

**INSURANCE COMMITTEE MEETING
NOVEMBER 18, 2019 10:30 ANNEX BUILDING**

ATTENDANCE: Chairman, Justice Bill Nelson; Justice, Howard Norvell; Justice, Molly Jackson; Justice, Fred Fleeman; Justice, Neil Burge; Justice, Betty Hepler; Justice, Michael White; Justice, Rick Ash; Insurance, Beverly Pearson; I One Benefits Group Tracey Davis; Michelle Gill; Shane Martin; Public Affairs, Steven Savage; Finance, Kelli Jones; NEA Town Courier, Mark Brasfield.

1. Meeting was called to order by Justice, Bill Nelson. Meeting was turned over to Tracey Davis.

2. Mr. Davis introduced Michell Gill, operations director. She has the knowledge for the service side, claims and details that go into your plan. The plan the County has now is with Performance Health. Cigna is the network. Cigna plays an important part in the plan. The network the employees follow is the Cigna network and is the largest in the Country. The County is a self-funded contract. All the Counties in Arkansas that have this plan are also self-funded. 80% of most claims never reach \$5,000.00. 16% of the Counties employees will be CAT claims, \$5,000.00 or above. We merge the primary and secondary plan together. The secondary pays the first layer of claims. 84%. The CAT claims are paid by primary. This controls cost.

3. Justice Nelson asked self-funded be explained. Mr. Davis explained. Self-funded means you are going direct to buy insurance. Michelle stated in a fully insured contract you pay 12 monthly payments. When you have a good year you may get a rate hold or small increase. If there is a bad year then the rates would go up. Traditional self-funded are used by large businesses. A small administrative fee is paid every month. Claims are paid each week until the re-insurance amount is met. The difference is the money being paid every month goes into a claims fund. This money is the County's money. In a good claims year the money remains with the County. Prescription medication is big profit and costs of medications are high. Pharmacy rebates happen with name brand medications. In a self-funded these rebates are paid to the County.

4. Justice Burge asked if the self-insurance pool are all States or Counties combined. Mr. Davis stated the claims pool is the County's money alone. The money is not given to another County. We would not carry another County if they had a bad year. Loses are figured against our payments. Justice Ash asked if we have a good year next year would the County see a drop in rates. The money in the County's account will go towards the next year. Justice Norvell asked how much our insurance will be going up. Would you be able to quote us for Blue Cross Blue Shield? \$1 million has been paid into the claims fund. Projected payout is \$2.1 million. Projected Aggregate Claims \$1,385,543.49 thru September. Projected Completed Claims \$2,078,315.24. Projected Claim Fund \$977,274.03. Justice Jackson asked why this was the first time we have heard self-funded. In other meetings we have heard coalition. Increase of rates 22%. Insurance benefits would not change. Cost per employee for 2019 \$741.29 per month employee only. \$1,031.33 for family. Justice White stated we were looking at \$2,000.00 per employee increase. \$400,000.00. The rate increase could

possibly be 44%. Justice Ash asked if the County could be reevaluated mid-way thru the year if claims are low.

5. 1. High claimants on pharmacy. There are programs that the County is not taking advantage of. Co pays on the plan the County has are: \$10.00, \$35.00, \$60.00 and \$250.00 for specialty medications. The pharmacy plan we are looking into is based on the purple book a Medicare listing. Manufacturers are federally required to offer discount rebates. When an employee qualifies for the assistance the manufacturing company would pay for the medication. The County would save \$150,000.00 on two employees. Employee coverage would not be lowered. 2. Medicare health care for employees. There are 27 employees that would qualify for this program. A Medicare specialist would be brought in to discuss their options. Benefits would be better. Justice Burge asked if the County could pick up their Medicare supplement. Justice Burge stated there was no better insurance company than Medicare and a good supplement. Kelli stated the County could not reimburse for Medicare premiums. Mr. Davis stated Municipal League is not an insurance company, but a trust fund. Premiums are low but hospitals outside Arkansas cannot be used. Hospital stays for more than 30 days the employee would pick up the cost.

6. Justice Nelson asked why these options have not been brought to us before. Michelle stated it was a new program that has been in place for about one month.

7. Justice Norvell asked who do you work for. Michelle stated ourselves. We are no longer with LS Associates. The County would need to sign for a new broker. We operate as the County's agent and broker. Mr. Davis explained why they were no longer with LS Associates.

8. Justice Fleeman stated he had two phone calls from people who do not work for the County but family members do. They stated if the insurance benefits decrease they will look for something else.

9. Meeting adjourned.

Minutes submitted by: Cindy George