

COMMITTEE REPORT

COMMITTEE: Ad-Hoc Health Insurance Committee
CHAIRPERSON:
DATE/TIME: September 17, 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 type="checkbox"/> Jean Dimke	<input checked="" type="checkbox"/> Diane Williams	<input type="checkbox"/> Lori Stangl
<input checked="" 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 checked="" type="checkbox"/> Mike Moser	<input type="checkbox"/>

Others: Steve Hamilton, Scott Wernet, John Korth and Matt Calvert

1. **Call to Order** – Ron Smith called the meeting to order at 9:05 am
2. **Introductions** – Ron Smith asked for roll call and introductions of others in attendance.
3. **Citizens' Comments**
4. **New Business**

a) Review of HSA Health Insurance Options

Steve Hamilton, from TRICOR Insurance reviewed discussion from the September 10, 2014 Committee meeting regarding HSA health insurance options. Hamilton discussed an updated health insurance comparison spreadsheet with actual premium rates for FY2015 for Jo Daviess County from Medical Associates and Blue Cross Blue Shield of Illinois (BCBSIL). Hamilton explained that he requested two options, both very rich plans, from BCBSIL that were as close as possible to the current Medical Associates Health Plan. The actual rates from BCBSIL were a little lower than the preliminary rates and a little lower (0.45% and 2.3%) than the rates from Medical Associates. The deductible is \$500/\$1000. BCBSIL offers a 4 tier rate plan; employee, employee + spouse, employee + children and family. Hamilton reviewed options and rates from Medical Associates (MA) that could be used with an HRA and the plan designs would not work for Jo Daviess County. Medical Associates only offers an HMO plan and due to laws in Illinois an HMO can not offer an HSA plan. Hamilton reviewed the Cadillac tax and discussed employer contributions to an HSA count toward the cap and anything over the cap is subject to a 40% excise tax.

Hamilton reviewed a high deductible \$2500/\$5000 plan from BCBSIL with two options, one with an embedded deductible and one with a common deductible. The embedded deductible is \$2,500 per person maximum and \$5,000 maximum for family; with a common deductible no one is eligible for benefits until the entire family deductible of \$5,000 has been satisfied. The annualized premium savings is approximately 28% with an embedded deductible and 32.1% with a common deductible. Hamilton discussed that because of the savings an HSA should work with either plan. Hamilton discussed examples of different employer HSA funding amounts including the funding amounts currently used by the City of Galena. Employees can also contribute to their HSA up to a maximum total annual amount. Dan Reimer reviewed Jo Daviess County health insurance premium rates and the amounts paid by the employee and the employer for single coverage and family coverage for the period 2001 to 2015. Under the current MA plan there is no tiered plan just a single plan and a family plan. BCBSIL offers a four tier plan. Craig Ketelson discussed that any changes would have to be negotiated with the unions. Reimer reviewed a summary spreadsheet of employer costs comparing the cost of the

different HSA options presented by Hamilton to the current FY2015 budget. Hamilton stated that the Galena plan is not an embedded deductible. Hamilton answered questions from the committee regarding HSA contributions by employee and employer and embedded deductibles versus common deductibles. Steve Rutz asked if we are thinking about making changes for FY2015 or are we thinking about discussing more for FY2016. Rutz stated that he is concerned with the amount of time required to meet the FY2015 budget deadlines and things should not be rushed. Budget workshops are scheduled for October and open enrollment is the month of November. The committee discussed the need to educate county employees on any changes being considered and the time that will be needed for implementation. Hamilton discussed that rates are based on experience and trends and he can monitor claims over the next 6 months and ask BCBSIL for rates based on trends.

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

The committee continued to discuss HSA possibilities and other options including an HRA. Ron Smith stated that it is the responsibility of this committee to research and make recommendations regarding group health insurance. The Committee discussed the process for making recommendations. **Steve Keeffer made a motion that the Jo Davies County Ad-Hoc Health Insurance continue to study a Health Savings Account option for possible implementation in FY2016. Seconded by John Meyerhofer and motion passed 11-0.**

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

Diane Williams made a motion to continue with the Medical Associates HMO Health Insurance Plan for FY2015 at a rate increase of 2.33%. Seconded by Steve Keeffer and motion passed 11-0

5. Establish future meeting dates

The committee discussed scheduling a next meeting date prior to January 1st. A tentative meeting date was set for Wednesday, October 22nd at 9:00 am.

6. Citizens' Comments

7. Adjourn

Steve Rutz made a motion to adjourn at 11:25 am, seconded by Steve Keeffer and motion passed.