

RUTHERFORD COUNTY RISK MANAGEMENT COMMITTEE
 NOVEMBER 15, 2018 COURTHOUSE

MEMBERS PRESENT:

MAYOR BILL KETRON
 COMM. RHONDA ALLEN
 VERONICA BUCHANAN
 MERRY HICKERSON
 SHAUNTAE SHERRIL
 RICKY MARLIN
 JIM BOWLES
 CHRISTIE CROWELL
 LISA NOLEN
 JEFF SANDVIG
 JOE HAFFNER
 DEBRA KENNEDY
 DR. ANDREA ANTHONY

OTHERS PRESENT:

MELISSA STREET
 SHANNON MCNAIR
 CHRISTI BOWLING
 MELISSA SPENCE
 PAUL HUFFMAN
 KELLI PERRIEN
 AMY SUMMERLIN
 CHARLES CHAPA
 LOU DIAZ
 KELLY DERRICK
 TODD HARRISON
 JAY BROWN
 YINA MARTIN
 JOLEEN GERUNTINO
 SONYA STEPHENSON
 JIM ESTES
 COY YOUNG
 LISA MOORE
 VICKIE CLAY
 DAN GOODE
 CHRISTIE ALLEN

The meeting was opened by Mayor Ketron at 1:03pm.

APPROVE MINUTES

A motion was made by Commissioner Allen to approve the minutes from the last Risk Management Committee meeting on 08/23/2018. The motion was seconded by Ms. Hickerson and passed unanimously.

FINANCIALS

Director Street reported on Fund 264 for the month of October. There was \$6.9 million in revenue and \$6.7 million in expense. Calendar year to date the fund has \$61.6 million in revenue and \$57.2 million in expenses. For the Fiscal Year; there is \$17.1 million in revenue and \$24.2 million in expenses. Director Street reminded the committee that in the months of July and August there is no revenue collected from the Board of Education since their premium deductions on based on a 10-month calendar.

For Fund 266, which contains revenue and expenses for on-the-job injury and workers compensation programs, Director Street reported YTD is \$315,911.57 compared to prior year of \$400,106.97.

2019 Annual Enrollment statistics were presented to the committee. Below are the results from the second year of a passive open enrollment.

| BENEFIT PLAN YEAR | ACTIVE OR PASSIVE ENROLLMENT | NUMBER OF ACTIVE ELIGIBLE EMPLOYEES | ACCESSED BENEFITS SYSTEM DURING OE | DID NOT ACCESS BENEFITS SYSTEM | % THAT DID NOT ACCESS | DID NOT COMPLETE ENROLLMENT & ENROLLED IN MEDICAL PRIOR YEAR | % OF TOTAL ELIGIBLE |
|-------------------|------------------------------|-------------------------------------|------------------------------------|--------------------------------|-----------------------|--|---------------------|
| 2015 | Passive | 5170 | 4539 | 631 | 12.21% | 158 | 3.06% |
| 2016 | Active | 5713 | 5334 | 379 | 6.63% | 88 | 1.54% |
| 2017 | Active | 5950 | 5502 | 448 | 7.53% | 101 | 1.70% |
| 2018 | Passive | 6213 | 3202 | 3011 | 48.46% | 2348 | 37.79% |
| 2019 | Passive | 6356 | 3259 | 3097 | 48.73% | 2780 | 43.74% |

| 2019 Enrolled | Certified | | | Classified | | | County | | | Cobra | | | Total | | |
|------------------|-------------|-------------|-------------------|-------------|-------------|-------------------|-------------|-------------|-------------------|----------|----------|-------------------|-------------|-------------|-------------------|
| | 01/01/18 | 2019 | Increase/Decrease | 01/01/18 | 2019 | Increase/Decrease | 01/01/18 | 2019 | Increase/Decrease | 01/01/18 | 2019 | Increase/Decrease | 01/01/18 | 2019 | Increase/Decrease |
| Deductible Plan | 467 | 217 | -53.53% | 205 | 69 | -66.34% | 256 | 88 | -65.63% | 0 | 0 | 0 | 928 | 374 | -59.70% |
| HRA Plan | 1470 | 1678 | 14.15% | 576 | 610 | 5.90% | 522 | 631 | 20.88% | 0 | 0 | 0 | 2568 | 2919 | 13.67% |
| Copay Plan | 1084 | 1229 | 13.38% | 386 | 488 | 26.42% | 387 | 495 | 27.91% | 0 | 0 | 0 | 1857 | 2212 | 19.12% |
| Totals | 3021 | 3124 | | 1167 | 1167 | | 1165 | 1214 | | 0 | 0 | | 5353 | 5505 | |

Ms Hickerson stated to the committee her appreciation and dedication that Risk Management provided to her department and the rest of the County during Annual Enrollment. Ms. Hickerson stated she had 13 employees move from the deductible plan to the copay plan this year and she understood the labor-intensive work that was done by Risk Management in order to education and facilitate these changes this year.

