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 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 deduction 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