

RUTHERFORD COUNTY BENEFITS & INSURANCE COMMITTEE
FEBRUARY 26, 2015 COURTHOUSE

MINUTES

MEMBERS PRESENT:

MAYOR BURGESS
VIRGIL GAMMON
PAULA BARNES
RICKY MARLIN
SUSAN BONEY
DAVID NIPPER
MERRY HICKERSON
DONNIE HESTER
REGINA HARVEY
WILL JORDAN
JEFF SANDVIG
ELIZABETH CRACE

OTHERS PRESENT:

MELISSA STREET
EVELYN ANDERSON
SHERRY DODD
DAN GOODE
PATRICIA COX
KATHERINE LEE
KELLI PERRIEN
SONYA STEPHENSON
WAYNE BLAIR

The meeting was opened by Mayor Burgess.

APPROVE MINUTES:

A motion was made by Merry Hickerson to approve the minutes from the last Benefits & Insurance Committee meeting on January 22nd 2015. The motion was seconded by Susan Boney and passed unanimously.

FINANCIALS:

Risk Management Director, Melissa Street, presented January financials for fund 264. The PEPM for the self-funded medical was \$ 791.21; the prior year was \$889.17. The YTD for this year was \$887.64 compared to prior year of \$862.60. Adding the on-site medical clinics, the PEPM for January was \$837.17, compared to \$930.59 last January. The year to date average PEPM for January this year was \$921.18, compared to \$896.98 prior year. This is a 2.7% increase in trend.

In addition to the 264 Fund Mrs. Street provided a copy of Enrollment History. The Enrollment History is necessary in order to determine the enrollment and nature of the enrollment affects what the overall spend rate is. The changes from January 1, 2013 to current January 1, 2015 provide years prior to the phase out of Option 1. The numbers for Option 1 beginning January 1, 2010 were at 20.5%, 2011 at 19.0 %. In 2012 the numbers trickle down to only 5.1 %. In 2013 our enrollment for the Deductible Plan was at 49.1 %, 2014 38.3% and a reduction in 2015 to 33.3%. The HRA shows in 2010 the enrollment rate was of 16.7%, 2011 at 16.3%, 2012 17.5%, 2013 at 25.1%, and the 2014 enrollment at 37.3%. These enrollments show continual growth with the highest enrollment of the (3) Options. The reason for the increase may be that we are educating employees during Open Enrollment. Employees are becoming more engaged in their benefits and are making consumer driven decisions to determine what the best benefit would be for their families. The HRA was introduced in 2010. Enrollments for the Copay plan beginning 2013 was at 25.8%, 2014 29.1% and 2015 at 29.4%. This option provides an Individual with the ability to control cost when employees see a Physician or Specialist. This gives a 5 year review; it provides the committee for review and understanding. Hopefully, next month we can begin discussion on the new rates. Mrs. Street told the committee that she is waiting on Cigna to provide her with the accounts for the month of January.

For fund 266, the YTD expenses were \$397,271.65 compared to \$278,050.07 last January, indicating a slight increase.

WC/OJI STATS:

