

Human Resources / Insurance Committee Meeting
Blount County Courthouse
July 19, 2016 at 5:00 pm
Agenda

- A. Roll Call**
- B. Emergency Announcement**
- C. Input on Items on the Agenda**
- D. Approval of June 21, 2016 Minutes**
- E. Revenue and Expenditures**
- F. Updates from CBIZ**
 - 1. Humana Audit**
 - 2. Voluntary Biometric Screenings**
- G. Discussion and Possible Action on Tobacco Use Policy**
- H. Discussion and Possible Action on Recommendations from CBIZ**
 - 1. Rate Structure**
 - 2. Non-Tobacco/Tobacco Rate Structure**
- I. Input on Items not on the Agenda**
- J. Adjournment**

Blount County Government
Human Resources/Insurance Committee Minutes

Tuesday June 21, 2016 5:00 pm
Room 430 Blount County Courthouse

Members Present: Commissioner Tom Stinnett, Rick Carver, Mike Lewis, Mike Caylor, Grady Caskey; Highway Superintendent Jeff Headrick; Mayor Ed Mitchell

Members Absent: Register of Deeds Phyllis Crisp; Sheriff James Berrong; School Representative David Murrell

Others Present: Human Resources Director Jenny Morgan,
Human Resources Specialist Jodie King,
CBIZ Representative Cole Harris,
CBIZ Representative Amy Howell

Input on Items on the Agenda

None at this time

Approval of Minutes

Motion was made by Rick Carver to approve May 17, 2016 minutes and second by Mayor Mitchell. All in favor, motion passed.

Monthly Revenue/Expenditures

Jenny Morgan discussed with the committee the revenue and expenditures spreadsheet. She stated the County received approximately \$45,000 in financial recovery from Humana due to audits Humana had completed on our account. There is also another \$23,000 of reimbursements to be received. She also reported the County had received reimbursement payments of approximately \$92,000 due to the performance guarantees the County had in place, which Humana failed to meet. The County has had 1 claim go over the stop loss mark and can expect to receive approximately \$78,000 of reimbursements from the stop loss vendor. The total reimbursements that could be expected to hit between June and July are approximately \$238,000.

Discussion and Actions on Recommendations from CBIZ

Carriers for 2017: Cole Harris discussed with the committee there was no rate increases for 2017 on the following carriers: Allegiance (TPA); Blount Memorial Onsite Clinic; CVS Caremark (PBM); Delta Dental; Superior Vision; Dearborn Life and Colonial. A motion was made by Commissioner Carver to continue with the current vendors and second by Mayor Mitchell. No discussion and all in favor, motion passed to continue with the current 2016 benefit vendors for 2017.

2017 Plan Design: Cole Harris discussed with the committee the basic current medical plan 1 and 2 design and recommended no changes to either plan. A motion was made by Commissioner Carver to continue with the current 2017 Medical Plan 1 and 2 designs and second by Commissioner Stinnett. A roll call vote was taken: 5-Yes; 1-No; 1-Abstained. Motion passed to continue with the current Medical Plan 1 and 2 designs.

Commissioner Stinnett-Abstained
Commissioner Lewis-Yes
Commissioner Caskey-No
Hwy Superintendent Jeff Headrick-Yes
School Representative David Murrell-Absent

Commissioner Carver-Yes
Commissioner Caylor-Yes
Register of Deeds Phyllis Crisp-Absent
Mayor Ed Mitchell-Yes
Sheriff James Berrong-Absent

Tobacco Cessation: Cole Harris discussed with the committee for 2017 recommendations to install a tobacco policy for Blount County. The policy would include tobacco and non-tobacco rates, tobacco cessation drug coverages and estimated cost, tobacco quit classes and estimated cost and the goal of becoming a tobacco free entity. A motion was made by Commissioner Stinnett to install a tobacco policy and second by Commissioner Carver. Commissioner Caylor made a recommendation to amend the motion to wait to make a decision during the HR Committee meeting in July 2016 for further information from Cole Harris and second by Hwy Superintendent Headrick. Commissioners Stinnett and Carver agreed to remove the original motion to install a tobacco policy. Commissioner Caylor made the motion to move the discussion of installing a tobacco policy to the July 2016 HR Committee meeting and second by Hwy Superintendent Headrick. A roll call vote was taken: 7-Yes; 0-No. Motion passed to move discussion and action at the July 2016 HR Committee meeting.

