



AGENDA

County Operations Committee

Tuesday, June 25, 2019

@ 1:00 PM

Peoria County Courthouse, Room 402

1. **Call to Order**
2. **Approval of Minutes**
 - May 28, 2019
3. **Informational Items/Reports/Other Minutes/Updates**
 - Workforce Report
4. **Committee Action**
 - Review of Executive Session Minutes
5. **Resolutions**
 - Self-Insured Employee Health Plan Package
 - Health Plan Design Changes
6. **Executive Session**
 - Labor Relations
7. **Miscellaneous**
8. **Adjournment**

DRAFT
MINUTES
County Operations Committee
May 28, 2019
@ 1:00 p.m.

MEMBERS PRESENT:	Rachael Parker – Chairman; Gregory Adamson, Jennifer Groves Allison, Steven Rieker, Barry Robinson, William Watkins, Jr.
MEMBERS ABSENT:	Kate Pastucha
OTHERS PRESENT:	Scott Sorrel – County Administrator; Shauna Musselman – Assistant County Administrator; Larry Evans - State's Attorney's Office; Angela Loftus – Asst. Director of Human Resources; Gretchen Pearsall – Director of Strategic Communications; Dan O’Connell – Facilities Director; Brian Brown – Juvenile Detention Center; Brian Asbell, Doug Gaa – Sheriff’s Office; Rena’ Parker, Jennifer Shadid – Courts Administration; Bonnie Eeten, Bill Shock - Unland

Call to Order

Chairperson Parker called the meeting to order at 1:00 p.m.

Approval of Minutes

A motion to approve minutes of March 26, 2019 was made by Mr. Watkins and seconded by Mr. Rieker. The motion to approve carried unanimously.

Discussion

- **Workforce Report**

Mr. Sorrel advised that the current report covers applicants, new hires and separations for April 2019 and a comparison of April 2018 and April 2019 figures. He also noted that the report details the race and ethnicity of both female and male employees.

Resolution

- **Flooring Replacement at Juvenile Detention Center**

A motion to approve was made by Ms. Groves Allison and seconded by Mr. Watkins. Mr. Brown advised that staff is requesting replacement of flooring and carpeting in eleven different areas throughout the Juvenile Detention Center (JDC). He stated that as the lone submitted bid exceeded the budgeted amount of \$95,500.00, seven areas were prioritized to be replaced in order to keep within the budgeted amount.

Discussion ensued, with committee members voicing concern over both the high bid amount and the fact that only one bid was submitted for the project. Mr. Sorrel advised that the committee voting the resolution down would signal the committee’s legislative intent to reject the bid. He stated that the lone bidder would then be notified, discussion could be held with vendors who did not bid to better understand why a bid was not submitted, and the project could then be re-bid.

The motion to approve the resolution as presented failed 0-6.

- **Employee Health Plan**

Ms. Musselman outlined Employee Health Plan objectives and historical milestones, and explained the differences between the Standard, High Deductible, and Indemnity Plans.

Mr. Sorrel discussed the fiscal history of the Employee Health Fund, noting that strategic changes in the Health Plan in the early 2000’s enabled a significant rebuilding of fund reserves from a

nearly \$2 million deficit. He stated that the loss of PPACA Grandfather status in 2013 and the impact of spend related to the Voluntary Retirement Incentive in the same year resulted in a sharp increase in expenditures and a strategic spend down of reserves. He remarked that that trend is not sustainable, and Employee Health Plan design changes are necessary in order for the fund to be sustainable. He advised that if no changes are made to the design of the Employee Health Plan, the Employee Health Fund will become insolvent by mid-year 2023.

Mr. Sorrel advised that staff has evaluated potential plan changes which would add four additional years of solvency (to 2027), and noted that the potential plan changes assume escalators for healthcare inflation for premium increases, claim increases, and prescription drug increases.

Ms. Musselman advised that potential changes to the Standard Plan include increasing the deductible from \$500.00/single to \$1,500.00/single in 2020 and \$2,000.00/single in 2021. She stated that 73% of employees are currently on the Standard Plan, accounting for 88% of overall claims. She also stated that under the current proposal, a prescription drug formulary would be utilized, changing the price slightly for prescription drugs from \$10/\$25/\$40 co-pay to \$10/\$40/\$60 co-pay. She stated that in addition, a new Specialty Tier of \$75.00, or 20% up to \$250.00, would be implemented. She noted that there are currently eight employees on the Specialty Tier.

