



HEALTH INSURANCE PLAN AD HOC ADVISORY COMMITTEE
Minutes – April 17, 2019

Call to Order. Chair Podzilni called the meeting of the Health Insurance Plan Ad Hoc Advisory Committee to order at 8:00 A.M. on Wednesday, April 17, 2019, in Conference Room N-1 / N-2, Fifth Floor, Courthouse-East.

Committee Members Present. Supervisors Podzilni, Hawes and Zajac; Gloria Anderson, Finance Department; Daniel Banks and Ryan Ooms, Sheriff's Office; Henry Bunts and John Harris; Public Works Department; Christine Darr (8:06 A.M.), Sophia Davis and Mark Stevens, Human Services Department; Cynthia Hevel, Southern Wisconsin Regional Airport Department; Carla Quirk, Child Support Department; Shannon Richmond, Register of Deeds Office; Michael Southers, Information Technology Department; and Norman Tadt Jr., Land Conservation Department. Ex Officio Members: Annette Mikula, Human Resources and Al Jaeger, Associated Benefits Risk Consulting.

Committee Members Absent: Mathew Christidis, Sheriff's Office; and Jen Weadge, Public Health.

Staff Members Present. Josh Smith, County Administrator; Commander Strouse, Deputy DuCharme and Sergeant Coulter, Sheriff's Office.

Others Present: Supervisors Mawhinney and Schulz.

Approval of Agenda. Supervisor Zajac moved approval of the agenda, second by Mr. Southers. ADOPTED.

Introduction of Members. Chair Podzilni had each member introduce themselves and why they wished to be part of this committee.

Citizen Participation, Communications and Announcements. None.

Committee Selection Process. Chair Podzilni and Ms. Mikula said they had received 78 applications, input the information on these applicants into Google random number generator, which then was used to randomly pick the 15 members from the list to fill the different plan categories.

Committee Charge and Duration. Chair Podzilni handed out the ground rules: 1) the purpose of the committee is advisory only; 2) members of the committee have an equal voice; 3) respect the agenda – start and end on time; 4) turn off cell phones or set to silent, if you must take an urgent call, take your call outside the room; 5) listen actively to others; 6) no one-on-one side meetings or conversations; 7) do not interrupt other participants, talk one at a time and wait to be recognized by the chair; 8) be respectful of other's ideas when they talk; and 9) stay on topic.

Mr. Smith went over the slide show (attached) and answered questions.

Members shared things they do to help cut costs such as working with drug manufacturers on expensive medications to obtain discounts.

Next Steps.

Process for Gathering Information on Health Plan Options Mr. Jaeger said, with the \$19 million target, he should have information for the committee to go over at the May 8th meeting.

Requests for Additional Information / Future Agenda Items Nothing at this time.

Future Meeting Dates Chair Podzilni said the next meetings have been set for May 8, May 29 and June 12 at 8 A.M. to 10 A.M. in these same rooms (N-1 / N2). He added it is possible there may be a need for an additional meeting in June.

Mr. Banks asked when the survey would be going out to employees. Ms. Mikula said after they receive the numbers at the next meeting so they can be included – so between May 8 and 29.


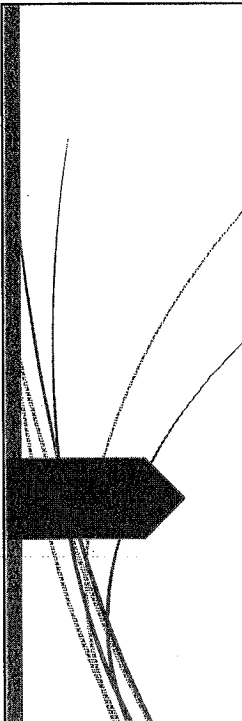
Mr. Harris said at their safety training they learned some doctors will not accept tests done by elsewhere such as MRIs.

Adjournment. Mr. Southers moved adjournment at 10:03 A.M., second by Mr. Tadt.
ADOPTED.

Respectfully submitted,


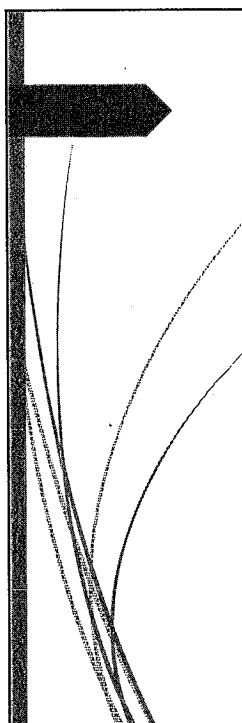
Marilyn Bondehagen
Office Coordinator

NOT OFFICIAL UNTIL APPROVED BY COMMITTEE.



Rock County Health Insurance Plan

Ad Hoc Health Plan Advisory Committee
April 17, 2019



Presentation Outline

- Current Health Plan Overview
- Types of Health Insurance Plans
- Comparisons with Other Governmental Jurisdictions and Organizations
- Review of Financial Situation
- Health Insurance Plan Options
- Next Steps



Current Health Plan



Health Plan Administration

- Rock County is self-funded for health insurance
- We contract directly with many vendors to help manage our plan
 - **The Alliance** is our provider network
 - We have a "wrap network" so employees can use providers that are not a part of The Alliance network
 - **Professional Benefit Administrators (PBA)** is our third-party administrator (TPA) that processes employee medical claims
 - **Healthcare Strategies (HCS)** provides utilization review, disease/case management, and administration of the wellness program
 - **Navitus** is our pharmacy benefit manager (PBM)
 - **Compsych** operates our Employee Assistance Program (EAP)
 - **Anthem** is our stop-loss re-insurer to protect us from high-cost claims
 - **Associated Benefits and Risk Consulting (ABRC)** is our health care consultant

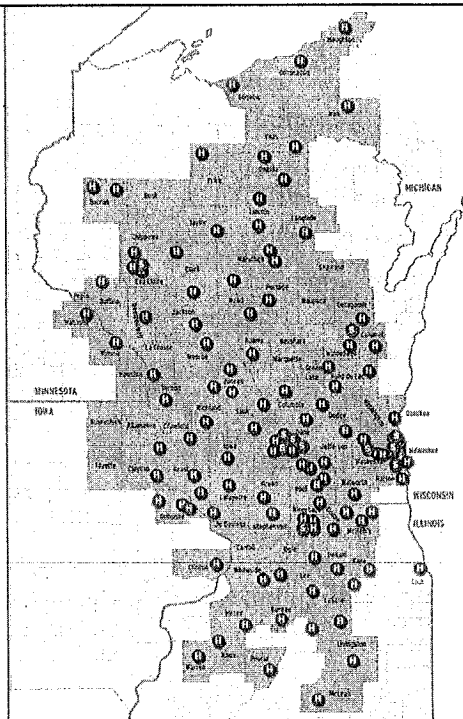
The Alliance Network

Purchasing Power/Discounted Rates

- Total covered lives = 80,000
- Rock County covered lives = 3,500

Broad Provider Choice

- Mercy, Dean/SSM, Beloit Health System, Edgerton, Fort, Monroe, Stoughton, UW Health, Aurora, Swedish American, Meriter, Rogers, GHC, and more .
- 120 hospitals
- 9,980 medical doctors
- 5,500 medical clinic sites