Dan Goode, Safety Coordinator, presented the January 2015 OSHA report. There were 14 injuries, making the YTD total 14, reporting for 1 month for the year. There are 7 total recordable claims, with 3 restricted day claims. There were 2 lost day claims and 2 other recordable claims. The net incurred for January 2015 injuries was \$25,162.30. In 2013 the injuries incurred 18 claims, in 2014 there were 21 claims, and in 2015, there were 14 claims. The BOE had 9 claims totaling \$10,562.30. County General had 5 claims totaling \$14,600.00. Mr. Goode added that 4 of those claims were located at the Sheriff's Department and 1 listed as EMA that is actually the Fire Department. Injuries incurred were at 21 in 2013, 52 in 2014, 2015 shows a reduction to 25. The graph compares dollars incurred YTD \$25,000.00; as compared to the two previous years were \$52,000.00 and 21,000.00. Mr. Goode was asked to prepare a report for the Public Safety Committee. This report compares the Rutherford County Government statistical data of the injuries as compared to the nation as a whole. This report is put together by the US Bureau of Labor and Statistics. We have listed the previous 8 years 2007 through the present. The information you see under the Lost Time Injuries, Non-Lost time Injuries, Total Recordable Injuries, and Days Lost is provided on the end of the year under the OSHA Log 300A that we submit to OSHA. In addition to that we have to provide number of employees and man hours worked for the year. This information is attained through the Finance office. The US Bureau of Labor and Statistics has formulas that are used to prepare this data. The total incident rate is Rutherford County Government total incident rates for those years. The Bureau of Labor and Statistics allow for a comparison of occupations across the Nation. We are listed under Local Government, so to look at our total incident rate as it compares with the state. In 2007 the Total Incident rate for Local Government was 3.95, compared to the Local Government State Average of 5.2. The following years our Incident rate is less than the State Average given that the US Bureau has not provided State Data for 2014. In addition to these formulas they also offer comparison to Lost Time Rate and Severity Rate to the injuries and

determine where we are and how we have progressed. If you look at the Severity Rate in 2007 we were at 30.50 compared to 2014 at 8.92.

Regina Harvey asked Mr. Goode to look at the BOE claims to determine what the difference was between Paid Claim and Out Reserve. Mr. Goode explained that you have the Total Incurred and Paid Claims that are Claims that have already processed and Reserve is the amount that is estimated for total cost with the injury. Ms. Harvey asked if the Cost per Claim was an estimate of what that type of injury would cost or the actual dollars of what the county owes. Cost per Claim is the total incurred dollars which is an estimate on what you think divided by the number of claims that you have in that category give you an average of where most of our dollars are going and what an average claim will cost the county. This is an estimate that usually takes about a year for all the incurred dollars claims to be filtered through and for the claims to be closed. Once the claims are closed they are locked in.

Mr. Marlin wanted to compliment Mr. Goode on the reports given. Mr. Burgess agreed that it was an excellent report as well.

WELLNESS UPDATE:

Kelli Perrien, Wellness Coordinator, presented the January 2015 Smart Steps Wellness Program information. In January, the Wellness on Wheels visited 5 County schools, seeing and talking to 27% of the employees promoting Med Point and Smart Steps. Patricia Cox was hired on January 5th at the Med Point Clinic at Blackman; she already has 5 active patients with 8 wellness visits in January. Current and upcoming Activities: In March 2015, on March 2 you can sign up for a Health & Fitness Spring Training. It will be a 4 week Baseball Challenge. A Webinar-Life services, is online on 03/17/2015 on how to establish a Disaster Plan. The Webinar is at 11:00 am or 1:00 pm. The Lane Agriculture Park is offering 3 free classes on Lawn & Landscape. Weed Control 03/05/15 6:00-8:00, Hands –on DIY Calibration Clinic for Spreaders and Sprayers on 3/14/2015 from 8:30-11:30a.m, if interested you can call 615.898.7710. Lastly, there will be the 4th Annual Special Kids 15K, 5K, 1 mile Fun Run at MMC on 03/21/15 at 7:00. This would be a Great Community Event to attend.

Request to Bid

Melissa Street, Risk Management Director, is requesting permission to bid the following services:

- Safety Consultant Services – previously Rutherford County has maintained a fulltime Safety and Training Specialist
- Cobra/FSA Vendor
- Voluntary Products (Cancer, Critical Illness and Accident Insurance)
- Benefits System (currently using ADP)

Safety Consultant Services

Previously Rutherford County had maintained a fulltime Safety and Training Specialist, which was part of the Risk Management Team. That position has been vacant since the end of December. We are evaluating the best process in order to replace the services within that position. One of the things that Mrs. Street would like to do is to actually have an RFP to go out, to look at the possibility of outsourcing the Safety Inspection process. We would do an RFP for a Safety Consultant who would be an individual that would go out to review all of our Schools and County Buildings that previously was done internally. We also need to insure that we are meeting OSHA standards and other regulatory requirements. The ultimate goal would be to lower our overhead cost associated with the onsite safety inspections that we do annually. If we conduct the RFP and find out it is more cost efficient to bring back internally, we will make the decision to do that at that time. We would like to bid this out to see what is available to us in the community for other services that would be equally good or better and possibly at a lower cost.

