

OPERATIONS & PERSONNEL COMMITTEE MEETING
APRIL 15, 2013
5:30 P.M.

MEMBERS PRESENT

Chair Patty Cox
Jerry Potts
Verzell Taylor
Gary Minich
Susanna Zimmerman

COUNTY PERSONNEL PRESENT

Jay Dunn, County Board Chairman
Amy Stockwell, Auditor
Mike Baggett, States Attorney's Office
Robyn McCoy, Workforce Solutions
Mary Eaton, Recorder
Jeannie Durham, County Board

MEMBERS ABSENT

Bryan Smith
Pat Dawson

The meeting was called to order by Chair Patty Cox at the Macon County Office Building.

MINUTES

Motion to approve minutes of prior meeting, 3/18/13, made by Gary Minich, seconded by Verzell Taylor, and motion carried 4-0.

APPROVAL OF PAYROLL AND CLAIMS

Motion to approve payroll as presented made by Susanna Zimmerman, seconded by Verzell Taylor, and motion carried 4-0.

Motion to approve the claims as presented was made by Verzell Taylor, seconded by Susanna Zimmerman and motion carried 4-0.

Jerry Potts arrived at 5:32 p.m.

REPORTS

Auditor's Office

Macon County Board Resolution approving Blue Cross / Blue Shield proposal from Gallagher Benefit Services

Amy Stockwell explained that the plan for the medical insurance runs 7/1 thru 6/30. This is the plan that will start on 7/1/13. The insurance committee meets on a regular basis and is always looking at how claims are doing. The last couple of years had claims on the low end of the spectrum, but this year, for the partial year where we've seen the data, we are tracking at the high end. The initial number from Blue Cross was an increase of 15%. John Malachowski worked with Blue Cross and they then came back with some suggestions for the plan so that we could keep it affordable for both the County and the employees on a long term basis.

The changes in the plan are designed around 3 different kinds of users. The infrequent user, someone who goes to the doctor only a couple of times a year with only a couple of prescriptions, will probably see their out of pocket cost go down. The medium user, someone with 3 to 4 office visits with maybe a chronic condition like hypertension, will see a change in how the money gets collected, but the bottom line will be about the same. The large claimant, someone who is very aware of how good our insurance is and understands the benefits of the Blue Cross discounts, is probably going to see the cost go up. What this plan does is shift the cost away from the light user to the heavier users. This is a motivation to the light users and keeps the plan affordable for everyone long term. The net result of those changes is an overall increase of only 2.5%, which is well below what our claims are up and well below the medical inflation rates. We are also proposing to offer a way to make all the increases go away by expanding our wellness rewards program. Right now, employees can earn 2 rewards at \$75 each, their spouse can also earn two rewards @ \$74 each, which can apply to out of pocket costs of any member of the family. We are proposing to increase that to 3 rewards for each employee and 3 rewards for the spouse. We have a menu they can pick from which includes a routine physical, a health risk assessment, a weight management program, smoking cessation program, a pregnancy program and for the first time, we are going to offer an activity. We are still working on details, but you can either go to the Wellness Fair and get the vendors to sign and attend one 1 hour seminar or they can attend two 1 hour seminars. We are going to have those scheduled in July, Aug, & Sept. They will be run out of the Uof I Extension and will be things like healthy cooking, weight loss, disease management, and how to work out without a gym membership. There will be lots of options. If an employee and their spouse also does that, they can work out all of the increase in the program. We are paying for the credits, but that is our investment in keeping this plan affordable on a long term basis.

Gary Minich questions were not picked up by the microphone; however, Amy's answers are as follows:

Amy affirmed that the 25% monthly increase and the employee increase of \$3.56 are the same figure and that the cost to the County group in total goes up 2.5%. There are just shy of 400 employees and the total price is just under \$200. Considering it is a \$5 million bill. One other thing we are doing that was extensively discussed in the insurance committee is the claims. Since we are a fully insured plan, we don't see all the claims because it is protected information, but Blue Cross is giving us ways to look at it in more detail. John separated claims from employees from the claims for dependents. Employee claims are basically flat while dependent claims are up. Macon County is different than major employers in the area that are pushing insurance to the spouse's employers. We are not doing that, but we are making a slight change in prices to make the increase for single employees slightly less than the increase for families. We are moving in a pricing direction rather than what other employers have done by saying that if your spouse is offered coverage, they have to be picked up by them.

Motion made to approve and send on to the Finance Committee made by Gary Minich, seconded by Susanna Zimmerman, and motion carried 5-0.