Premium vs. Employee Premium Share

- Premium
 - The amount paid for an employee's health insurance package
 - County funds plan through charges ("premium") to departmental budgets
 - These charges count against operational budget (i.e. levy limits)
 - 4 tiers of annual charges based on each employee's choice of coverage
 - Single = \$7,665
 - Employee + Spouse = \$13,154
 - Employee + Children = \$16,975
 - Family = \$26,951

Premium vs. Employee Premium Share

- ▶ Employee Premium Share
 - ▶ No premium share if employee (and spouse) complete wellness program
 - ▶ In 2018, there was an average of 1,187 employees on County health insurance
 - ▶ About 8% of employees did not comply with wellness program requirements
 - ▶ Similar to the percentage in several past years
 - ▶ These individuals do not earn the 10% premium incentive
 - ▶ Annual premium share levels (10% of premium)
 - ▶ Single = \$767
 - ▶ Employee + Spouse = \$1,315
 - ▶ Employee + Children = \$1,698
 - ▶ Family = \$2,695

Monthly Premium vs. Premium Share

Tiers	Monthly Premium Charged To Department	10% Premium Share Charged to Employee if Not Earning Wellness Incentive (Monthly)
Employee	\$ 639	\$ 64
Employee + Children	1,096	110
Employee + Spouse	1,415	141
Family	2,246	225



Healthy Employee Incentive Program (HEIP)

- County has had a wellness program since 2008
- Employees must meet requirements to earn 10% premium incentive and avoid paying premium share
- In 2018 and 2019, requirements include:
 - Annual physical with primary care physician (employee/spouse)
 - Biometric screening/blood draw (employee/spouse)
 - Must earn 5 points by participating in wellness activities (employee)
 - Participate in disease management, case management, health coaching, nutritionist/dietician services provided by Healthcare Strategies
 - Complete online self-paced learning modules
 - Non-smoker/participate in tobacco cessation program
 - Flu shot
 - Attend County health fair, lunch and learns, Rock N Wellness Committee programs



Deductible

- Deductible is the amount an employee must pay before the County plan begins to pay a portion of an office visit or other covered service
- 2019 Deductible:
 - Single = \$750
 - Family = \$2,250
- In 2019, change was made to require entire deductible to be met before County plan begins to pay any portion of the cost
 - Preventive care covered at 100% (deductible payment not required)
 - Prescriptions covered with co-pay (deductible payment not required)

History of Deductible Changes

	Deductible	
	Single	Family
2009	\$100	\$300
2010	\$100	\$300
2011	\$100	\$300
2012	\$375	\$1,125
2013	\$375	\$1,125
2014	\$450	\$1,350
2015	\$450	\$1,350
2016	\$450	\$1,350
2017	\$550	\$1,650
2018	\$650	\$1,950
2019	\$750	\$2,250

Other Employee Costs

- Copay
 - \$25 office visit primary care
 - \$50 office visit specialty care
- Co-insurance
 - 75% County/25% Employee (in network)
 - 65% County/35% Employee (out of network)
- Annual Out-of-Pocket Limit (includes deductible and coinsurance)
 - \$2,250 individual/\$4,300 family
- Medical Benefit Copay Limit
 - \$3,650 individual/\$7,300 family



Routine/Preventive Care—100% Covered

- Adult Office Visits (annual physical/wellness visit)
- Mammogram, Pap Smear, Pelvic Exam
- Prostate Exam
- Immunizations/Flu Shots
- Colonoscopy (if pre-certified)
- Children's Office Visits

- ACA requires certain services to be 100% covered by County



Other Covered Services

- Office Visits
 - Primary Care Physician (PCP)
 - Specialist
- Hospital Stays
- Emergency Room
- Mental Health
- Labs/Imaging
- Chiropractic
- Many other services

- See Schedule of Medical Benefits Handout for Complete List

Prescriptions

Tiers

- Generic - \$10
- Formulary Brand - \$25
- Non-formulary Brand - \$50
- Specialty - \$150

28,720 prescriptions were filled in 2018;
88.5% were generic

Other Policies

- Mail order or certain retail provide 3 months for price of 2 (maintenance meds)
- Pharmacy Maximum Out of Pocket
 - \$1,500 individual/\$3,000 family

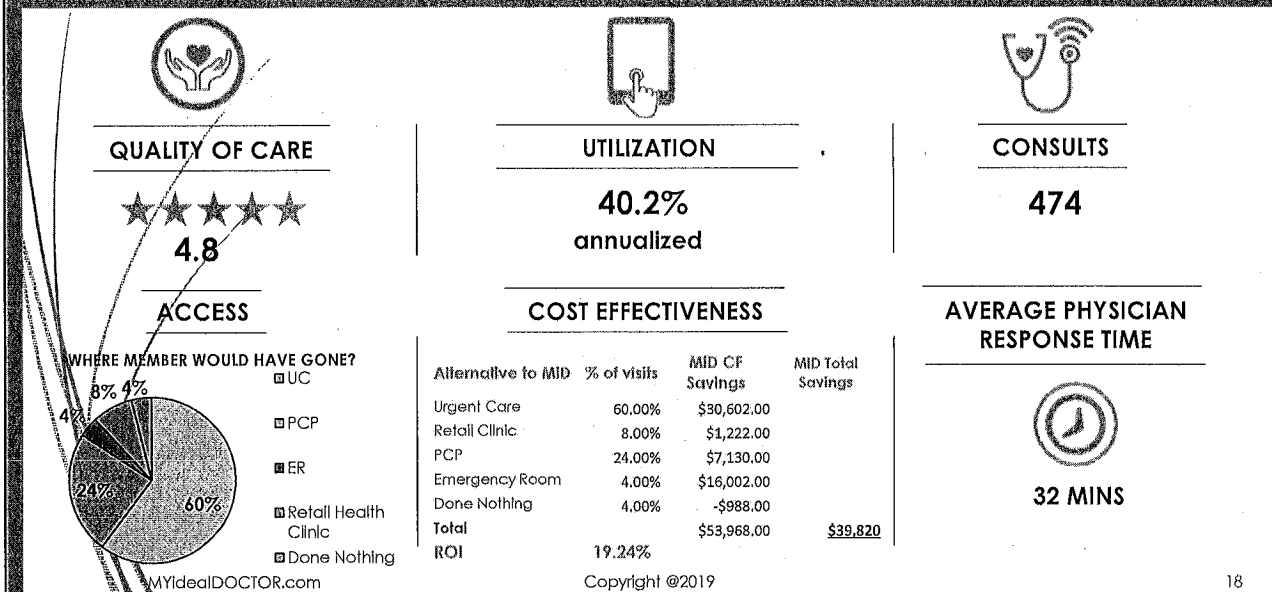
Specialty Prescriptions

Year	Script Count	# Utilizing Members	Total Member Paid	Total County Paid	% County Paid	County Cost per Member	Member Cost per Member
2017	278	33	\$22,466	\$1,399,543	98.4%	\$42,410	\$681
2018	274	32	\$23,249	\$1,465,752	98.4%	\$45,805	\$727