WC/OJI STATS

Dan Goode reported for the prior month there were a total of 258 injuries. Total incurred dollars for all divisions was \$54,768.62 for injuries. The BOE had 13 injuries with a cost of \$14,454.60 and County General had 12 injuries with a cost of \$40,314.02. Mr. Goode reminded the committee that incurred dollars typically take one year to settle for reporting purposes, whereas, the claim itself is usually only open four to five months. Mr. Goode included a nine-year comparison graph to his presentation this month. The graph

shows 2009 with 243 claims, 5,778 employees and a total cost of \$461,000. The 2017 numbers show 217 claims, 6,722 employees and a total cost of \$599,000.

WELLNESS UPDATE

Director Street informed the committee that Daniel Puckett’s last day working on Rutherford County’s account was yesterday. He is still working for Cigna and will take his knowledge to Missouri. As a point of clarification, Rutherford County’s contract with Cigna requires Cigna to provide two wellness coordinators and a client representative dedicated to Rutherford County.

Chuck Chapa reported on completed 2018 Know Your Numbers campaign. 4,873 employee and spouses completed both the biometric and on-line health risk assessment out of a possible 5,473; resulting in 89% completion rate as of November 1, 2018.

Below are results from the Rutherford County Employee Wellness Fair, which was held October 19, 2018.

| RC EMPLOYEE WELLNESS FAIR 2018 | | | | | |
|--------------------------------|------------|--------------------|------------|------------------------|------------|
| Type | Attendance | Type | Attendance | Type | Attendance |
| Tally Counter | 507 | Vision Screening | 66 | Blood Pressure | 60 |
| Mammography | 25 | Body Mass Index | 46 | Angioscreens | 34 |
| Flu Shots | 231 | Function Test | 63 | Drug/Alcohol Screening | 37 |
| Sleep Screening | 65 | Finance Assessment | 57 | Bone Density Screening | 60 |

| WELLNESS FAIR 2018 CONT'D. | |
|---|---|
| Angioscreen Results | |
| Average Age: 53 | 24 Participants are overweight/obese |
| 6 Participants do not have a PCP | Participants w/ Abnormal ABI: 0 |
| 22 Participants have either stage 1 or 2 Hypertension | 6 Participants with Carotid Artery Plaque |

Commissioner Allen asked if the Drug/Alcohol screening done during the wellness fair was for pre-employment purposes. Director Street replied it was not and it was for employees to answer questions to help recognize if a problem existed.

The Cigna highlighted program was educating on Cigna’s “Veteran Support Line 855-244-6211”. Mr. Chapa stated this line is free and available 24/7/365 to everyone, even if you do not have to have Cigna insurance. Mr. Chapa urged Directors to spread the flyer to their employees and out to the community as this time of year is extremely hard.

Upcoming Wellness Events:

- Quarter 4 program – Holiday Hustle has 110 employees participating and will end December 14th.
- Life Services EAP online classes: November 20-30 is Caring for Aging Relatives while December 18-31 will be Healthy Communication.

MEDPOINT REPORT

Shannon McNair reported on last month’s statistics for the clinics. Ms. McNair stated the clinic services do include physicals, immunizations, sick visits and manage chronic diseases such as diabetes.

- Visits at MedPoint Clinics: 4568 in September and 3124 in October (September increase due to biometrics)
- Visits at MedPoint with Wellness Coordinator: 36
- Visits at MedPoint with Dietician: 9 (note: Dietician was out for half the month)
- Cost per visit was \$81 in October, includes overhead, supplies, prescriptions distributed, and labs performed. Ms. McNair stated this cost per visit includes billing for biometric labs.
- Incoming Calls at MedPoint: 2,320 calls in October; averaging 101 per day. MedPoint installed a new phone system in August 2018 that enables tracking call volume.

