

RUTHERFORD COUNTY BENEFITS & INSURANCE COMMITTEE  
AUGUST 29, 2015 COURTHOUSE

MINUTES

MEMBERS PRESENT:

MAYOR BURGESS  
VIRGIL GAMMON  
RHONDA ALLEN  
JIM BOWLES  
RICKY MARLIN  
JEFF SANDVIG  
MERRY HICKERSON  
DAVID NIPPER  
SUSAN BONEY  
REGINA HARVEY  
ELIZABETH CRACE

OTHERS PRESENT:

MELISSA STREET  
AMY SUMMERLIN  
SHERRY DODD  
DAN GOODE  
KATHERINE LEE  
WAYNE BLAIR  
PAUL HUFFMAN  
KELLI PERRIEN

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 May 28, 2015. The motion was seconded by David Nipper and Susan Boney and passed unanimously.

FINANCIALS:

Risk Management Director, Melissa Street, gave a quick reference for informational purpose only. Our fiscal year ended at \$ 934.00 as compared to \$ 913.00 the prior year which was a 2.3% increase for the fiscal year period. Melissa also reminded the committee that the periods used to set rates is different from the period used for the fiscal year. That is why a difference in the number will be seen. Medical trend will run from 8 to 10% as well. Fund 264 July self-funded medical was \$ 894.00; compared to the prior year of \$848.00. To combine the on-site medical clinics, the PEPM for July was \$931.00, compared to \$853.00 prior year.

For fund 266, the YTD expenses were \$53,534.50 compared to \$90,939.96 prior year. The expenditures for July were \$ 61,034.50.

Mr. Burgess explained the difference in OJI & Worker's Comp programs to the New Committee Members, stating that the OJI program is more self-managed. Melissa Street added that it is a self funded program that Government entities are allowed to participate in. Every 2 years an actuarial is run to see what it would cost under the State Worker's Comp program versus the On the Job Injury program. With this comparison employee's return to work quicker, incidences are down, lost time is down and financials have improved dramatically from the standard Worker's comp compared to current On the Job Injury program. Mr. Goode manages the OJI program in my office. Any one is invited to come into our office and let us explain the program.

WC/OJI STATS:

Dan Goode, Safety Coordinator, mentioned that the first day of July is the beginning of the fiscal year. However, the calendar year is used for OSHA reporting. When reporting on claims we use January through December, July through June will not be referenced. Mr. Goode presented the July 2015 OSHA report. There were 12 injuries, making the YTD total 105 injuries. There were 67 total recordable claims, with 30 restricted day claims. There were 14 lost day claims and 18 other recordable claims. OJI claims compare this year, 2015 to the previous 2 years, 2013 and 2014. In 2013, we had a total of 96 claims, for 2014 there were a total of 119 claims, and for 2015 we have 105 claims that give a benchmark of where we stand. OJI incurred dollars expected to close a claim are not expended dollars. When someone is injured an estimate will be made to determine how much money will be needed close that injury out. Dollars are put in Reserves, as treatment progresses and if fewer dollars are used they will go back into the fund. If other dollars are needed, dollars will be added to the fund. It takes about a year to get all claims paid out and for Reserves to be settled out. Total incurred claims cost \$13,000.00 for the 12 injuries. The BOE had 7 of those injuries; total dollars incurred were \$6,300.00. County General had the remaining 5 claims that totaled \$ 6,700.00. County General was divided out into departments, 3 at the Sheriff's office and 2 with Animal Services.

Mrs. Street asked, what the current number was for Open Worker's Comp claims, Mr. Goode replied that we have 11 claims that fall under the State Worker's Comp program. The OJI program was implemented on January 1, 2009. The Worker's Comp claims will occasionally be opened back up if there is a reoccurrence of a specific injury.

Mrs. Street added that those claims do fluctuate with open and closing of the claims.

Mrs. Street offered one clarification regarding the statement that was made by Mr. Goode regarding OSHA reporting on a calendar year versus a fiscal year. She reminded the committee that the Financials that she reports, such as, the 266 Fund are based on a fiscal year.

