

**Approved 7/23/19**  
**MINUTES**  
**County Operations Committee**  
**June 25, 2019**  
**@ 1:00 p.m.**

<b>MEMBERS PRESENT:</b>	<b>Rachael Parker – Chairman; Jennifer Groves Allison, Kate Pastucha, Steven Rieker, Barry Robinson, William Watkins, Jr.</b>
<b>MEMBERS ABSENT:</b>	
<b>OTHERS PRESENT:</b>	<b>Scott Sorrel – County Administrator; Shauna Musselman – Assistant County Administrator; Larry Evans - State's Attorney's Office; Randy Brunner – Chief Financial Officer/Sheriff's Office; Kim Hudson – Finance; Angela Loftus – Asst. Director of Human Resources; Brian Asbell, Doug Gaa – Sheriff's Office; Monica Hendrickson – Health Department/EMA; Karen Raithel – Sustainability &amp; Resource Conservation; Mark Little – Chief Information Officer; Bonnie Eeten, Bill Shock, Betsy Yarcho - Unland</b>

**Call to Order**

Chairperson Parker called the meeting to order at 1:02 p.m.

**Approval of Minutes**

A motion to approve minutes of May 28, 2019 was made by Mr. Watkins and seconded by Ms. Pastucha. The motion to approve carried unanimously.

**Discussion**

• **Workforce Report**

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

**Committee Action**

• **Review of Executive Session Minutes**

Mr. Evans recommended that all previously held executive session minutes continue to be held closed as the need for confidentiality still exists, and to destroy executive session audio recordings more than two years old, except those that relate to pending litigation. A motion to accept the recommendation of the State's Attorney's Office was made by Ms. Groves Allison and seconded by Mr. Robinson. The motion carried.

**Resolutions**

• **Self-Insured Employee Health Plan Package**

Ms. Musselman advised that three RFPs related to a self-insured model were issued, those being Pharmacy Benefit Manager (PBM), Third Party Administrator (TPA), Preferred Provider Organization (PPO). She stated that an RFP for a fully insured model was issued as well.

Ms. Musselman stated that the bids for a fully insured bid were price competitive with the current self-insured model. She advised that staff and health plan consultant Unland Companies, comprehensively analyzed the total savings of both models, and determined that it was still in the County's best interest to remain self-insured. She also commented that staff recommends renewing contracts with current vendors within the self-insured model, those being Consociate (TPA), Unity Point Health (PPO), and MedTrak (PBM). She remarked that the three vendors submitted the most competitive proposals, and all provide quality customer service.

A motion to approve was made by Mr. Robinson and seconded by Ms. Groves Allison. The motion carried unanimously.

- **Health Plan Design Changes**

A motion to approve was made by Mr. Watkins and seconded by Ms. Pastucha.

Ms. Musselman 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. She commented that an upward trend of revenues exceeding expenses began in 2004, with fund balance at a positive \$12 million by 2009. She stated that the implementation of the ACA, 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. She remarked that that trend is not sustainable, and Employee Health Plan design changes are necessary in order for the fund to be sustainable in the long-term.

Ms. Musselman advised that if no changes are made to the design of the Employee Health Plan, and based upon current medical and prescription cost trends, the Employee Health Fund will become insolvent by fall of 2022. Mr. Sorrel commented on two County Board policy decisions made to loan funds from the Employee Health Fund and emphasized a decision not to fund one or both of those projects from this fund would have resulted in only one additional year of solvency. Ms. Musselman advised that the plan changes as recommended would continue to keep the fund solvent to the fall of 2028. She stated that in 2022/2023 staff will re-evaluate the plans and review new models and best practices in order to maintain solvency.

Ms. Musselman advised that staff recommended changes to the Standard Plan include increasing the in-network single deductible to \$1,500.00 in 2020 and \$2,000.00 in 2021, and increasing the in-network family deductible to \$3,500.00 in 2020 and \$6,000.00 in 2021. She commented that a six-county study by staff and Unland showed a median \$1,500.00 in-network deductible cost. She advised that a two year \$100.00 vision benefit is being revised to an annual \$100.00 vision benefit. She also stated that under the current proposal, a prescription drug formulary would be utilized, changing the price slightly for prescription drugs 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.

Ms. Musselman advised that although recommended changes to the High Deductible Plan do not increase the amount of the current \$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 advised that a two year \$100.00 vision benefit is being revised to an annual \$100.00 vision benefit. 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 that plan, the plan must be IRS qualified, i.e. 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.

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

## **EXECUTIVE SESSION**

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

The motion to approve the resolution carried unanimously.

**Adjournment**

The meeting was adjourned by Chairperson Parker at 2:05 p.m.

*Recorded and Transcribed by: Jan Kleffman*