TeleMed (My Ideal Doc)

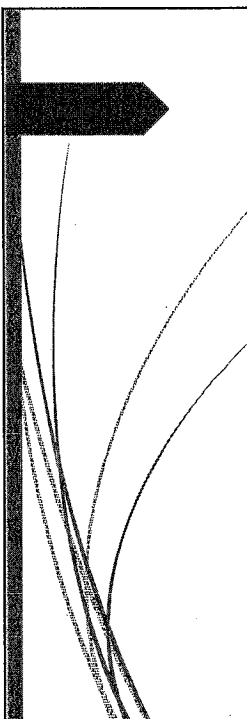
- 100% Covered—No copay, deductible, or coinsurance
- 24/7 access to a doctor
- Intended use for common conditions (cold/flu, cough, infections, etc.)
- Prescriptions available, if deemed appropriate
- Cost to County in 2018 = \$32,160
- Savings to County in 2018 = \$39,820
 - Savings to County by saving 75% coinsurance cost of office visit
 - Savings to employee by no copay, deductible, coinsurance

County of Rock - Dashboard





Types of Health Insurance Plans



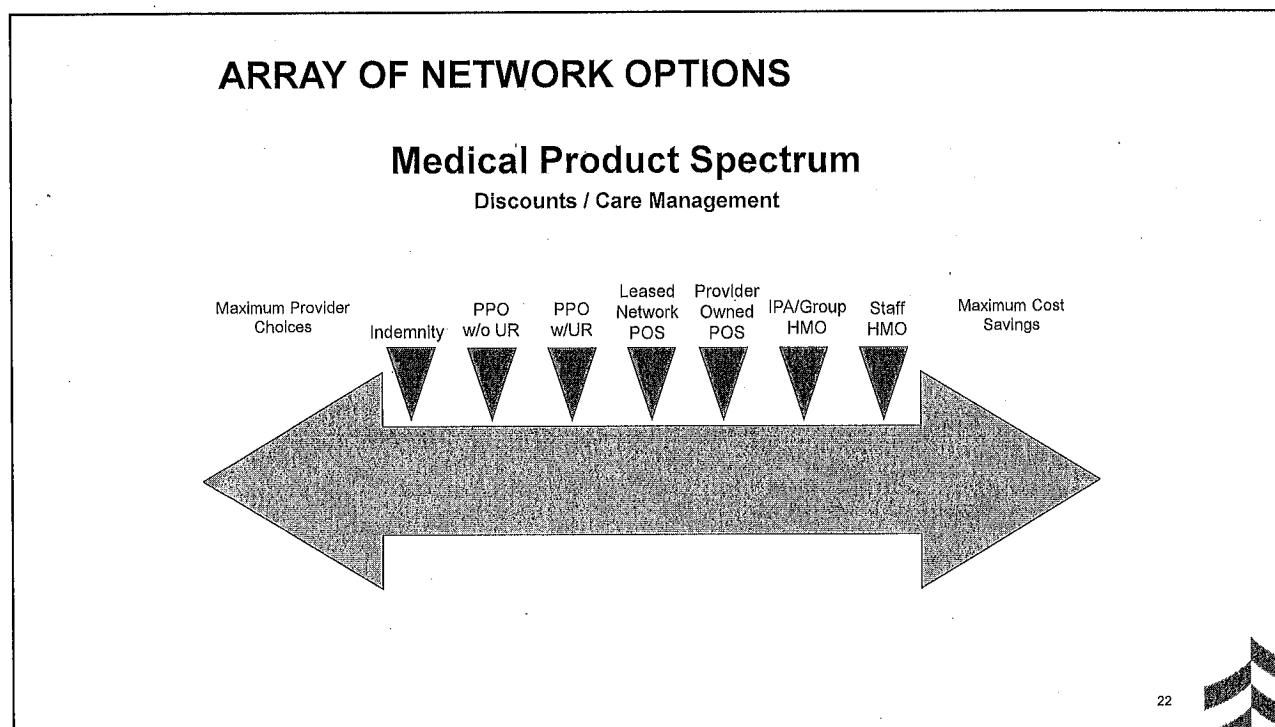
Self-funded Plan—Control and Risk

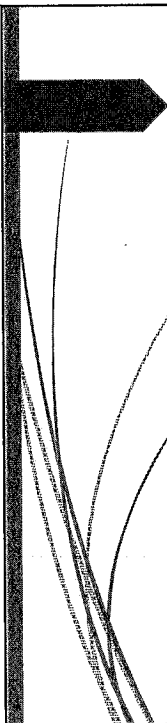
- Rock County essentially serves as its own insurance company, using County funds to pay claims and provide other health benefits.
- Rock County has control over plan design (employee costs/charges, certain covered services) and provider network.
- Rock County must contract with a number of vendors to provide services, including PBA as our third-party administrator to process and pay claims.
- To limit risk, Rock County contracts for stop-loss coverage, which limits the County's costs on aggregate individual cases exceeding \$175,000 annually.
- Rock County's self-funded plan is considered a Preferred Provider Organization (PPO)

Types of Plans

- Preferred Provider Organization (PPO)
- Health Maintenance Organization (HMO)
- Point-of-Service (POS) Plan
- High Deductible Health Plan (HDHP)

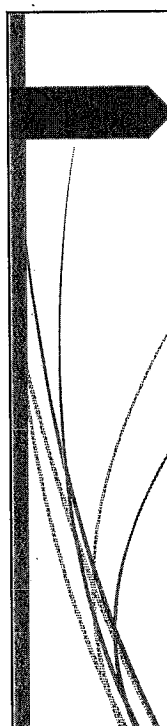
- Factors to Consider:
 - Employee choice of providers
 - Cost to employee and County
 - Level of control County retains over services provided and charges for services
 - Who takes on risk if level of claims/costs increase
 - Number and type of vendors needed to administer the plan





Preferred Provider Organization (PPO)

<p>Pros</p> <ul style="list-style-type: none"> ■ Broad flexibility regarding where to receive in-network care ■ Family members can choose providers in different systems and still be in-network ■ Ability to see out-of-network providers, although at greater cost ■ No referral needed to see a specialist ■ County controls plan design (services and charges) 	<p>Cons</p> <ul style="list-style-type: none"> ■ Typically highest cost to County and employees ■ Greatest risk in variability of costs ■ Little incentive for consumer awareness to help control costs
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Point-of-Service (POS) Plan

<p>Pros</p> <ul style="list-style-type: none"> ■ Retain ability to access providers both in-network and out-of-network ■ Family members can choose providers in different systems, although some will be out-of-network ■ Some costs savings for County as compared to PPO plan 	<p>Cons</p> <ul style="list-style-type: none"> ■ Although family members can have providers in different systems, have to select one system to be in-network for entire family ■ Costs to employees could be significantly more to access out-of-network providers ■ Cost savings to County not as great as other fully-insured options
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Health Maintenance Organization (HMO)

Pros

- Typically a lower cost on copays and deductible for employees
- Additional savings to County as compared to PPO and POS plans

Cons

- Required for all family members to receive services from single network of providers
- Typically no coverage for out-of-network providers
- Typically requires referral to access specialists.