WELLNESS UPDATE:

Kelli Perrien, Wellness Coordinator, gave her report for June and July. Wellness on Wheels visited the Rutherford County Sheriff's office and saw 22 in attendance and Rutherford County Community Care with 19 in attendance, both events totaling 41 participants. The wellness program visited the Rutherford County BOE New Hire Orientations and gave new employees a welcome pack, there we saw 304 New Hire employees. Wellness on Wheels also attended a Rutherford County Principals' Meeting at Siegel Middle and saw 40 principals to sign up for WOW participation. There was also a Teacher's Conference held in July at Siegel High, Med Point/Cigna saw 267 in attendance. Total one on one contact with the County was 652.

Med Point Wellness Coaching for June and July 2015 saw one on one patient, in June Patricia Cox saw 56 employees, Patricia also saw 36 patients in July 2015. One on one coaching saw a total of 92 employees.

Current and Upcoming Activities: Fall 2015 include;

Rutherford County Farmer's Market is at Lane Agri-Park on Tuesday and Friday from 7:00 to 12:00.

LifeServices webinar: Coping with Change: Learn strategies to deal with losses and gains that change brings to life. The date for this event was 09/15/2015 from 11:00 am or 1:00 pm.

Wellness on Wheels: Cholesterol – BHS, BCE, BES, CGE September 9:30 am until Noon

TD TO TRUE Wellness: 6 week challenge – Tackle Unhealthy Habits! It is Countywide from 08/24/2015 through 10/02/2015.

Alzheimer's Association: Care Giving Conference at FBC-108 7<sup>th</sup> Avenue on 09/11/2015

Rutherford County Annual Wellness: Screenings & Flu Shots at the Community Center/Lane Agri Park 10/16/2015 from 3:00 – 7:00 pm

Know your Numbers year 3: mycigna.com online health risk assessment and biometrics screening form submitted to Cigna by 11/30/2015

Med Point Clinics are extending their hours to accommodate employees for their Biometric Screenings. The extended hours begin September 1<sup>st</sup> through November 5<sup>th</sup>. The extended hours for walk-ins are 6:00 – 7:30, Tuesday's at the Blackman Clinic, Wednesday at Stewart's Creek, and Thursday at the Walter Hill Clinic.

Melissa Street asked Kelli what you do and locations you visit year with the Wellness on Wheels program she and Patricia visit.

Kelli replied that she and Patricia visit each County Department and Schools during the year. Wellness on Wheels is where we go to the different departments to encourage employees to participate in the Mini Screenings, such as, taking blood pressures, measure body fat percentages, body mass index, derma scan the employees can look in, talk about UV and protection. As the employees are going through the different screenings we talk about Med Point Clinics and about Insurance. We tell them what services are available, answer any questions they may have. We also talk about the required Online Health Risk Assessment and the Biometric Screening. We want to help them on a one on one basis.

Mrs. Street also asked Kelli to expand more on the Touchdown to true wellness. Touchdown to true wellness program was written by Patricia Cox. Based on the feedback received after the Spring Training in March, about 200 employees participated and asked that we have more group activities. Touchdown to true wellness is a 6 week Healthy Habits program. The challenge asks that teams take photographs doing their Healthy Habits. The employees send the photographs in and get points and runs. There a score card that give different activities to get touchdowns. The initial kick off was a pep rally on the Square at MTSU. The end party is tailgating at the MTSU Homecoming Football Game. We partnered with MTSU for this challenge and have about 200 employees that are participating in this activity.

Melissa added that the winning team will run out with the MTSU football team before the Grand Finale. The pictures that have been sent in are great and fun.

Mr. Burgess mentioned that the Annual Wellness Fair brings in a lot of employees, he asked Kelli about the number of employees in attendance and what are some of the activities offered there. Kelli replied, that usually they have anywhere from 750 – 1100. Last year there were 786 in attendance; about half of those people get flu shots. We use a counter and use employee registrations, with both we have an accurate count. We usually have 10 – 12 Health Screenings there which include; Mobile mammography bus, screenings for blood pressure, glucose, hearing test, and the Lion's club will provide eye screenings. Employees can play screening bingo; this is where they are given a card and for each screening that they participate in allows them to get the card stamped. If they have at least 5 stamps they can enter in to win prizes. Each year we have 60 – 80 vendors that also participate and offer door prizes to employees as well.

Regina Harvey asked for clarification purposes if the Biometric Screenings were going to be available at the Wellness Fair, if not could that be communicated to the employees, some believe that they can have the blood draw there. Kelli told Ms. Harvey that it was tried once and they did not have good results, therefore, the screenings are no longer offered at the Wellness Fair. We will add that communication to our information that we send out. Melissa added that during the time blood draws were offered the Wellness Fair was on Saturday. Blood draw requires fasting which would be difficult since the Wellness Fair is now 3:00 – 7:00.

#### REQUEST TO BID: DEPENDENT AND SPOUSAL EMPLOYMENT VERIFICATION

Mrs. Street told the committee upon their approval we would put together RFP's for both Dependent and Spousal employment verification. This is the first year for this change in the spousal eligibility rule. We

will be using the honor system, self-reporting through the Open Enrollment process to determine whether the spouse is eligible for a Group Health Plan through their employer. Next year we would need a more formalized process in place, which is why we are requesting this approval to solicit an RFP for a company that can manage the volume that this process would involve. In 2010, we conducted a Dependent Verification Audit, another part of this RFP as well. Vendors could quote both or one. It is a good practice to conduct a full Dependent Audit every 5 years, since this has been the recommendation. A full audit in 2010 was manually managed internally; we continue to keep up with it manually, should it be through Open Enrollment, Life Events or New Hires. During the year our office manually collects the documentation. A dependent audit would require everyone on the Health Insurance that has a dependent would have to provide proper documentation that proves that they are an eligible dependent. We had a total dependent audit in 2010 that cost \$106,304.00; the project period lasted 14 weeks. We had 6116 dependents audited, 5760 verified and 356 were determined ineligible which was nearly 6%. Of those 6% or 356 dependents, 273 were children and 83 or 23% was spouses, this was prior to ACA. Using the numbers of what our current trend was for 2014 on an average basis of claim dollars incurred per year. If we looked at the numbers identified on the children as an example 273, \$2,162.00 is what we spend on average in claim dollars for each child on insurance in a year. That would equate to \$590,226.00 in savings. We don't expect to see that many children identified due to ACA that allows dependent children to stay on the insurance until age 26. However, we did project what the impact would have been if 161 verified dependent were left on the plan that would have reduced our savings by little over \$400,000.00 back in 2010 which said that there were still some ineligible children on the plan. We removed 83 spouses from insurance as a result of the audit that were ineligible. Utilizing per annual claims cost \$4,785.00 per spouse at 83 is \$397,155.00 savings to plan. We want everyone that is ineligible to have fiduciary responsibility to manage that. Numbers speak for themselves and would like to issue an RFP for both Dependent and Spouse eligibility audit.

Mr. Burgess asked when the RFP would be issued. Melissa replied it would probably be around the end of the year or first part of next year. We would need to have it in place by the middle of the year.

#### OTHER BUSINESS:

Jeff Sandvig asked Melissa if they could talk about 1094 – 1095C reporting in October's meeting.

Melissa replied that there would be no November meeting due to Open Enrollment. However, we did employ Sync Stream as the vendor we are partnering with. We have many payrolls to manage. We pull from Airport, Community Care, County Government and the Board of Education as well. We need a central repository solution so that we can pull from our eligibility benefit administration system and these various payrolls into one repository that can then make it meaningful and produce the forms. It's a lot of data that has to be on the forms. We are working with Sync Stream to implement the software and can give a better status in November.

Mr. Burgess, does this have anything to do with ACA Cadillac Tax situation where we have to determine what our benefits are and what we are paying. Melissa replied that this is an ACA mandatory reporting, whether or not if employees participate in insurance, if so, how many of their dependents participated, which months in that calendar year dependents participated in it and provide details to the government along those lines.

Mr. Burgess noted that there is this tax situation that we will be reporting, correct? Melissa replied that we would be required to in 2018. Mr. Burgess added that if our benefits package exceeds these limits would it place us in a position of being taxed. Melissa agreed that was correct. Mr. Burgess asked Melissa, do our benefits fall below the thresholds that would impose a tax on the county now. Melissa, when Deloitte conducted an actuarial study of our plans, when the ACA was introduced we were favorable with the exception of one plan. At that time we had a benefit that had a \$250.00 deductible; we have since eliminated that plan. There are some narrow margins that we will need to monitor in terms of cost of these plans as we move through the next two years. We are currently monitoring and starting to understand what it looks like since Deloitte did the survey to what it looks like now, what cost have risen and what portion is our employee paying.

The meeting was adjourned at 1:35.

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Ernest Burgess, Chairman  
Rutherford County Benefits & Insurance Committee

