith asked about the Affordable Care Act fees that are currently assessed on our insurance plan. Hamilton believes that part of those fees will start to be removed in 2017. Smith also mentioned the Cadillac tax and Hamilton reminded the committee that HSA contributions are included in the formula by the IRS in determining if a Cadillac tax applies but he believes that will not be a concern for us.

Dan Gilbert believes that there are three main questions that employees will have, 1) providers, 2) premium - will it go up or down and understanding the deductible, and 3) coverage. The committee discussed providers and the network and Hamilton stated that there will be a much broader network and it will include hospitals such as University of Iowa at Iowa City, Mayo Clinic, and University of Wisconsin at Madison. Reimer feels that most employees will want to know how it is going to affect them personally. It's important to know how people will enroll from a budgeting standpoint so that the County will know how much they can afford to contribute. The committee also discussed the timing of the HSA contributions and how that will affect employees.

Keeffer made a motion to use the price of the embedded deductible plan for further studies. John Meyerhofer seconded and the motion passed.

7. Establish future meeting dates

The committee discussed holding meetings with the employees to explain how the high deductible/HSA plan would work. Employees will be surveyed to ask what plan or tier they are currently enrolled in and when they were hired, and which plan they would likely enroll in if this change is made. There may be people who opt-out of the insurance now that will continue to opt-out. The consensus is to use the contribution D as it is the lowest likely contribution level. The committee discussed what would happen if some of the employees do not want to change to an HSA plan at all and want to keep a plan similar to the current plan. Hamilton stated he could provide an example that compared to the current plan. It was determined that to accommodate the greatest number of employees the meetings will be held on a Tuesday afternoon at the courthouse or public safety building, morning sessions on a Thursday at both the highway and health department buildings followed by a late afternoon meeting at the public safety building. Hamilton and Kane will check their schedules and the meetings will likely be held the first week of March.

8. Citizens' Comments - none

9. Adjourn

Meeting adjourned at 11:20 a.m. following a motion by Jim Goken and seconded by Kathy Phillips.