Cobra/FSA Vendor

Current Cobra Vendor is with Infinisource, our FSA's with TASC. We would like to issue an RFP for both services with an effective date of 01/01/2016.

Voluntary Products

Allstate is the current vendor for our Voluntary products, to include Cancer, Critical Illness and Accident insurance. We are requesting to bid these as a start date of 01/01/2016.

Benefits System Solution

ADP is our current vendor for our Benefits System., our enrollment system as well as our benefits management system. We had in place through a relationship that Employease which was then bought by ADP had with Cigna. In 2007, we became part of the Master Contract that Cigna had with ADP. We have outgrown the current platform that we are in. The current system is limited in our ability to continue to add products. It has no support for us in terms of regulatory reporting for ACA. Visually, we have outgrown it in terms of the information that we provide to our employees during the Open Enrollment process online to aid them in their selection criteria. The new systems are more robust, more visually appealing, they are easier to use and also provide us with the compliance reporting that we so desperately need. We are asking for permission to bid our Benefits System Solutions so we can find a better fit for our current needs.

Mayor Burgess asked the committee if they wanted to approve the bidding individually or as one?

Mrs. Barnes asked if we would be outsourcing the Safety Training as well, or what will be done with the actual Training. Mrs. Street explained that we will absorb that in house. If we do the outsourcing of our

buildings, Kelli Perrien will assume the training aspects. If we need to do an ad hoc inspection, Mr. Goode is trained and capable of doing that. He can go out and do a non-scheduled inspection if that is needed. Mrs. Barnes reiterated that we would manage and maintain the training in house. Mrs. Street replied, we would continue to maintain and manage training through the Risk Management Office.

Mrs. Hickerson asked about the capabilities of a new system to roll over from Local Gov. for payroll and that we need to make sure that information is included in the RFP. Mrs. Street said that the new system will capture all current utilization of the current system and all its functionality and requested enhancements.

Mayor Burgess asked if there were any other questions or clarifications needed, if not a motion was needed.

Mr. Sandvig made a motion to approve bidding all (4) services and products. Merry Hickerson seconded the motion. The motion was passed unanimously.

2017 Wellness Program

Melissa Street, Risk Management Director, stated that in 2014 we put together a 3 year plan for our wellness and we said that we could modify as necessary. She requested the committee to make a modification for the 2017 Requirements. Given the learning curve for our employee population, in terms of getting online completing some of the online requirements related to the HRA process it has become evident that 1 additional year without any new additions to requirements would be beneficial to our employees and their dependents. Additionally, we have moved from the Zensy platform to the Cigna platform. Modifying the 2017 wellness initiative would give them additional opportunity to utilize the new platform before we add any additional requirements. The recommendation is that the previously approved 2017 requirements be replaced and adopt the proposed requirements which would duplicate the current 2016 and includes a completed Health Risk Assessment using the Cigna platform between July 1-11/30/2016 and complete the HRA and Biometric Screening to avoid the \$ 25.00 per month wellness fee, which will begin in January 2017.

Motion was approved by Mrs. Barnes and was seconded by Ms. Harvey. Approved unanimously.

OTHER BUSINESS:

Mrs. Street let the committee know that Evelyn Anderson was stepping down and would no longer be taking the Committee Meeting Minutes after 20 years; she will be replaced by Sherry Dodd.

The meeting was adjourned at 1:30 p.m.

Ernest Burgess, Chairman
Rutherford County Benefits & Insurance Committee