Commissioner Stinnett-Yes
Commissioner Lewis-Yes
Commissioner Caskey-Yes
Hwy Superintendent Jeff Headrick-Yes
School Representative David Murrell-Absent

Commissioner Carver-Yes
Commissioner Caylor-Yes
Register of Deeds Phyllis Crisp-Absent
Mayor Ed Mitchell-Yes
Sheriff James Berrong-Absent

Voluntary Biometric Screenings: Cole Harris discussed with the committee for 2017 recommendation to start the process of a voluntary biometric screening. The committee had several discussions regarding the process and outcome involved. Amy Howell with CBIZ spoke to the committee about the average cost per screening. The screenings are generally completed by a finger prick with a blood panel report. The results are discussed with the employee by a nurse on site which would be completely confidential. The only information that is provided to the HR Committee is the overall results.

Commissioner Caskey made a motion to request for a representative from Healthier TN.org to come to the Committee's next meeting to give a proposal to the committee. A second was not made and the motion failed. Hwy Superintendent Headrick made a motion to move forward with the Voluntary Biometric Screenings and second by Commission Carver. A roll call vote was taken: 6-Yes; 0-No; 1-Abstained. Motion passed to move forward with a Voluntary Biometric Screenings.

Commissioner Stinnett-Yes
Commissioner Lewis-Yes
Commissioner Caskey-Abstained
Hwy Superintendent Jeff Headrick-Yes
School Representative David Murrell-Absent

Commissioner Carver-Yes
Commissioner Caylor-Yes
Register of Deeds Phyllis Crisp-Absent
Mayor Ed Mitchell-Yes
Sheriff James Berrong-Absent

Proton Pump Inhibitor (PPI): Cole Harris discussed with the committee either to allow for PPI's or to decline PPI's altogether for 2017. These drugs include Nexium, Prevacid, Prilosec, etc. Mayor Mitchell made a motion to allow the PPI drugs to process under the current prescription drug plan and second by Hwy Superintendent Headrick. A roll call vote was taken: 7-Yes; 0-No. Motion passed to allow the PPI's to process under the current prescription drug plan.

Commissioner Stinnett-Yes
Commissioner Lewis-Yes
Commissioner Caskey-Yes
Hwy Superintendent Jeff Headrick-Yes
School Representative David Murrell-Absent

Commissioner Carver-Yes
Commissioner Caylor-Yes
Register of Deeds Phyllis Crisp-Absent
Mayor Ed Mitchell-Yes
Sheriff James Berrong-Absent

Disease Management Recommendations: Cole Harris discussed with the committee a program that will allow Nurse Health coaches to provide one on one education to members who are identified with chronic conditions. A wellness and disease management consultant will assist with developing a plan with proven tools to change the behavior of members with chronic conditions. Under our current population there are several chronic conditions such as Asthma; Coronary Artery Disease; COPD; Chronic Pain; Diabetes; Hypertension and Congestive Heart and Kidney Failure. Commissioner Stinnett made the motion to approve a Disease Management Program and second by Commissioner Caylor. A roll call vote was taken: 7-Yes; 0-No. Motion passed to allow CBIZ to start the process for a consultant to develop a Disease Management Program.

Commissioner Stinnett-Yes
Commissioner Lewis-Yes
Commissioner Caskey-Yes
Hwy Superintendent Jeff Headrick-Yes
School Representative David Murrell-Absent

Commissioner Carver-Yes
Commissioner Caylor-Yes
Register of Deeds Phyllis Crisp-Absent
Mayor Ed Mitchell-Yes
Sheriff James Berrong-Absent

Input on items not on the Agenda

HR Director Jenny Morgan told the committee about the HR Department partnering with the School to host the Employee Benefit Fair and having the fair prior to the upcoming Open Enrollment, so the employees will have a chance to speak with current vendors regarding their benefits. She stated communications would be sent out to the employees prior to the event to encourage participation.

