

COMMITTEE REPORT

COMMITTEE: Ad-Hoc Health Insurance Committee
CHAIRPERSON:
DATE/TIME: September 10, 2014 @ 1:00 p.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 type="checkbox"/> Angie Kaiser	<input checked="" type="checkbox"/> John Meyerhofer	<input checked="" 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 type="checkbox"/> Mike Moser	<input type="checkbox"/>

Others: Steve Hamilton, Scott Wernet, John Korth,

1. **Call to Order** – Ron Smith called the meeting to order at 1:05 pm
2. **Introductions** – Ron Smith asked each Committee member to introduce themselves and which Department they represent.
3. **Citizens' Comments**
4. **New Business**

a) Review of Jo Daviess County Group Health Insurance Plan

Steve Hamilton, from TRICOR Insurance reviewed the benefit history, back to 2001, of the Jo Daviess County Group Health Insurance Plan with Medical Associates. The current Plan is a Medical Associates HMO Health Insurance 25/500 co-pay plan which includes a \$15/30 RX card, chiropractic care, and a \$3000/6000 out of pocket maximum. Hamilton reviewed the premium rate history for Jo Daviess County. After several years of minimal rate increases premiums for the 2011-2012 renewal jumped 14.0%. Hamilton explained that much of this increase could be contributed to claim history. The renewal rate for 2012-2013 for the same insurance was quoted at 12.5%. Employee meetings were held in 2012 to discuss health insurance which resulted in a decision to increase co-pays from 20/200 to 25/500 and maximum out of pocket from 1000/3000 to 3000/6000 which lowered premiums to a 2.3% increase. The premium increase for 2013-2014 was 13.33% comprised of a 7.80% trend increase, 3.46% claim factor increase and a 2.07% increase for ACA fees. ACA fees added approximately \$25,000 to total premiums. Hamilton discussed that claim losses for two consecutive years have added considerable rate pressure and the County continues to offer a very rich benefit, which creates more demand for health care services due to low out-of-pocket expenses. In the past the County has bid out health insurance and looked at other plan options including HSA and HRA plans. Hamilton reviewed some of the premium rate sheets that the County receives each year and the profit loss comparison sheets from Medical Associates for the past three years. Claims have decreased the past 6 months, so when Hamilton asked for the 2014-2015 renewal rates for the same plan, the quote came back at a lower than expected rate increase of 2.33%. The County used a 3% increase for budget purposes and needs to make a decision soon if they want to lock in the rates with Medical Associates. Hamilton explained that he asked Blue Cross Blue Shield (BCBS) and United Health Care to quote the Jo Daviess County group and only BCBS would quote. Hamilton discussed that the rates from BCBS were only preliminary, final rates may be available next week. Hamilton reviewed two plans that he asked BCBS to bid that would be as close as possible to the County's current plan. Rates with BCBS would increase 6.33% with option #1 and 4.35% with option #2.

b) Discussion regarding Jo Daviess County options for Group Health Insurance

John Korth discussed that the City of Galena has an Health Savings Account (HSA) health insurance plan and asked Hamilton about the possibilities of an HSA for Jo Daviess County. Hamilton discussed that an HSA uses a high deductible plan and the employer contributes a predetermined amount into employee HSA accounts. Hamilton stated that he could ask BCBS for additional quotes on high deductible plans. The Committee asked what the timeline is for making a decision on FY2015 group health insurance. Reimer discussed that time is limited, budget work shops conclude on October 16th, open enrollment is in November and any changes would have to be negotiated with the unions. Hamilton discussed that from a carrier perspective there would be enough time. Hamilton discussed how a typical HSA plan works. There are two parts, a high deductible plan and a health savings account. Hamilton discussed some of the benefits associated with an HSA plan. Hamilton stated that there can still be high annual rate increases associated with a high deductible plan due to changes in claim experience. Premiums must be low enough in order for the County to contribute enough. Hamilton stated that premium savings must be at least 25-30% to make an HSA work. Hamilton discussed the difference between an embedded deductible and a full family deductible. Hamilton recommends an embedded deductible which costs 2-3% more because with a family deductible one person would have to pay the total family deductible first rather than the lower individual deductible. The Committee discussed examples of plans used by other organizations. John Meyerhofer asked about how the rules for a Cadillac plan might affect the county's health insurance plan. Hamilton discussed the rules and will research more and bring back to the next meeting.

c) Discussion and possible action regarding FY2015 Jo Daviess County Group Health Insurance

The Committee continued to ask Hamilton questions about an HSA plan. Ron Smith suggested that another meeting will be needed before a recommendation can be made regarding FY2015 group health insurance. Hamilton will ask BCBS for premium rates for high deductible plans and prepare some HSA options for consideration.

5. Establish future meeting dates

Steve Hamilton was asked to check his schedule and email Dan Reimer with a date that works best for him for a meeting starting at 9:00 a.m. not more than 10 days out. Dan Reimer will notify the Committee.

6. Citizens' Comments

7. Adjourn

Diane Williams made a motion to adjourn at 2:47 pm, seconded by Steve Keeffer and motion passed.