Macon County Board Resolution approving Delta Dental proposal from Gallagher Benefit Services

Amy Stockwell that the dental premium cost is much less than for health insurance. We remain extremely happy with Delta Dental who offers great customer service and discounts. We know there have been savings. A near majority of the dentists in Macon County offer a discount for Delta Dental. We have been able to hold the premium for a good number of the years that we have been with them. We are recommending that we accept their proposal for a 2 year contract with a 6% increase that is locked in and appears to be a good deal given what is happening in both our claims and in the market for dental services. John Malachowski with Gallagher Benefit Services explained that the rate change for employees on the 2 year contract would be 21 cents per paycheck. We are not talking about a large dollar amount. For people with family coverage, we're talking about \$1.35 per paycheck. Those rates would be locked for 2 years.

Amy stated that the proposed rates are attached to the resolution.

Motion made to approve and send on to the Finance Committee made by Jerry Potts, seconded by Susanna Zimmerman, and motion carried 5-0.

Macon County Board Resolution accepting proposal from AFLAC to expand voluntary benefits.

Amy Stockwell explained that AFLAC has been our Section 125 plan supplier. They offer a number of employee voluntary additional insurance benefits such as the cancer plan, the critical illness plan and a couple of others. I have gotten feedback from individual employees who were very appreciative that they signed up for that coverage. When they've had to use it, it was a big help. We are also very, very fortunate, here in Macon County, that our AFLAC representative is perhaps the longest serving AFLAC representative in the county. He provides an extraordinary level of service. They came to us recently with an additional plan which would allow any individual in the heavy user group that want to make a different decision than what we made as a group and accept no diminution of benefits, but higher cost, they can make that trade off and sign up for this AFLAC plan. If they would have to be hospitalized, the whole deductible would be covered. There would be coverage for emergency room visits, medical diagnostics & imaging. The details of that plan are there.

In the past, when we offered a new part of the AFLAC plan, we have not come to the Board, but in the interest of transparency, because we are making so many changes to the plan, because we want to offer an additional option, and because it is just the right thing to do, I am bringing this to you for permission to extend our AFLAC coverage to include this additional offering. Patty Cox clarified that this is strictly voluntary and Amy added that the employee pays the whole cost with the exception of the administration of it via payroll deductions.

Motion made to approve and send on to the Finance Committee made by Jerry Potts, seconded by Susanna Zimmerman, and motion carried 5-0.

Amy thanked the committee members and she was asked to thank the insurance committee for their hard work as well.

A couple of other information items included that Sheri Oleson is continuing to work on the driver plan. We have received some great comments from the State's Attorney's Office and we are working on incorporating them into it. The current handbook states that drivers from Macon County, when a defensive driving course is offered, need to take it. We are now offering a course. We have made a bulk purchase from Richland and are setting up a series of 25 employees per session. Sheri is scheduling all of that. We are getting good cooperation from the various departments. At this point, our driver list is at 390 people. That includes people who drive every day as well as people who drive a couple of times a week and people who drive once a month or once a year. We have a wide variety of things. We want to make sure we are doing everything Travelers has suggested. Jay asked if Board Members are included. Amy said it does not, except for the chairman. Jay asked about members that might go to a seminar or something. Amy said she thinks they need to be included. It does not include driving to a Board Meeting because that is considered commuting, but if you go to a public hearing as a board member or a meeting of angry constituents as a board member, that is driving for official business and it needs to be on the list. Mike Baggett added that, from a legal point of view, anyone who drives during or on County time whether in a personal or county owned vehicle and gets into an accident causing catastrophic injuries to someone else, that person will sue the driver, but when they find out that the driver was on his or her way to a bank to make a deposit or to a meeting at another location on county business, they will go for the deep County pockets. That is when our insurance policy is most important. They may not sue the County immediately, but it will happen, which is why it is also important with respect to the driver's policy that anyone who drives on county business, for any reason at any time. If this is good faith effort on the County's part to meet Traveler's requests, then we should comply with it. Mary Eaton questioned whether attendance at the training would be reflected on personal insurance. Amy replied that there are certain insurance companies that offer a discount if you have taken this course. Just like if you get a discount on your homeowners insurance if you have an alarm system, they will not offer it, but if you ask for it many insurance companies will give a discount on your personal policy for this course.

County Board

Jay Dunn had no report, but asked if there were any questions he could answer for them. There were none.

County Clerk

No Report

Recorder

Mary Eaton had no report.

Workforce Investment

Robyn McCoy reported they had received a warn notice from CAT that they will be laying off 469 supplemental employees in June. Robyn is meeting with CAT management on Wed a.m. to discuss setting up some rapid response workshop dates.

Citizens' Remarks

None

Old Business

None

New Business

None

CLOSED SESSION

None

NEXT MEETING

Monday, May 20, 2013

ADJOURNMENT

Motion to adjourn made by Jerry Potts, seconded by Verzell Taylor, motion carried 5-0, and the meeting adjourned at 5:52 p.m.

Minutes submitted by Jeannie Durham
Macon County Board Office