Ms. Musselman advised that although potential changes to the High Deductible Plan do not increase the amount of the \$2,000/\$4,000 (single/family) deductible, the proposed changes include a shift in co-insurance from 70% employer/30% employee to 80% employer/20% employee, matching the co-insurance piece of the Standard Plan. She stated that the most significant change to the plan to the employee would be the co-pay structure for prescription drugs, which is currently the same as the Standard Plan. She stated that as it is staff's desire to tie a Health Savings Account (HSA) to the High Deductible Plan as a means of incentivizing employees to move to the plan, the plan must be IRS qualified, i.e. the IRS states that prescription drug coverage is subject to a deductible and co-insurance (the employee pays full dollar for prescriptions until the deductible is met). After the deductible is met, the 80%/20% co-insurance comes into effect. She stated that funds set aside in the HSA could then assist in out-of-pocket expenses.

Mr. Sorrel advised that staff has forecast the estimated cost savings in implementing changes to the deductive and prescription drug benefit in the Standard Plan and changing the co-insurance and prescription drug benefit in the High Deductible Plan. He stated that the savings forecast for 2020 would be just over \$600,000.00 in savings, with \$1.5 million in savings by 2030.

Mr. Sorrel advised that with the consensus of committee on the proposed changes, staff would begin meeting with bargaining units and county management teams to present the revisions, with a resolution brought forth at the June meeting of the committee to implement the changes.

Mr. Rieker asked if staff has examined joint procurement of services with other local government entities in order to receive an even more competitive cost of medical care. Mr. Sorrel advised that the option has been reviewed in the past, with challenges being the alignment of different terms and difference in vendor networks.

Mr. Rieker asked the duration of the contract terms currently out to bid. Mr. Sorrel advised that TPA services, PPO, Prescription Drug Network, and Wellness, all have a five-year contract term. He stated that a fully insured model is traditionally a one-year contract, with any premium increases subject to prior year performance.

A motion to go into executive session to discuss Labor Relations was made by Mr. Adamson and seconded by Ms. Groves Allison. The motion carried.