CIGNA AWARD PRESENTATION

Paul Huffman, along with Chuck Chapa, Kelli Perrien and Amy Summerlin, presented Rutherford County Mayor Ketron and Risk Management Director, Mrs. Street, with the Cigna Well-Being award for creating a culture of well-being. This award is given out once a year in the state of Tennessee and is reviewed and voted on by Cigna Health Engagement committee after reviewing the following components: (1) wellness program in place (2) collaboration with Cigna and the on-site team (3) a significant and robust promotion of the wellness program that results in high participation rate.

2019 WELLNESS CAMPAIGN

Director Street proposed a new focus for the annual wellness campaign. The past focus of the annual wellness campaign has been biometric screening and online health risk assessment so that employees can know their numbers. Director Street would like to expand the focus and drive down costs by catching possible illnesses during preventative screening since early detection of a disease is paramount to the treatment of the condition and controlling costs both for the employee and the health plan. The annual physical is a basic preventative screening that will assist in early detection of disease. The committee was informed that Rutherford County’s population has only a 41.5% well visit rate, which shows there is room to educate and promote employees to get these preventative screenings. Through the MotivateMe platform within Cigna, employees would have a reduction in paperwork because points accrued would be claims data driven.

Mrs. Street recommended the following change to the wellness program beginning January 1, 2019: Employees enrolled in the medical plan and their spouses, if applicable, will receive a \$300 annual premium discount if they complete preventative screenings totaling 3 points (6 points if their spouse participates on the medical plan (3 for the employee and 3 for the spouse)) annually between 1/1/ - 9/30. Below are the proposed options for preventative screenings that can be administrated by Cigna through their MotivateMe platform:

- Annual physical = 2 points
- Complete an online health assessment = 1 point
- Get annual OB/GYN exam = 1 point
- Get a flu shot = 1 point
- Get a mammogram = 1 point
- Get a colon cancer screening = 1 point
- Get a cervical cancer screening = 1 point
- Get a prostate screening = 1point

A motion was made to accept the recommendation by Mr. Sandvig and seconded by Ms. Hickerson. A discussion then followed that included Ms. Crowell asking if depression screenings and the biometric be included. Ms. Hickerson was concerned about collecting data from October through December of a given year due to the existing schedule an employee or their spouse may have for preventative screenings each year. Ms. Summerlin from Cigna advised that depression screening cannot be collected through MotivateMe platform, but it is done during follow-up calls when a new mom is enrolled in Healthy Babies Cigna program. Mr. Huffman with Cigna confirmed that a soft look back period could be done from October of one year through the close date of the wellness program, September 30th of the next year, as is done with numerous of their clients. This would accrue points for preventative services received at the end of the prior year of the upcoming campaign period. Mr. Sandvig asked if dental exam could be included as a preventative screening to earn points and Director Street said it would be ideal to include dental as diseases can often be identified through a dental exam. However, the current MotivateMe platform cannot track dental claims so it would add a manual process for point accumulations. Ms. Street advised that she has looked into providing dental coverage to all employees to incentive getting annual cleanings, but it is economically not feasible as it would cost upwards of \$1 million, however, it is worth revisiting at a later time.

Mayor Ketron requested that all employees be given pedometers as part of a wellness campaign he would like to have start at the beginning of 2019. He stated they could be bought for \$.01 each. After much discussion, Commissioner Allen requested that we set a spending limit of \$1500 for the pedometers and the motion was seconded by Mr. Sandvig. Motion carried.

After much discussion Mr. Sandvig amended the recommendation to include the biometric screening for 1 point and for one additional campaign period in 2019 and to have a soft lookback period of October through December, Ms. Hickerson seconded the motion and it passed unanimously. The wellness program beginning January 1, 2019 for preventative screenings will therefore be as follows:

- Annual physical = 2 points
- Complete an online health assessment = 1 point
- Get annual OB/GYN exam = 1 point
- Get a flu shot = 1 point
- Get a mammogram = 1 point
- Get a colon cancer screening = 1 point
- Get a cervical cancer screening = 1 point
- Get a prostate screening = 1point
- Biometric screening- 1 point

BROKER OF RECORD FOR EMPLOYEE BENEFITS

Director Street advised the committee that four companies had submitted bids for the Broker of Record for employee benefits including the incumbent, Willis Towers Watson, Lockton, CBIZ and Mercer. Ms. Street, the Sr. Benefits Analyst, Benefits Analyst and Ms. Allen from Risk Management along with Mr. Sandvig, Mrs. Nolen and Mrs. Stephenson interviewed all four companies. Based on those interviews, Mercer was recommended as a finalist and at the suggestion of the Mayor the incumbent Willis Towers Watson was also included for finalist presentations to the committee.