Motion was made to adjourn at 6:30 PM

Blount County
Employee Summary Report
Reporting Period: 07/01/15 thru 06/30/16

Membership

Month	Total	Members	Subscriber Coverage Types			
			EE Only	EE + SP	EE + CH	Family
07/31/2015	1,846	3,894	936	213	203	494
08/31/2015	1,847	3,886	943	211	201	492
09/30/2015	1,894	3,996	962	218	207	507
10/31/2015	1,895	4,010	958	220	209	508
11/30/2015	1,891	4,006	952	221	210	508
12/31/2015	1,887	3,993	954	219	206	508
01/31/2016	1,746	3,749	841	245	200	460
02/28/2016	1,751	3,770	839	245	203	464
03/31/2016	1,747	3,756	836	244	204	463
04/30/2016	1,735	3,728	830	244	202	459
05/31/2016	1,736	3,721	837	240	198	461
06/30/2016	1,722	3,702	826	240	200	456

BLOUNT COUNTY
FUND 264 - HEALTH FUND
FISCAL YEAR-TO-DATE
JUNE 30,2016

C.C. Object	Account Title	Estimated Revenue	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
43101	SELF-INSURANCE PREMIUMS	10,007,073.00	375,813.77	543,737.50	742,331.72	742,562.50	747,762.50	746,000.00
43102	OTHER EMPLOYEE BENEFITS	9,747,768.00	569,963.11	469,107.41	650,133.63	616,108.34	647,345.67	646,441.50
44110	INTEREST EARNED	10,000.00	-	784.46	734.80	698.59	353.91	356.56
44160	RETIRES INSURANCE PMTS	1,676,711.00	(107,452.13)	176,849.29	132,921.70	136,757.50	128,675.00	133,254.00
44161	COBRA INSURANCE PAYMENTS	40,000.00	1,809.00	4,204.17	4,590.00	7,065.24	7,904.67	459.00
48990	OTHER-NET ASSETS UNRESTRICTED							
44990	OTHER LOCAL REVENUES - LOA					10,000.00	-	-
	TOTAL	21,481,552.00	840,133.75	1,194,682.83	1,530,711.85	1,513,192.17	1,532,041.75	1,526,511.06

C.C. Object	Account Title	Estimated Expenditures	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
500207	EMPLOYEE INSURANCE - HEALTH	862,000.00	95,027.61	47,292.62	48,399.38	44,802.55	48,496.77	-
500312	CONTRACTS W/PRIVATE AGCY	340,000.00	26,626.00	25,830.34	26,841.00	27,051.00	30,582.00	23,385.00
500325	FISCAL AGENT CHARGES	699,316.00	83,623.86	37,406.54	53,531.04	51,304.94	52,239.48	275,097.00
500507	MEDICAL CLAIMS	19,330,236.00	1,320,516.84	1,382,244.11	1,826,967.83	1,470,598.95	1,645,120.62	1,588,020.41
	HUMANA REIMBURSEMENTS							
500530	FINES, ASSESSMENTS, AND PENALTIES	250,000.00	-	-	104.72	-	41,758.50	-
	TOTAL	21,481,552.00	1,525,794.31	1,492,773.61	1,955,843.97	1,593,757.44	1,818,197.37	1,886,502.41
	Net Position	-	(685,660.56)	(298,090.78)	(425,132.12)	(80,565.27)	(286,155.62)	(359,991.35)

Special Notes

December 2015 increase in Fiscal Agent Charges was due to Humana Runout Medical -18 months charge for 1/1/2016 through 6/30/2017 (\$15,283.17 per mth)