EXECUTIVE SESSION

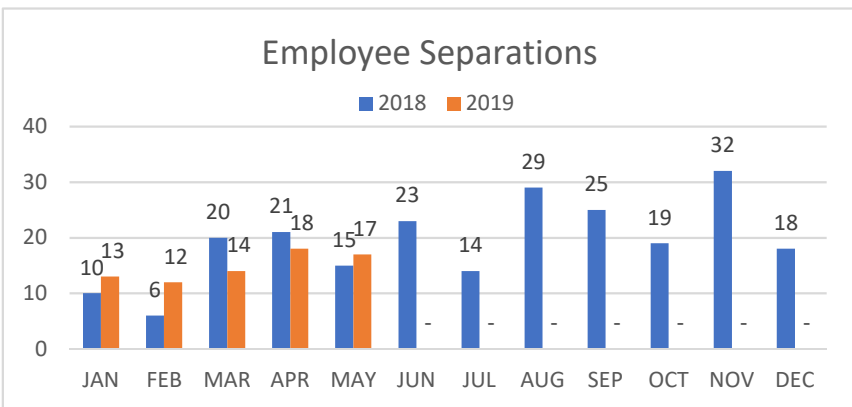
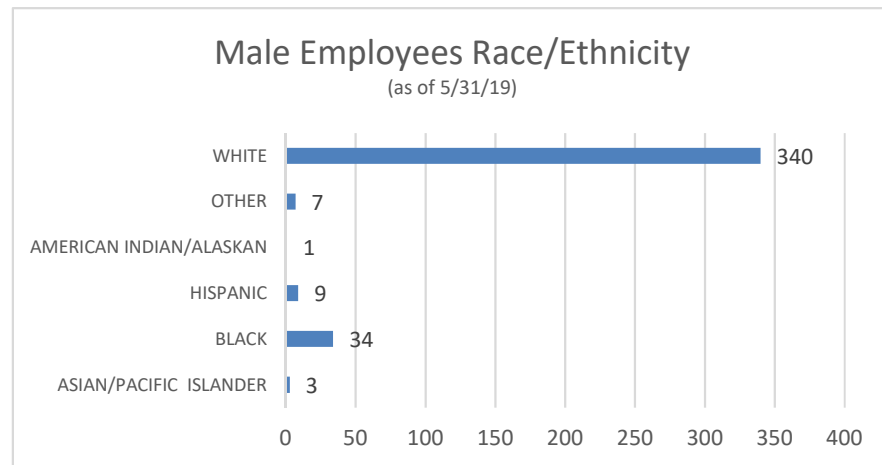
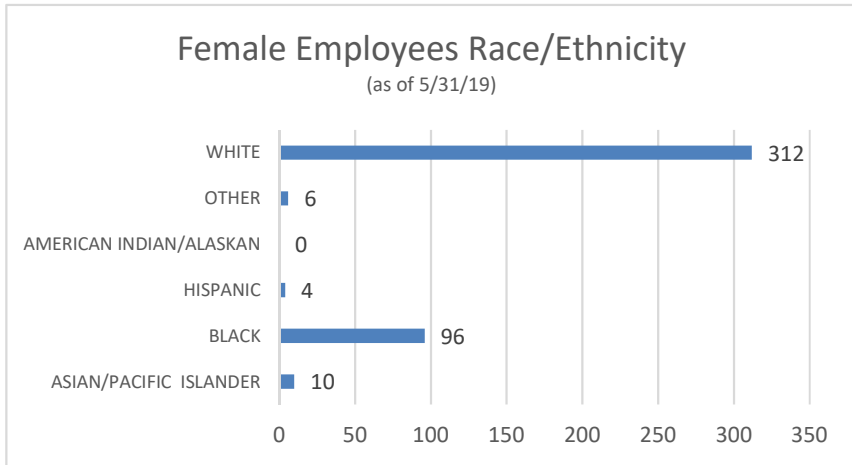
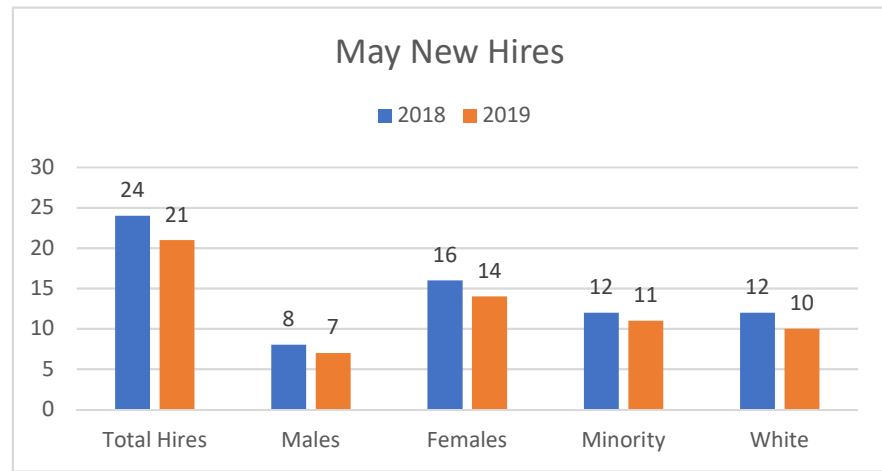
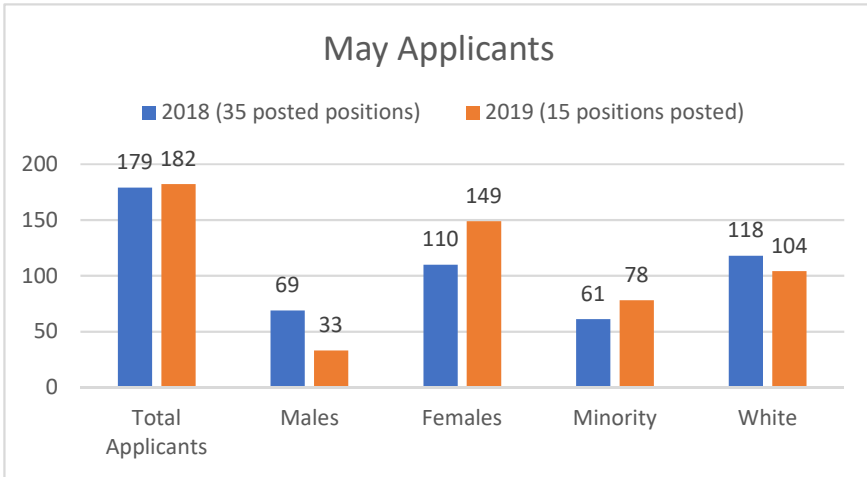
Regular session resumed upon a motion by Mr. Watkins and second by Mr. Robinson.