Director Street then requested that Lou Diaz from Willis Towers Watson provide the committee with their presentation. Ms. Street explained they would have 20 minutes for presentation followed by a Q&A from the committee. Upon completion of their presentation and interview, Jay Brown from Mercer was given the same instructions regarding their presentation and they presented to the committee.

Ms. Street discussed the financial proposals of both companies **as shown on the Bid Grid below**. Ms. Street discussed the interviews, performance thus far by Willis Towers Watson and the past performance and experience working with Mr. Brown. Ms. Hickerson made the motion to accept Mercer as the Broker of Record and the motion was seconded by Mr. Sandvig. Commissioner Allen asked Ms. Street if there was anything personally for her department that distinguished one finalist from the other. Ms. Street responded that it was the comfort level in working with Mr. Brown in the past and not having performance issues seen with Willis Towers Watson.

Mayor Ketron asked Ms. Street how the companies would uphold their proposed commissions without violating the rebating laws. Ms. Street advised that the finalist had presented that excess commissions would be used to offset cost for services listed as an additional fee beyond core services.

Roll was called for a vote on the motion. Motion passed.

| BROKER OF RECORD BID GRID | | | | |
|---|--|---|---|--|
| | WILLIS | LOCKTON | CBIZ | MERCER |
| REQUIRED DOCS | | | | |
| Fee Proposal | Yes | Yes | Yes | Yes |
| Cert of Non-Discrimination | Yes | Yes | Yes | Yes |
| Title VI Letter (signed) | Yes | Yes | Yes | Yes |
| Compliance form | Yes | Yes | Yes | Yes |
| PROPOSAL POINTS | | | | |
| Section 5 sign off | Yes | Yes | Yes | Yes |
| Firm name, address and contact | Willis Towers Watson, 26 Century Boulevard, One Century Place, Nashville, TN 37214, 1 615 872 3000 | Leigh Cattell-Roberts, based in Nashville, TN, is the assigned AE for Rutherford County, and would serve as the primary point of contact. Deb Testa, Lockton's Public Sector Practice Leader, will work closely with Leigh on overall strategy, and is based in Hartford, CT. | CBIZ Benefits & Insurance Services, Inc 229 Castlewood Drive, Suite F, Murfreesboro, TN 37129 | Mercer Health & Benefits LLC 1801 West End Ave, Suite 1400 Nashville, TN 37203 |
| Phone, Fax, Web Address | Listed in response | Listed in response | Listed in response | Listed in response |
| Individual, Partnership Corp or Subsidiary | Publicly traded subsidiary of Willis Towers Watson Public Limited Company | Family-owned and Privately held | Publicly traded | Corporation, publicly traded |
| Org structure, history, years in service | Dating back to 1828 with over 40,000 employees serving in more than 140 countries | Founded in 1966, structured similarly to a partnership with segments in Nashville, St. Louis, Memphis, Chicago and Milwaukee | Structured into 2 divisions: Benefits & Insurance, and Financial & Accounting. Over 100 offices nationally. (left out yrs in svc) | Started in 1937, in more than 130 markets worldwide |
| Names/Titles/Phone of principals & officers | Lou Diaz, Market Leader | Matt Gregory, AVP | Michael P. Kouaelos, President | Jay Brown, Tennessee Practice Leader |

| | | | | |
|---|--|---|--|---|
| Certifications, Licenses (include Errors & Omissions Ins Cert) | \$5M/\$5M | GL-\$1M/\$2M. Professional Liability-\$10M occurrence and \$10M aggregate | \$10M/\$10M | \$50M per claim |
| Years provided insured EE benefits svcs | H&B Consulting since 1950s | H&B Consulting since 1987 | 29 yrs | Since 1937 |
| # Clients served in public sector & # of Public sector clients last 3 years | Provides services to hundreds of Public Sector organizations. | The Nashville office services 2 public sector clients in TN; they are < 2,500 employees: Metropolitan Development and Housing Agency of Nashville (MDHA, 350 employees) and Memphis Area Transit Authority (MATA, 700 employees). Over the past three years, the number of public sector clients Lockton has partnered with has increased from 232 to 277 | 1470 Nationally (no list of 3 yr client count) | 175 Public Sector clients of which 115 are Health-p8 (# of public sector clients served in last 3 years not provided) |
| 3 Client Reference (past 3 yrs; include one with +2,500 EE & list EE counts, contact/phone) | Schwan Cosmetics USA, 300 employees; Specialty Care, 2,000 employees; