

COMMITTEE: HEALTH INSURANCE TRUSTEES COMMITTEE
CHAIRMAN: Doug Nonnenmacher
MEMBERS PRESENT: Doug Nonnenmacher, Richard Hurlbert, Jerrold Burns, Robin Stowe and Gary Olsen.
MEMBERS ABSENT: None
OTHERS PRESENT: Rae Anne Beaudry, Jim Schofield, Pat Frey, William Majest, Pam Resch, Don Bergbower, and Pam Jankowski.

The meeting was called to order by Chairman Doug Nonnenmacher 2:36 p.m. on May 14, 2012, in the Eau Claire River Room at the Resource Center.

Approve the minutes of the previous meeting held on February 21, 2012: Due to the fact that the new Committee had not seen the minutes from the previous meeting, the minutes will be mailed to the Committee members and approved at the next meeting.

Reinsurance Renewal: Rae Anne Beaudry, Insurance Consultant from the Horton Group, Inc., was introduced to the Committee. Rae Anne explained that six companies had sent in proposals for the reinsurance for the County. The lowest proposal was received from National Union Fire Insurance Company of Pittsburgh, PA. There will be two lasers on the policy, and Rae Anne also recommended that the County decrease the stop loss amount from \$75,000 to \$60,000. The monthly aggregate factors will be \$1,001.88 for single employees and \$2,268.69 for family. The estimated annual aggregate will be \$3,660,479. Motion by Hurlburt, second by Nonnenmacher to accept National Union Fire Insurance Company of Pittsburgh, PA's reinsurance contract, all ayes, motion carried.

Set Health Insurance premiums for 2013: Rae Anne Beaudry explained that do to the fact that the County has seen a very large increase in claim activity; she is recommending a 22% increase in the County premiums for 2013. This increase was based on actuarial information obtained by Rae Anne. The Committee would like some guidance from the Executive Committee regarding this large increase. No decision made at the meeting, the committee will meet in June, following the Executive Committee meeting, to set the premium.

Discuss COBRA rates: Rae Ann Beaudry explained that COBRA and retiree rates could be raised by 2% to cover the administrative costs are charged by UMR for COBRA coverage. This charge could be made effective July 1, 2012, and a notice would need to be sent to the plan members. Motion by Hurlburt, second by Burns, to approve the increase in the COBRA and retiree rates by 2%, all ayes, motion carried.

Review prescription drug program: Pat Frey and Jim Schofield, owners of Lakeside Grocery and Pharmacy, were present to discuss the generic drug program. They were under the impression that the employees on the County Health Insurance plan were informed that they had to purchase their prescriptions from Walmart or Walgreens because of a handout that was given to the participants at the recent informational meetings. Rae Ann Beaudry and Gary Olsen explained to Frey and Schofield that this was not the case and that this was a national program that was being offered and the County shared this information with the employees to use these programs to purchase certain generic medications for \$4.00 as one option to save money for the health insurance plan. Frey explained that he had customers who pulled their prescriptions from them and felt the County was not fully informed as to the expenses regarding these national programs. It was suggested that Lakeside could also provide the County with a listing of generic prescriptions that would cost the plan members \$4 or less, and this

listing could then be disbursed to county employees. Frey asked that they be included in future County decisions regarding prescription medicines.

Review Resolution #7-2012 regarding health insurance changes for Union Employees: Pursuant to Resolution # 7-2012, the County implemented health insurance changes agreed to in an MOU by the Law Enforcement and Corrections/Dispatchers unions, and also implemented these same changes to all non-union employees and elected officials effective 1/1/2012. Since these changes have not been applied to three unions, the Resolution calls for "equivalent" changes to the health plan for these three unions beginning 1/1/2013. Since there exists more than one way to make "equivalent" changes, the Personnel Committee referred this item to this Committee to come up with a definitive plan to implement these changes to the health plan. Since the County now has a multi-tier plan with different employees subject different co-pays and deductibles, the goal is eventually to have one plan for all employees. The Committee will consider this item again at their next meeting, once the premiums are set for 2013. The Committee will then make a recommendation to the Health Insurance Advisory Committee regarding this issue.

At approximately 3:46 pm consider moving into closed session pursuant to Section 19.85 (1) (c) & (e) to discuss performance and administration of the group health insurance plan and strategies to improve performance: Motion made by Hurlbert to go into closed session, second by Burns. Roll call vote: Hurlbert – aye, Burns – aye, Nonnenmacher – aye. Motion carried.

At approximately 4:05 pm, the Committee returned to open session to take action on any matters discussed in closed session. Motion by Hurlbert, seconded by Burns to come out of closed session, all ayes, motion carried.

Update regarding the status of the Self Funded Health Insurance Plan: Gary Olsen provided a hand out to the Committee regarding the status of the self funded health insurance plan. If the costs to the plan continue at their current rates, the plan will only have a fund balance of just over \$200,000 at end of 2013. The Committee asked Rae Anne if it was time to consider changing from a self-funded plan to a fully-funded plan. Rae Anne explained that the County would experience a very large increase in premiums if we tried to make that change now, due to the high claim experience for the County. It was recommended that the County stay self funded, but continue to work on areas to control costs.

Adjourn the meeting: At 04:21 p.m. Hurlbert made a motion to adjourn the meeting, second by Burns, all ayes, and motion carried.

Respectfully submitted,
Pam Jankowski, Recording Secretary