Adjournment

The meeting was adjourned by Chairperson Parker at 2:20 p.m.

Recorded and Transcribed by: Jan Kleffman

County Operations - Workforce Dashboard - June 2019



Top Department Separations

May 2018		May 2019	
HO	10	HO	7
PCSO	4	PCSO	2
		JDC	2

AGENDA BRIEFING

COMMITTEE: County Operations
MEETING DATE: June 25, 2019

LINE ITEM: Employee Health Fund
AMOUNT:

ISSUE: Resolution--Approval of Self-Funded Package - Third Party Administrator (TPA), Pharmacy Benefit Manager (PBM), and Preferred Provider Organization (PPO) services.

BACKGROUND/DISCUSSION:

Currently the County's employee health benefit plan operates as a self-funded plan with 5-year contracts for Third Party Administrator (TPA), Pharmacy Benefit Manager (PBM), and Preferred Provider Organization (PPO) services. The current contracts expire on December 31, 2019. Therefore, in March staff issued request for proposals for TPA, PBM, and PPO services as well as a fourth request for proposal for a fully-insured model.

For the first time in over 20 years, the quotes for a fully insured model were competitive with the current self-funded model. Staff and Unland Companies, the County's health plan consultant for this project, worked to analyze the total savings of the self-funded package of TPA, PBM, and PPO bids against the fully-insured bids. When administrative fees, medical claims, prescription claims, and fixed costs were factored into the models, it was determined that it was still in the County's financial interest to remain self-funded. In addition, by remaining self-funded, the County retains control of the plan itself. The Employee Health Fund will continue to retain the savings in a good claim year and that savings will revert to fund balance.

Five proposals were received for PPO services. Unity Point-Methodist submitted the best financial proposal. Unity Point-Methodist is the incumbent; therefore there would be no network disruption to health plan members by renewing with this network. Five proposals were received for PBM services. MedTrak, which is the incumbent, submitted the best financial proposal with the best average script cost, specialty pricing, brand pricing, generic pricing, and rebates. This proposal was also the most transparent. Given that MedTrak is the current vendor, there would be no disruption in service to health plan members. Five proposals were received for TPA services. Consociate scored highest in service and financial proposals for both administrative and medical management. Consociate is the incumbent; therefore, there will be no initial set up fees.

Staff recommends that the Board authorize the County Administrator to enter into negotiations for five-year contracts with each of the three vendors.

COUNTY BOARD GOALS:



HEALTHY VIBRANT COMMUNITIES



FINANCIAL STABILITY

STAFF RECOMMENDATION:

Authorize the County Administrator to enter into negotiations for separate five-year contracts with Unity Point-Methodist, MedTrak, and Consociate Dansig.

COMMITTEE ACTION:

PREPARED BY: Shauna Musselman
DEPARTMENT: County Administration
DATE: June 18, 2019

TO THE HONORABLE COUNTY BOARD)
COUNTY OF PEORIA, ILLINOIS)

Your County Operations Committee does hereby recommend passage of the following Resolution:

RE: Employee health plan self-funded package for Third Party Administrator (TPA), Pharmacy Benefit Manager (PBM), and Preferred Provider Organization (PPO) services.

RESOLUTION

WHEREAS, the County of Peoria provides employee health coverage through the self-funded Employee Health Plan; and

WHEREAS, the County of Peoria's five-year contracts for its Preferred Provider Organization, Pharmacy Benefit Manager, and Third Party Administrator expires on December 31, 2019; and

WHEREAS, the County of Peoria received proposals from various firms to provide Preferred Provider Organization (PPO), Pharmacy Benefit Manager (PBM), and Third Party Administrator (TPA) services for the Employee Health Plan; and

WHEREAS, Unity Point-Methodist submitted the most responsible proposal for Preferred Provider Organization services; and

WHEREAS, MedTrak submitted the most responsible proposal for Pharmacy Benefit Manager services; and,

WHEREAS, Consociate Dansig submitted the most responsible proposal for Third Party Administrator Services at an annual cost of approximately \$196,066; and

WHEREAS, your Committee recommends that the County of Peoria enter into separate contracts with Unity Point-Methodist, MedTrak, and Consociate Dansig for their services.