Explanations of Account Title	
43101 - SELF-INSURANCE PREMIUMS	Employee Only Medical Premiums and Employer for Employee Only Medical Premiums (\$25.00 and \$425.00 monthly; eff. 1/1/16 \$85 and \$425 monthly)
43102 - OTHER EMPLOYEE BENEFITS	Employee Dependent Medical Premiums and Employer for Dependent Medical Premiums (\$150, \$100, \$125 and \$550 monthly; eff. 1/1/16 \$200, \$175, \$225 & \$550 monthly)
44110 - INTEREST EARNED	Interest Earned
44160 - RETIREES INSURANCE PMTS	Retiree Premiums
44161 - COBRA INSURANCE PAYMENTS	Cobra Premiums
44990 - OTHER LOCAL REVENUES - LOA	Received from CIGNA to assist with costs of transitioning to new vendor
500207 - EMPLOYEE INSURANCE - HEALTH	Stoploss Carrier Premiums
500312 - CONTRACTS W/PRIVATE AGCY	ETMG Clinic and CONCERN EAP (BMH)
500325 - FISCAL AGENT CHARGES	2015 - Humana Admin Fees and Open Enrollment System; 2016 - Allegiance Admin Fees
500507 - MEDICAL CLAIMS	Medical Claims and Pharmacy Claims
500530 - FINES, ASSESSMENTS, AND PENALTIES	ACA Fees and PCORI Fees (IRS)

BLOUNT COUNTY
FUND 264 - HEALTH FUND
FISCAL YEAR-TO-DATE
JUNE 30,2016

C.C. Object	Account Title	Estimated Revenue	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	ADJ	Fiscal Year to Date	Calendar Year to Date (2016)
43101	SELF-INSURANCE PREMIUMS	10,007,073.00	779,702.50	779,702.50	757,995.93	768,405.06	765,765.00	742,453.00		8,492,231.98	4,594,023.99
43102	OTHER EMPLOYEE BENEFITS	9,747,768.00	621,125.08	621,125.08	689,506.65	639,051.05	628,870.68	577,629.09		7,376,407.29	3,777,307.63
44110	INTEREST EARNED	10,000.00	421.76	628.47	623.80	708.01	1,010.75	1,250.74		7,571.85	4,643.53
44160	RETIRES INSURANCE PMTS	1,676,711.00	130,133.68	135,842.28	135,750.41	131,697.66	134,403.98	133,378.04		1,402,211.41	801,206.05
44161	COBRA INSURANCE PAYMENTS	40,000.00	1,800.00	4,899.44	3,641.40	2,080.80	4,709.80	2,609.71		45,773.23	19,741.15
48990	OTHER-NET ASSETS UNRESTRICTED		-	-	-	-	-	92,201.24		92,201.24	92,201.24
44990	OTHER LOCAL REVENUES - LOA		-	-	-	-	15,000.00			25,000.00	15,000.00
	TOTAL	21,481,552.00	1,533,183.02	1,542,197.77	1,587,518.19	1,541,942.58	1,549,760.21	1,549,521.82	-	17,441,397.00	9,304,123.59
C.C. Object	Account Title	Estimated Expenditures	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16		Fiscal Year to Date	Calendar Year to Date (2016)
500207	EMPLOYEE INSURANCE - HEALTH	862,000.00	46,453.31	46,425.25	43,378.16	45,078.34	45,028.81	44,974.33		555,357.13	271,338.20
500312	CONTRACTS W/PRIVATE AGCY	340,000.00	39,358.00	25,010.00	25,898.67	25,699.33	25,396.00	26,011.33		327,688.67	167,373.33
500325	FISCAL AGENT CHARGES	699,316.00	39,358.00	39,314.00	36,674.00	41,369.10	45,100.00	41,659.05	(183,398.00)	613,279.01	60,076.15
500507	MEDICAL CLAIMS	19,330,236.00	1,283,769.75	1,027,291.73	1,261,217.58	1,415,274.12	2,013,673.50	1,605,252.16		17,839,947.60	8,606,478.84
	HUMANA REIMBURSEMENTS		-	-	(18,029.09)	(16,487.20)	(10,737.38)	(23,058.79)		(68,312.46)	(68,312.46)
500530	FINES, ASSESSMENTS, AND PENALTIES	250,000.00	-	-	-	-	-	-		41,863.22	-
	TOTAL	21,481,552.00	1,408,939.06	1,138,040.98	1,349,139.32	1,510,933.69	2,118,460.93	1,694,838.08	(183,398.00)	19,309,823.17	9,220,352.06
	Net Position	-	124,243.96	404,156.79	238,378.87	31,008.89	(568,700.72)	(145,316.26)	(183,398.00)	(1,868,426.17)	83,771.53

Use of Tobacco Products

This policy covers the smoking of any tobacco product and the use of oral tobacco products or "spit" tobacco, and it applies to all employees of Blount County Government.