High-Deductible Health Plan (HDHP)

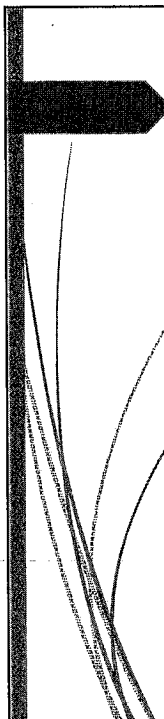
Pros

- Health Savings Account (HSA):
 - allows money to be placed in tax-free account for eligible expenses
 - unspent funds roll over from year to year
 - is owned by employee
- Increases consumer awareness of health costs and services
- Greatest amount of savings to County

Cons

- Plan does not pay until deductible is met (excluding ACA-required coverage)
- Prescription drugs included in annual deductible
- May cause employee to delay or forego care if deductible not met
- May more adversely affect employees with lower wages
- Depending on timing of County deposits into HSA, employees leaving County employment mid-year take County funds with them

* A HDHP can be paired with a PPO, POS, or HMO plan



Types of Reimbursement Accounts

	Flexible Spending (FSA)	Health Reimbursement (HRA)	Health Savings (HSA)*
Who "owns"	Employer	Employer	Employee
Who contributes	Employee	Employer	Both
When available	January 1	January 1	When deposited
Max amount	\$2,700	None	\$3,500 single \$7,000 family
Rolls over?	Yes (up to \$500)	Yes	Yes

*HSA is available only with a high-deductible health plan.



Comparisons with Other Governmental Jurisdictions and Organizations

Other Counties

County	Self-funded PPO	High-deductible	POS	HMO
Racine	X			
Outagamie	X	X		
Winnebago	X			
Kenosha	X			
Rock	X			
Washington		X		
Marathon	X			
La Crosse	X			
Sheboygan	X			
Walworth	X	X		
Jefferson		X		X

Other Counties

County*	Employee Premium Share (wellness/not)		Deductible In Network (EE/Fam)		Copay (in network PCP)	Employee Coinsurance (In/Out)	
Racine	15%	15%	\$400	\$800	\$0	20%	40%
Outagamie	15%	15%	\$1,000	\$2,000	\$35	10%	30%
Winnebago	12%	17%	\$750	\$1,500	\$0	20%	40%
Kenosha	4%	18%	\$0	\$0	\$35	0%	25%
Rock	0%	10%	\$750	\$2,250	\$25	25%	35%
Washington	12.5%	12.5%	\$1,500	\$4,000	\$0	0%	20%
Marathon	9.6%	12.6%	\$1,500	\$3,000	\$20	10%	30%
La Crosse	12%	12%	\$1,350	\$2,700	\$0	20%	40%
Sheboygan	15%	28%	\$500	\$1,000	\$0	20%	50%
Walworth	7%	12%	\$500	\$1,500	\$25	20%	40%
Jefferson (low)	8%		\$500	\$1,000	\$0	0%	0%
Jefferson (high-deduct.)	0%		\$1,500	\$3,000			

*Data is for PPO plan, except for Washington, which only offers a high-deductible health plan. Data for Jefferson is for both their low-deductible and high-deductible HMO plans.

Local School Districts

- ▶ 11 Smaller School Districts in Rock/Green County
 - ▶ 10 use an HMO
 - ▶ 8 offer a High-Deductible Health Plan
 - ▶ 1 offers a POS Plan
 - ▶ All have an employee premium share
- ▶ School District of Beloit
 - ▶ Offers only a High-Deductible Health Plan PPO
 - ▶ Deductible = \$2,500 individual/\$5,000 family
 - ▶ District contribution to HSA = \$1,500 individual/\$3,000 family
 - ▶ Maximum out-of-pocket = \$5,000 individual/\$10,000 family
 - ▶ Premium share = 2%

School District of Janesville

	Employee Premium Share		Deductible In Network (EE/Fam)		Copay (In network PCP)	Employee Coinsurance (In/Out)	
SDJ (POS)	12.7%		\$500	\$1,500	\$25	20%	40%
SDJ (HMO)	12.7%		Employee \$250	Employee \$500	\$0	0%	0%
			Plan* \$5,000	Plan* \$10,000			
Rock County	0%	10%	\$750	\$2,250	\$25	25%	35%

*District contracts with "Difference Card" for reinsurance (much like stop loss coverage) to cover difference between employee deductible cost of \$250/\$500 and plan deductible cost of \$5,000/\$10,000

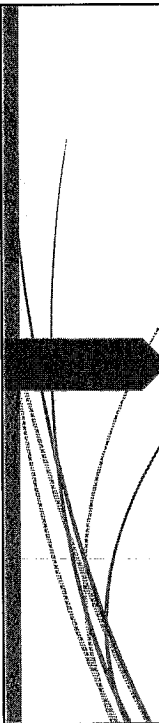
Cities of Beloit and Janesville

Jurisdiction	Employee Premium Share		Deductible In Network (EE/Fam)		Copay (in network PCP)	Employee Coinsurance (In/Out)	
City of Beloit	7.5%		\$700	\$2,100	\$30	10%	30%
City of Janesville (HMO)	11.5%-14%		\$1,600	\$1,900	\$20	5%	n/a
City of Janesville (PPO)			\$300*	\$600*	\$0	20%	40%
Rock County	0%	10%	\$750	\$2,250	\$25	25%	35%