NOW THEREFORE BE IT RESOLVED, by the County Board of Peoria County, that the County Administrator be authorized to negotiate separate five year contracts with Unity Point-Methodist for Preferred Provider Organization (PPO) services, MedTrak, for Pharmacy Benefit Manager (PBM) services, and Consociate Dansig for Third Party Administrator (TPA) services.

RESPECTFULLY SUBMITTED,
COUNTY OPERATIONS COMMITTEE

Reviewed:
Dated:

AGENDA BRIEFING

COMMITTEE: County Operations
MEETING DATE: June 25, 2019

LINE ITEM: Employee Health Fund
AMOUNT:

ISSUE: Resolution--Approval of Proposed Plan Design Changes

BACKGROUND/DISCUSSION:

Peoria County currently offers three health plan options for employees and retirees: the standard plan, the high deductible health plan, and an indemnity plan. The indemnity plan is not a stand-alone plan and operates as a wrap-around plan for Medicare or other major health coverage.

- The Standard Plan currently has a \$500/\$1,000 deductible for single/family coverage in network.
- The High Deductible Health Plan currently has a \$2,000/\$4,000 deductible for single/family coverage in network.
- The Indemnity Plan (IMRF Medicare Eligible Retiree Plan) currently has no lifetime maximum as a wrap-around plan.

Increasing medical and prescription expenses has forced the use of fund balance to subsidize costs. This is unsustainable long-term and if corrections are not made to alleviate as much of the structural deficit as possible the fund becomes insolvent midway through 2023.

Please see the attached summaries for recommended changes to each plan. Each change is highlighted in green for comparison purposes. Approval of the proposed structure would generate enough savings to keep the fund sustainable until mid-year 2027. In addition, it is recommended that all retirees who choose to continue participation on the County health plan be enrolled in the IMRF Medicare Eligible Retiree Plan once they become Medicare eligible (unless collective bargaining or other contracts apply). In order for the high deductible plan to be an IRS “qualified” high deductible health plan the prescription coverage must be subject to deductible and co-insurance. By making this change, employees who participate in the plan will be able to open a health savings account at their financial institution and can contribute tax free to that account for healthcare expenses. Any balance in the health savings account rolls from year to year and can be withdrawn tax free for IRS qualified medical expenses.

Should the committee and board approve the proposed changes, staff will make the corresponding adjustments to the summary plan document. A red-lined version of that document will be brought to committee later this summer for approval of any additional edits such as legal updates, wellness benefits, and housekeeping items.

COUNTY BOARD GOALS:



HEALTHY VIBRANT COMMUNITIES



FINANCIAL STABILITY

STAFF RECOMMENDATION:

Authorize the County Administrator to update the plan design as indicated in the above and attached.

COMMITTEE ACTION:

PREPARED BY: Shauna Musselman
DEPARTMENT: County Administration
DATE: June 18, 2019



COUNTY OF PEORIA HEALTH CARE PLANS STANDARD PPO SUMMARY OF BENEFITS



PLAN →
ANNUAL DEDUCTIBLE
Per Person:
Per Family:
CO-INSURANCE
Hospital In-Patient & Out-Patient
Diagnostic - X-ray - Laboratory Services
Physician's Services
ANNUAL MAXIMUM OUT-OF-POCKET w/o Ded.
Per Person:
Per Family:
PREVENTIVE BENEFIT
100% Coverage - See Wellness Program, See: www.healthcare.gov/center/regulations/prevention.html
DENTAL
Deductible
Preventive
Primary & Major
Orthodontia
VISION
Adults - Age 21+
Children - Up to Age 21
PHARMACY-All Programs No Grandfathering
Generic
Brand name, no generic / Preferred Form Brand
Brand name, w/generic / Non-Preferred Form Brand
Specialty or Non-Preferred Specialty