No smoking of tobacco products will be allowed within the facilities at any time.

Tobacco products include cigarettes, cigars, chewing or pipe tobacco, e-cigarettes, or any other tobacco products.

The decision to provide or not provide designated smoking areas outside the building will be at the discretion of management or other decision-making body.

All materials used for smoking in this area, including cigarette butts and matches, will be extinguished and disposed of in appropriate containers. Management will ensure periodic cleanup of the designated smoking area. If the designated smoking area is not properly maintained (for example, if cigarette butts are found on the ground), it can be eliminated at the discretion of management or other decision-making body.

Procedures

1. Employees will be informed of this policy through any of the following forms of communication: signs posted in County facilities, newsletters, the employee handbooks, e-mail, and/or orientation and training.
2. Blount County Government will help employees who want to quit smoking by helping them access recommended smoking cessation programs and materials.
3. Any violations of this policy will be handled through the standard disciplinary procedure.

Incentive for Non-Smokers

Blount County Government will offer a non-tobacco use discount on the medical plan premium to employees who have refrained from use for three (3) months prior to the annual benefits open enrollment period.

Blount County Government requires a signed affidavit from those employees who are eligible for the discounts. This will be done electronically through the open enrollment process in Kronos.

If you are not tobacco free at this time, you can qualify for the discount by completing a free Tobacco Cessation Program provided by the County.

Tobacco Use Affidavit

Employees will be asked to attest to his/her Tobacco Use Status which will determine if he/she will qualify for the wellness program reward, which is a lower premium rate effective **January 1, 2017**.

The employee will receive the lower non-tobacco user rate if he/she certifies, during the open enrollment period, that he/she has been tobacco-free during the prior 3 months and agree to remain tobacco-free through the remainder of the 2017 medical plan year. Employees may decline to participate in the program, in which case the employee will not be eligible for the discounted rate. This information will be held confidentially by Human Resources per the Health Information Portability and Accountability Act (HIPAA) and used for no purpose other than to administer the Blount County Government's employee wellness program.

The affidavit is a legally binding document, and if an employee knowingly makes a false statement in an attempt to defraud Blount County Government, he/she will no longer qualify for the lower premium rate effective upon the next payroll deduction. His/her behavior may also be subject to discipline, up to and including termination.

If you think you might be unable to meet a standard for the reward for this wellness program, you might qualify for an opportunity to earn the same reward by different means. Please contact Human Resources for additional information.



Blount County Government HR/Insurance Committee

07/19/2016

Presented by:

Cole Harris, RHU

Vice President of Sales & Marketing

CBIZ Benefits & Insurance Services of Tennessee, Inc.

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Topics

Updates

- Humana Audit
- Biometric RFP

Requested Items for Vote

- Rate Structures
- Tobacco/Non-Tobacco Rate Structure



Humana Audit Update



Humana Audit Update

- Humana has released \$23,000 in recoverable funding
- Process discovered issue pertaining to Medicare and Retirees allowing for us to help retirees with Medicare Disability for future years saving both the retiree and the County
- Outstanding issue pertaining to Coordination of Benefits



Biometric RFP



Biometric RFP

- Access to national and local vendor partnerships
- Assess needs and interests of Blount County and the Employees
- Develop an RFP questionnaire for vendors comprised of several metrics
- Outline and compare proposals on a side-by-side chart
- Demo products
- Conduct interviews with references
 - Bring top 3 to Blount County for determination of vendor
- Negotiate pricing, contracting and performance guarantees
- Assist with implementation and ongoing evaluation of vendor performance



Rate Structure



Plan Funding

- National Medical trend sits at 7.8-8.0%
 - Including Pharmacy, trend is 8.5%
- While it is too early to determine figures for 2017, a safe assumption based on early results would allow for 5%



Plan Funding Factors

Current Plan 1

Coverage Type	Monthly Funding
Employee Only	\$510.00
Employee Spouse	\$1,175.00
Employee Child(ren)	\$1,150.00
Family	\$1,200.00