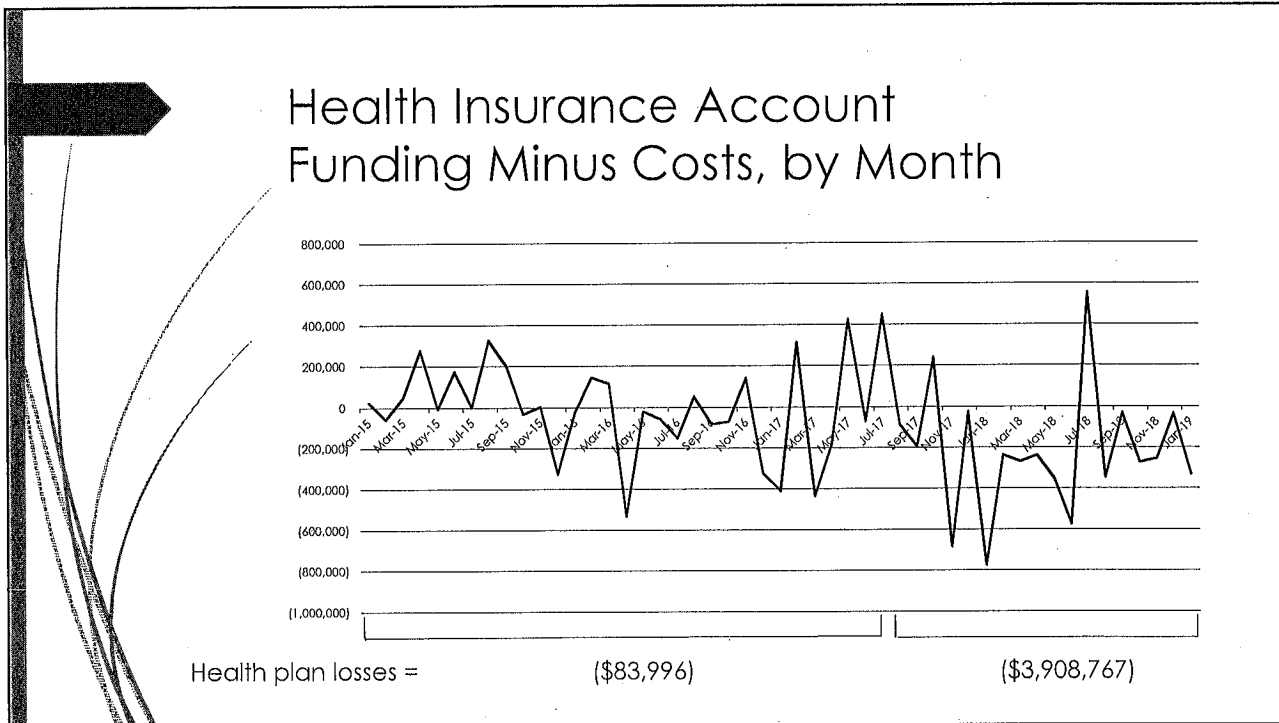
*Deductible reduced for participation in health assessment

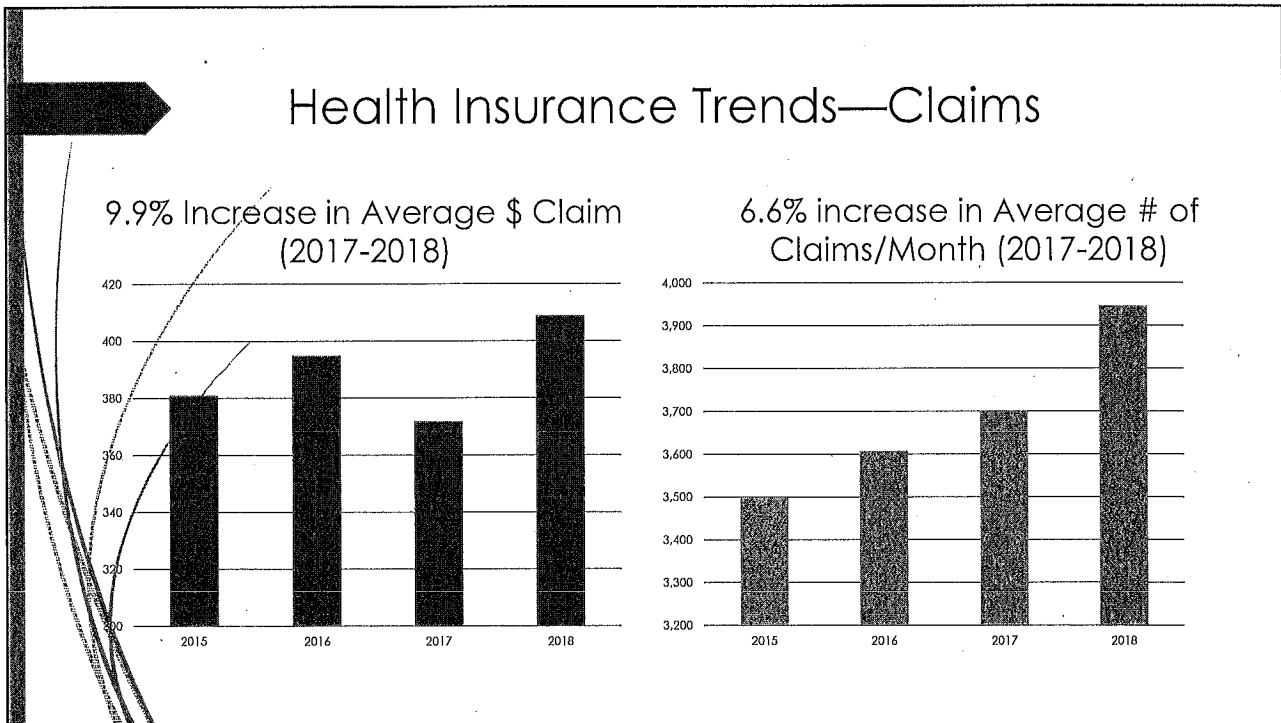
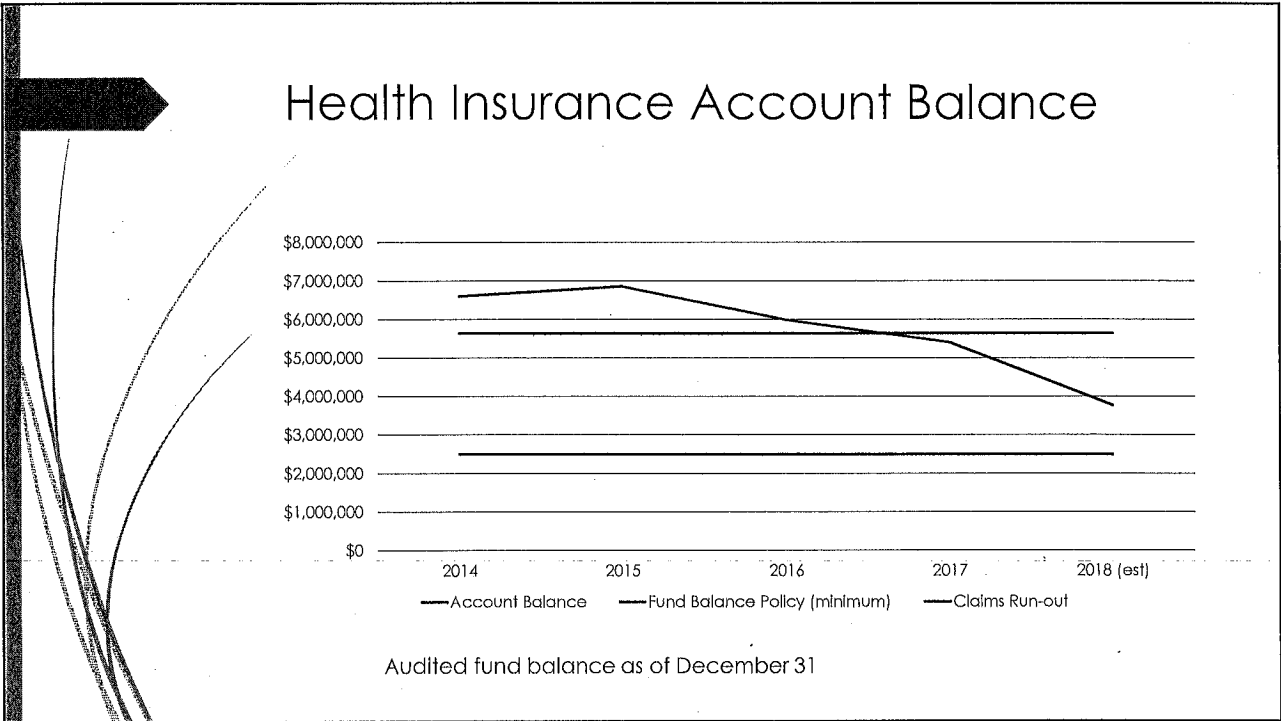
Local Private Sector Businesses