2019 Current STANDARD PLAN	
In-Network	Out-of-Network
\$500	\$1,500
\$1,000	\$1,500/person
CO-INSURANCE	
80/20	50/50
ANNUAL MAXIMUM OUT-OF-POCKET w/o Ded.	
\$3,000	\$4,000
\$5,000	\$8,000
PREVENTIVE BENEFIT	
100% No Deductible	50% up to Maximum
Up to Age 21	Age 21+
N/A	\$100 Single/\$200 Family
100%	100%
80% & 80%	80% & 50%
80%	N/A
VISION	
\$100 every two years lenses/frames/contacts Exam 100%	
100% Exam/basic contacts or non-designer eyeglasses	
30 Day Supply	90 Day Supply
\$10	\$20
\$25	\$50
\$40	\$80
\$40	\$40

2020/2021 Proposed STANDARD PLAN	
In-Network	Out-of-Network
\$1,500 / \$2,000	\$ 4,500 / \$ 6,000
\$3,500 / \$6,000	\$10,500/ \$18,000
CO-INSURANCE	
80/20	50/50
ANNUAL MAXIMUM OUT-OF-POCKET w/o Ded.	
\$3,000	\$4,000
\$5,000	\$8,000
PREVENTIVE BENEFIT	
100% No Deductible	50% up to Maximum
Up to Age 21	Age 21+
N/A	\$100 Single/\$200 Family
100%	100%
80% & 80%	80% & 50%
80%	N/A
VISION	
\$100 every year lenses/frames/contacts Exam 100%	
100% Exam/basic contacts or non-designer eyeglasses	
FORMULARY 30 Day Supply	FORMULARY 90 Day Supply
\$10	\$20
\$40	\$100
\$60	\$150
\$75 or 20% up to \$250 PA	N/A

COUNTY OF PEORIA

Proposed IMRF Medicare Eligible Retirees Plan

–Network restrictions do not apply. Individual lifetime maximum of \$50,000 applies.

Other major medical coverage is required to participate in this Plan.

<p>HOSPITAL SERVICES – per benefit period</p> <p>*A benefit period begins on the 1st day you receive services as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.</p>	<p align="center">BENEFITS</p>
<p>Hospitalization*</p> <p>Semi-private room and board, general nursing, and miscellaneous services/supplies</p> <p> First 60 days</p> <p> 61st through 90th day</p> <p> 91st day and after:</p> <p> While using 60 Lifetime Reserve days</p> <p> Once Lifetime Reserve days are used:</p> <p> Additional 365 days</p> <p> Beyond the additional 365 days</p>	<p align="center">\$1,400</p> <p align="center">\$400 a day</p> <p align="center">\$700 a day</p> <p align="center">100%</p> <p align="center">\$0</p>
<p>Skilled Nursing Facility Care*</p> <p>You must meet requirements, including having been in a hospital for at least three days and entered an approved facility within 30 days after leaving the hospital</p> <p> First 20 days</p> <p> 21st through 100th day</p> <p> 101st day and after</p>	<p align="center">\$0</p> <p align="center">Up to \$200 a day</p> <p align="center">\$0</p>
<p>Blood</p> <p> First three pints</p> <p> Additional amounts</p>	<p align="center">100%</p> <p align="center">\$0</p>
<p>Hospice Care</p> <p>Available as long as your doctor certifies you are terminally ill and you elect to receive these services.</p>	<p align="center">\$0</p>

ALL OTHER BENEFITS	BENEFITS													
Medical Expenses Physician's Services Inpatient/outpatient medical and surgical services and supplies Physical and speech therapy Diagnostic tests Blood First three pints paid @ 100% Additional amounts	The first \$180 annually then 20%													
Laboratory Services	\$0													
Home Health Skilled Care Services Medically necessary skilled care services and medical supplies	\$0													
Foreign Travel	80% to a lifetime maximum benefit of \$50,000													
Dental \$100 annual deductible per person / \$200 max per family \$1,000 annual maximum Preventative Services - two routine cleanings & exams per year, one set of x-rays (no deductible) Primary Services Major Services Orthodontics - lifetime maximum of \$2,000, limited to age 19 and under	100% 80% 50% 50%													
Vision Adults, 18 and older Children, 17 and younger	\$100 every two years \$100 annually													
PRESCRIPTION CARD BENEFIT	YOUR CO-PAY													
Pharmacy Formulary-All Programs No Grandfathering <i>Individual Calendar Year Maximum of \$3,000 Applies</i> Generic Brand name Preferred Brand name Non-Preferred Specialty Preferred Specialty Non-Preferred	<table border="0" style="width: 100%; text-align: center;"> <thead> <tr> <th style="text-decoration: underline;">30 day supply</th> <th style="text-decoration: underline;">90 day supply</th> </tr> </thead> <tbody> <tr> <td>\$10</td> <td>\$ 20</td> </tr> <tr> <td>\$40</td> <td>\$100</td> </tr> <tr> <td>\$60</td> <td>\$150</td> </tr> <tr> <td>\$75</td> <td>N/A</td> </tr> <tr> <td>20% up to \$250</td> <td>N/A</td> </tr> </tbody> </table>		30 day supply	90 day supply	\$10	\$ 20	\$40	\$100	\$60	\$150	\$75	N/A	20% up to \$250	N/A
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\$10	\$ 20													
\$40	\$100													
\$60	\$150													
\$75	N/A													
20% up to \$250	N/A													