Current Plan 2

Coverage Type	Monthly Funding
Employee Only	\$518.00
Employee Spouse	\$1,193.00
Employee Child(ren)	\$1,168.00
Family	\$1,218.00

Proposed Plan 1

Coverage Type	Monthly Funding	Increase
Employee Only	\$535.50	\$25.50
Employee Spouse	\$1,233.75	\$58.75
Employee Child(ren)	\$1,207.50	\$57.50
Family	\$1,260.00	\$60.00

Proposed Plan 2

Coverage Type	Monthly Funding	Increase
Employee Only	\$543.90	\$25.90
Employee Spouse	\$1,252.65	\$59.65
Employee Child(ren)	\$1,226.40	\$58.40
Family	\$1,278.90	\$60.90

** This is the Employer and Employee combined portion





Chart of Change – 5% Increase Impact

(Scenario 1)

Employee Count	Blount County	Employee
Percentage of Increase	100%	0%
Employee Only	\$450.50	\$85
Employee Spouse	\$1,033.75	\$200
Employee Child(ren)	\$1,032.50	\$175
Family	\$1,035.00	\$225
Total	\$15,824,256.00	\$3,116,820.00
Difference from 2016	<i>(\$901,956)</i>	\$0





Chart of Change – 5% Increase Impact

(Scenario 2)

Employee Count	Blount County	Employee
Percentage of Increase	75%	25%
Employee Only	\$444.13	\$91.38
Employee Spouse	\$1,019.06	\$214.69
Employee Child(ren)	\$1,018.13	\$189.38
Family	\$1,020.00	\$240.00
Total	\$15,598,767.00	\$3,342,309.00
Difference from 2016	<i>(\$676,467)</i>	<i>(\$225,489)</i>



Chart of Change – 5% Increase Impact (Scenario 3)

Employee Count	Blount County	Employee
Percentage of Increase	50%	50%
Employee Only	\$437.75	\$97.75
Employee Spouse	\$1,004.38	\$229.38
Employee Child(ren)	\$1,003.75	\$203.75
Family	\$1,005.00	\$255.00
Total	\$15,373,278.00	\$3,567,798.00
Difference from 2016	<i>(\$450,978.00)</i>	<i>(\$450,978)</i>



Non-Tobacco Discount Rates



Tobacco / Non-Tobacco Rate Implications – **\$ 5 Non-Tobacco Discount**

Non-Tobacco Election Percentage	Net Payroll Deduction Revenue Change to County
100% (1,747)	(\$104,820)
97.50% (1,703)	(\$102,199.50)
95% (1,660)	(\$99,579)
90% (1,572)	(\$94,338)
85% (1,485)	(\$89,097)
75% (1,310)	(\$78,615)

- This slide projects the expected changes to the revenues brought in based on employee payroll deductions as a response to the new policy



\$5 Non-Tobacco Discount / \$5 Tobacco Surcharge Rates





Tobacco / Non-Tobacco Rate Implications – \$5 Non-Tobacco Discount / \$5 Tobacco Surcharge

Non-Tobacco Election Percentage	Net Payroll Deduction Revenue Change to County
100% (1,747)	(\$104,820.00)
97.50% (1,703)	(\$99,579)
95% (1,660)	(\$94,338)
90% (1,572)	(\$83,856)
85% (1,485)	(\$73,374)
75% (1,310)	(\$52,410)
50% (874)	\$0

- This slide projects the expected changes to the revenues brought in based on employee payroll deductions as a response to the new policy





\$5 Non-Tobacco Discount / \$10 Tobacco Surcharge Rates



Tobacco / Non-Tobacco Rate Implications – \$5 Non-Tobacco Discount / \$10 Tobacco Surcharge

Non-Tobacco Election Percentage	Net Payroll Deduction Revenue Change to County
100% (1,747)	(\$104,820.00)
97.50% (1,703)	(\$96,958.50)
95% (1,660)	(\$89,097)
90% (1,572)	(\$73,374)
85% (1,485)	(\$57,651)
75% (1,310)	(\$26,205)
67% (1,170)	\$1,048.20

- This slide projects the expected changes to the revenues brought in based on employee payroll deductions as a response to the new policy



Thank you!