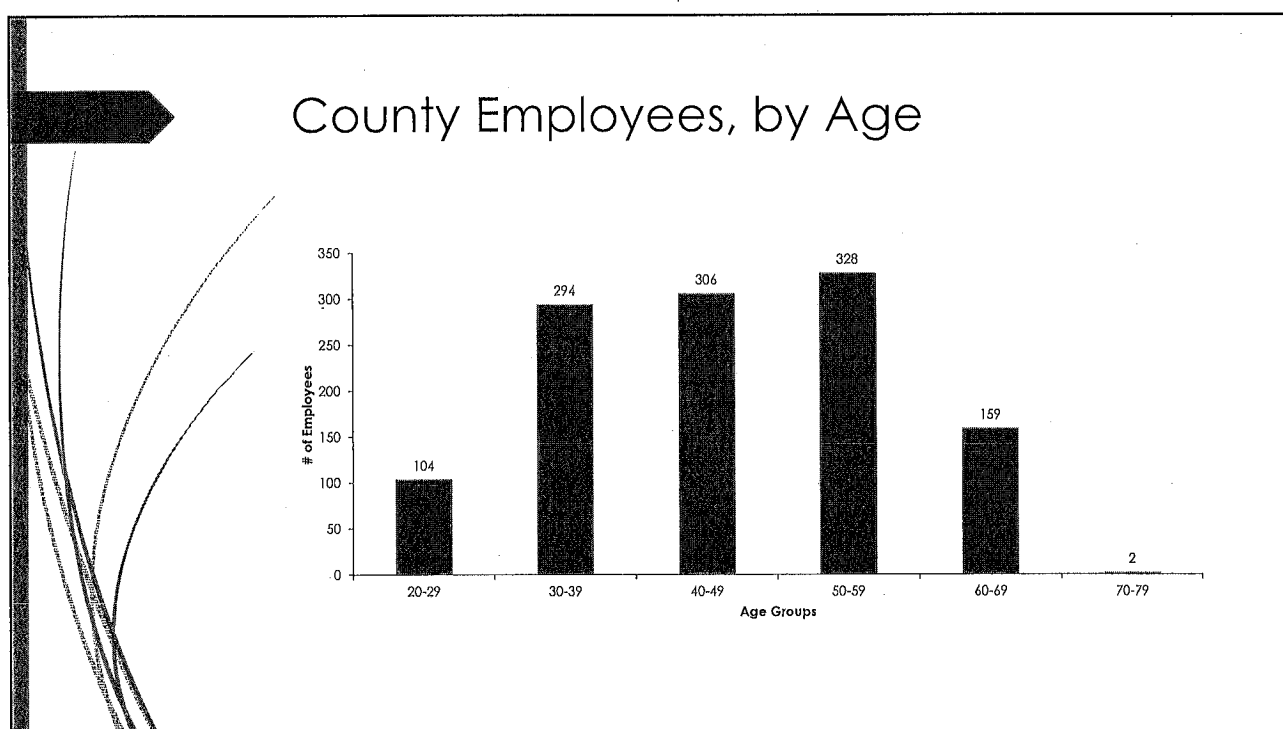
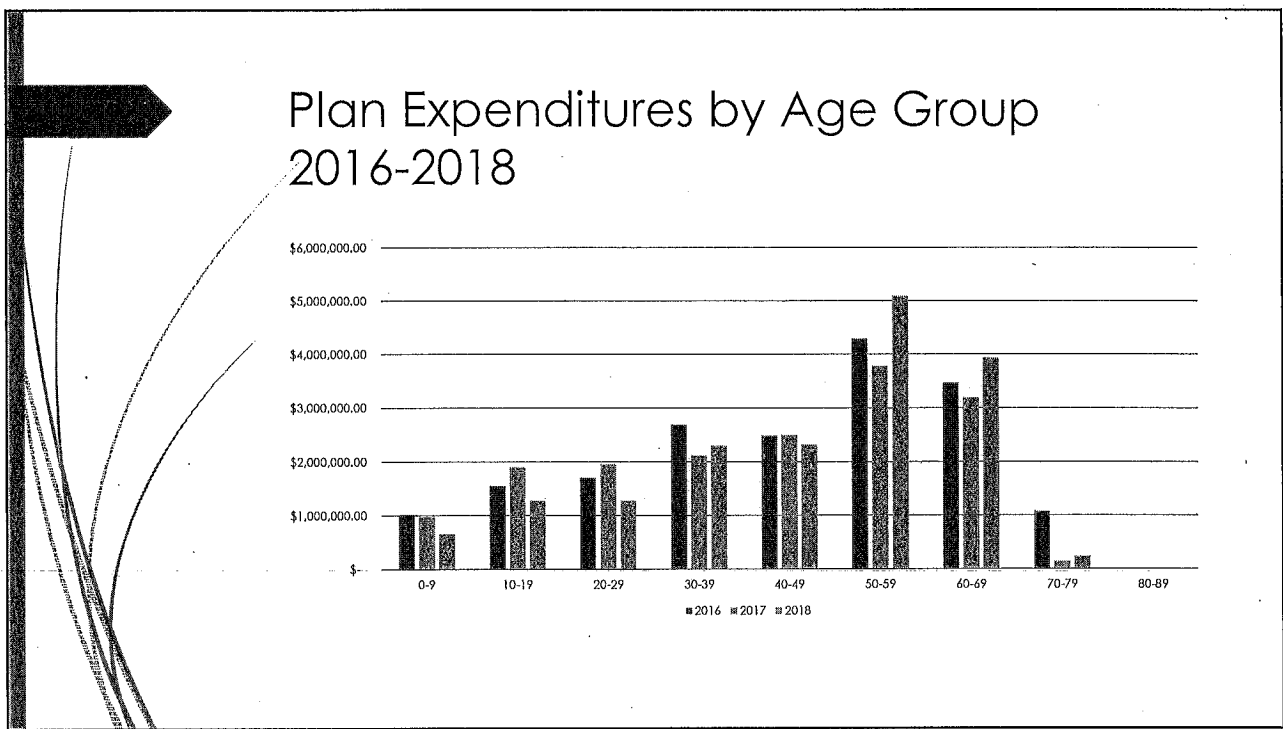
- Blackhawk Human Resource Association 2017 Greater Rock County Salary and Benefits Survey
 - 18 of 32 respondents provide a PPO
 - Average premium = 31.5% individual, 37.7% family
 - Average deductible = \$1,587 individual, \$3,437 family
 - 10 of 32 respondents provide an HMO
 - Average premium = 19.9% individual, 28.3% family
 - Average deductible = \$1,460 individual, \$2,720 family
 - 11 of 33 respondents provide a High-Deductible Health Plan
 - Average premium = 23.2% individual, 25.0% family
 - Average deductible = \$2,022 individual, \$4,044 family