COUNTY OF PEORIA HEALTH CARE PLANS HIGH DEDUCTIBLE PLAN SUMMARY OF BENEFITS



PLAN →
ANNUAL DEDUCTIBLE
Per Person:
Per Family:
CO-INSURANCE
Hospital In-Patient & Out-Patient
Diagnostic - X-ray - Laboratory Services
Physician's Services
ANNUAL MAXIMUM OUT-OF-POCKET w/o Ded.
Per Person:
Per Family:
PREVENTIVE BENEFIT
100% Coverage - See Wellness Program, See: www.healthcare.gov/center/regulations/prevention.html
DENTAL
Deductible
Preventive
Primary & Major
Orthodontia
VISION
Adults - Age 21+
Children - Up to Age 21
PHARMACY-All Programs No Grandfathering
Generic
Brand name, no generic / Preferred Brand
Brand name, w/generic / Non-Preferred Brand
Specialty Preferred
Specialty Non-Preferred

Current HIGH DEDUCTIBLE PLAN	
In-Network	Out-of-Network
\$2,000	\$4,500
\$4,000	\$9,000
70/30	50/50
\$4,000	\$8,000
\$8,000	\$16,000
100% No Deductible	50% up to Maximum
Up to Age 21	Age 21+
N/A	\$100 Single/\$200 Family
100%	100%
80% & 80%	80% & 50%
80%	N/A
\$100 every two years lenses/frames/contacts Exam 100%	
100% Exam/basic contacts or non-designer eyeglasses	
30 Day Supply	90 Day Supply
30% or \$10 minimum	\$20
30% or \$25 minimum	\$50
30% or \$50 minimum	\$100
N/A	N/A

Proposed 2020 / 2021 QHDHP	
In-Network	Out-of-Network
\$2,000	\$4,500
\$4,000	\$9,000
80/20	50/50
\$4,000	\$8,000
\$8,000	\$16,000
100% No Deductible	50% up to Maximum
Up to Age 21	Age 21+
N/A	\$100 Single/\$200 Family
100%	100%
80% & 80%	80% & 50%
80%	N/A
\$100 every year lenses/frames/contacts Exam 100%	
100% Exam/basic contacts or non-designer eyeglasses	
30 Day Supply	90 Day Supply
Subj to Ded & Coins	Subj to Ded & Coins
Subj to Ded & Coins	Subj to Ded & Coins
Subj to Ded & Coins	Subj to Ded & Coins
Subj to Ded & Coins	Subj to Ded & Coins
Coins subj \$250 Cap	N/A

TO THE HONORABLE COUNTY BOARD)
COUNTY OF PEORIA, ILLINOIS)

Your County Operations Committee does hereby recommend passage of the following Resolution:

RE: Plan Design Changes to the Employee Health Plan.

RESOLUTION

WHEREAS, the County of Peoria provides employee health coverage through the self-insured Employee Health Plan; and

WHEREAS, increasing medical and prescription drug costs are forcing the use of fund balance to subsidize costs; and

WHEREAS, these subsidies are unsustainable long-term; and

WHEREAS, in order to alleviate the structural deficit as much as possible the attached plan design changes to deductibles, out of pockets, co-insurance, and pharmacy benefits must be made;

NOW THEREFORE BE IT RESOLVED, by the County Board of Peoria County, that the County Administrator be authorized to execute the plan design changes as approved, subject to bargaining obligations under state and federal law.

RESPECTFULLY SUBMITTED,
COUNTY OPERATIONS COMMITTEE

Reviewed:
Dated: