

COMMITTEE REPORT

COMMITTEE: Ad-Hoc Health Insurance Committee
CHAIRPERSON: Ron Smith
DATE/TIME: December 16, 2014 @ 9:00 a.m.

PRESENT:

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

Others: Steve Hamilton, Scott Wernet, and John Korth.

1. **Call to Order** – Ron Smith called the meeting to order at 9:05 am
2. **Roll Call** – Ron Smith asked for roll call – a quorum of members was present.
3. **Approval of Minute** - Bill Bingham made a motion to approve the September 10, 2014 committee meeting minutes. Seconded by Kathy Phillips and motion passed. John Meyerhofer made a motion to approve the minutes from the September 17, 2014 committee meeting.
4. **Citizens' Comments**
5. **Unfinished Business**

a) Review of HSA Health Insurance Options

Steve Hamilton, from TRICOR Insurance began by handing out an eight question Health Savings Account quiz and asked the Committee members to take a couple of minutes to complete. Hamilton reviewed each question which included: who can make contributions to your HSA, if you leave your employer, who owns and keeps the HSA, which of the following are qualified medical expenses, money can accrue in your account from, and four true/false questions. Hamilton reviewed a medical benefit and cost comparison renewal spreadsheet for FY2015 between the Medical Associates Health Plan (MAHP), which is a 2.33% increase from prior year, and the qualified high deductible \$2500/\$5000 plan from BCBSIL which includes four tiers and two options. Under the current MAHP plan there is no tiered plan just a single plan and a family plan. The first BCBSIL option included an embedded deductible; the second option included a common family deductible. The embedded deductible is \$2,500 per person maximum and \$5,000 maximum for family. With a common family deductible the entire \$5,000 family deductible must be met first before any benefits are paid. The annualized premium savings is approximately 28% with an embedded deductible and 32.1% with a common deductible. The committee discussed that health insurance premium savings plus HSA contributions made by the County must be less than the current budget for the County Board to consider. Dan Reimer reviewed a budget comparison spreadsheet for the General Fund which compared employer costs between the current MAHP renewal and the high deductible HSA plans using three different levels of employer contributions for single and family coverage. Hamilton discussed that for purposes of the Cadillac tax, employer contributions are considered part of the premiums. Reimer discussed that right now we know how many employees have single coverage, how many have family coverage and how many participate in the opt-out program. What we do not know is under a 4 tier HSA health insurance plan how many employees will enroll in each tier: employee, employee + spouse, employee + children and family. If employees currently enrolled in the opt-out plan switch to one of the tiered HSA plans or if an employee enrolled in single coverage switches to one of the other 3 tiers this will increase the cost to the County. Angie Kaiser discussed that for non-

union employees there is no guarantee that the County will fund HSA contributions at the same levels each year. Diane Williams discussed that she would like to see examples of what out of pocket expenses might cost employees under a high deductible plan versus the current HMO co-pay plan. Hamilton discussed some examples. The committee discussed the costs associated with various prescription drugs. The current MAHP prescription benefit is a \$15/30 co-pay plan. Hamilton will ask Medical Associates for a list of prescription drug costs. Kaiser discussed that an HSA sounds attractive because money is set aside by the employer for the employee, however if needed a high deductible HSA plan may cost the employees more.

b) Review HSA and Other Health Insurance Options

Steve Keeffer asked Hamilton if he could give examples of how other organizations have successfully transitioned into a high deductible HSA or HRA plan. Hamilton discussed a school district in Wisconsin where there were growing pains but after several years the employees liked their plan so much that when the employer proposed to change health insurance the employees agreed to pay \$3,500 of their own dollars. Ron Smith discussed that the six counties from the Blackhawk Hills Regional Council are in the process of exploring and discussing group health insurance at their County Board Chairs meetings. The next meeting is scheduled for January 27th; Steve Hamilton will be providing a presentation at this meeting. Reimer reviewed the County's actual costs for wages, health insurance, and retirement contributions for the five year period 2009-2013. During that period full time wages increased \$212,729 or 6.7%, retirement contributions increased \$173,889 or 47.5%, and health insurance increased \$153,355 or 34.2%. Hamilton discussed a spousal carve out option with an increased cost for coverage.

6. New Business

a) Discussion and possible action regarding options for Jo Daviess County Group Health Insurance The committee discussed that more information regarding costs to the employee and employer is needed before a recommendation and decisions can be made. The committee discussed the need to educate employees. Hamilton recommended that general assumptions should be made and agreed on so different scenarios can be developed. Steve Rutz suggested that the committee should discuss and feel comfortable with any recommendations before a plan is presented to the employees. Kathy Phillips discussed that she would like see examples of how the plan would affect a user of the plan, a non-user and middle of the road employee in regards to benefits and costs. Jim Goken discussed that the Committee needs to know how much the County can afford to contribute to the plan and still keep the County insurance expense at the same level as the current HMO with MAHP. Hamilton discussed that an informational piece can be developed. Reimer discussed the differences in the 4 tier premium rates from BCBSIL compared to the current 2 tier plan. How many employees will participate in each of the tiers, without a survey there no way to know for sure, so various assumptions and scenarios will have to be developed for calculating costs for the employee and the employer. Kaiser suggested that the opt-out participants be calculated at the single plan rates. Hamilton and Reimer agreed to develop examples and budget scenarios for discussion and bring back to the next meeting.

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

7. Establish future meeting dates

The committee decided to schedule the next meeting on Tuesday, January 20, 2015 at 9:00 am.

8. Citizens' Comments

9. Adjourn

John Meyerhofer made a motion to adjourn at 11:12 am, seconded by Jim Goken and motion passed.