Review of Financial Situation







High Cost Claims

Year	# Claimants over \$87,500*	Cost of Claims over \$87,500*	Total County Claims Costs	% of Total over \$87,500*
2015	18	\$2.7 million	\$18.0 million	15.2%
2016	24	\$3.4 million	\$19.4 million	17.4%
2017	22	\$3.0 million	\$19.5 million	15.6%
2018	22	\$3.1 million	\$21.9 million	14.1%

*\$87,500 represents 50% of the County's specific stop-loss level of \$175,000, after which the contracted stop-loss carrier pays 100% of claims costs.

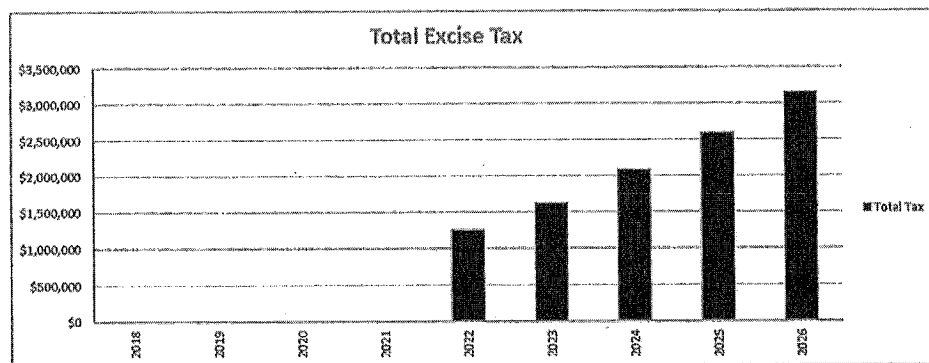
Non-claims Costs

Contracted Service	Cost (2018)
Stop Loss Reinsurance	\$1,135,831
Case Management/Utilization Review/Wellness (HCS)	\$250,079
Claims Processing (PBA)	\$264,429
Medical Network (Alliance)	\$220,035
Prescription Administration (Navitus)	\$116,597
County Staff Administration	\$70,270
Employee Assistance Program	\$42,686
Consultant/Broker	\$39,000
Total	\$2,138,927

Affordable Care Act Implications

- Currently scheduled to take effect in 2022
- 40% excise tax levied on plans with values greater than:
 - \$10,200 for individual coverage
 - \$27,500 for family coverage
- Rock County's current plan value is:
 - \$7,665 for individual coverage
 - \$26,951 for family coverage
- Plan value includes premium—regardless of who pays
- Plan value does not include other charges to employee (deductible, etc.)

Rock County ACA Cadillac Tax Cost Estimator

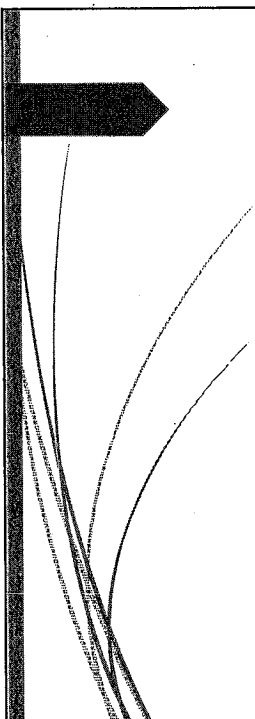


Source: ABRC

Note: The above chart is for guidance only. It is not intended to precisely project the excise tax payable. To accurately calculate the tax payable, data is needed for each individual employee's elections for each item that is included in the Cadillac cost. Medical Trend is applied to all cost that apply to the excise tax calculation.



Health Insurance Plan Options



Plan Options: Year-One Cost

Plan Type	2020 Cost	\$ Change (2019-2020)	% Change (2019-2020)
Current Plan (PPO)	\$25,376,778	\$4,155,187	19.6%
Point-of-Service (POS) Plan (Fully-Insured, Sole Provider)	\$18,032,647	(\$3,188,914)	(5.8%)
Health Maintenance Organization (HMO)	\$16,393,247	(\$4,828,344)	(22.8%)
High-Deductible Health Plan POS (Fully-Insured, Sole Provider)	\$13,436,486	(\$7,785,105)	(36.7%)

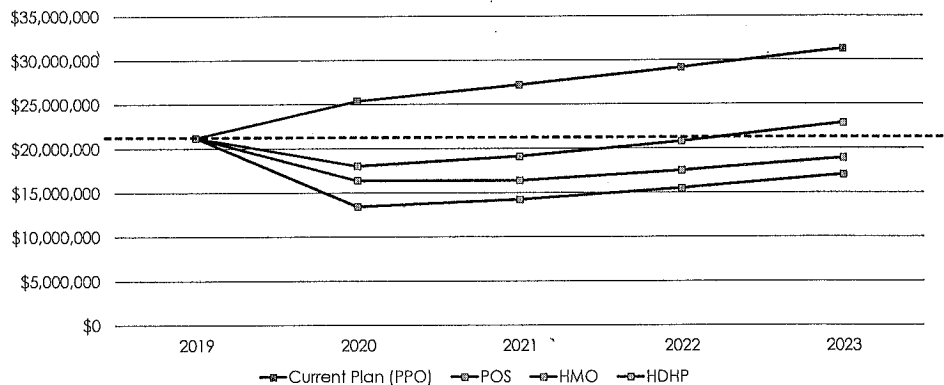
2019 Baseline Funding = \$21,221,591

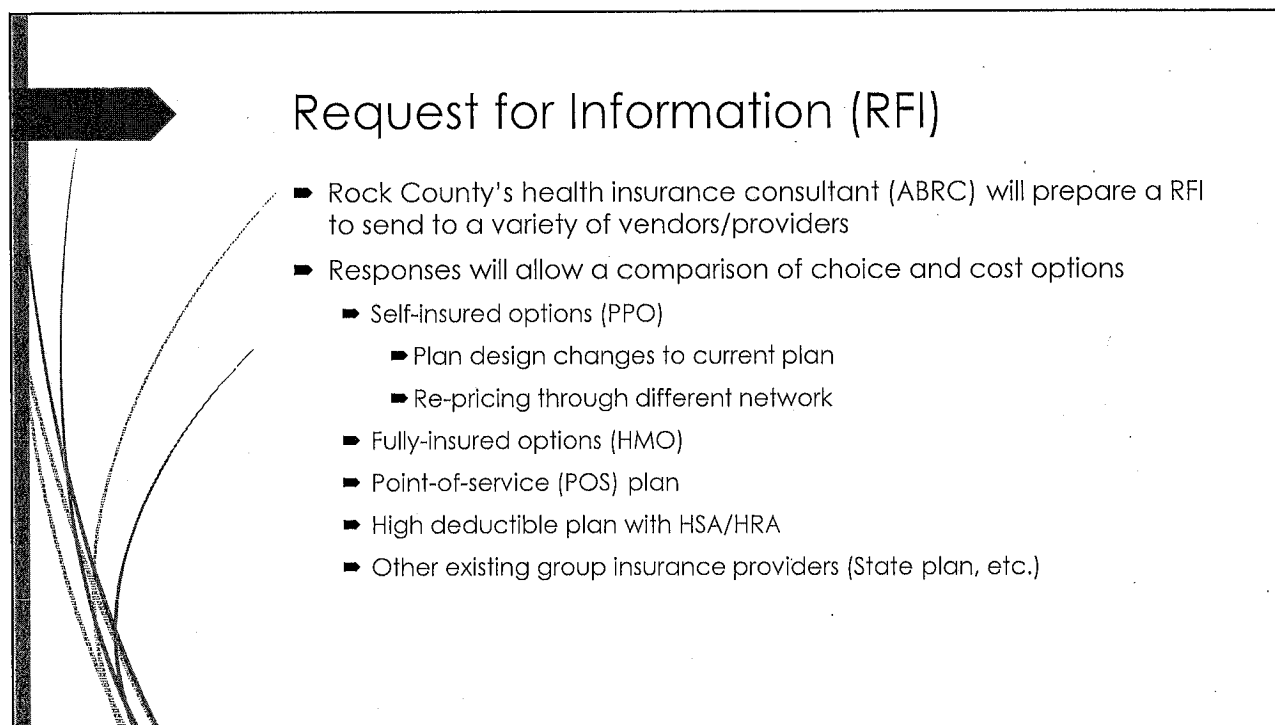
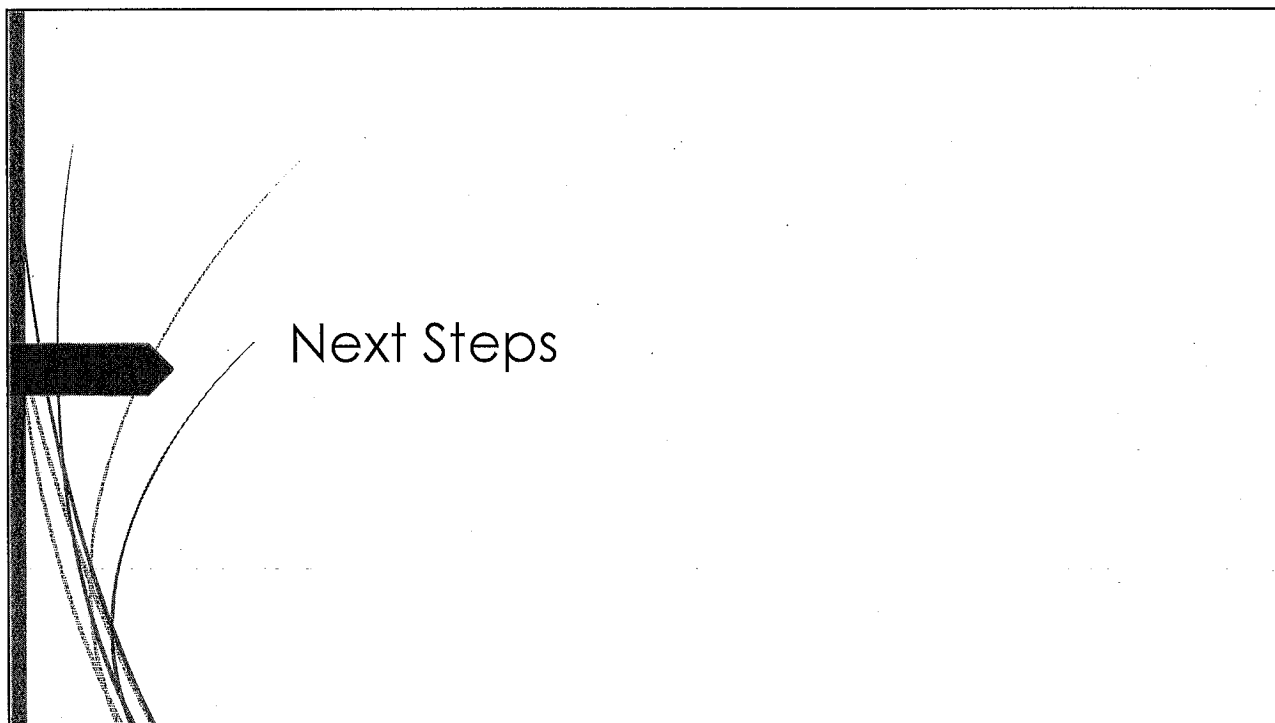
Plan Options: Four-Year Projections

Plan Type	2023 Cost	\$ Change (2019-2023)	% Change (2019-2023)
Current Plan (PPO)	\$31,262,294	\$10,040,703	47.3%
Point-of-Service (POS) Plan (Fully-Insured, Sole Provider)	\$22,854,989	\$1,633,398	7.7%
Health Maintenance Organization (HMO)	\$18,908,987	(\$2,312,784)	(10.9%)
High-Deductible Health Plan POS (Fully-Insured, Sole Provider)	\$17,029,789	(\$4,191,882)	(19.8%)

2019 Baseline Funding = \$21,221,591

Four-Year Projected Costs





Employee Costs for \$19 Million Plan

Plan Type	Employee Prem. Share (wellness/not)	Deductible In Network (EE/Fam)	Copay (In network PCP)	Employee Coinsurance (In/Out)
Current Plan (PPO)				
PPO w/ Adjustments				
POS Plan (self vs. fully-insured) (sole vs. dual-choice)				
HMO				
HDHP (PPO, POS, or HMO)				

Employee Feedback

- Once we receive responses from vendors/providers
- Approach may depend on the number of viable options from RFI
- Group meeting sessions
- Inclusion of County Board members
- Employee survey?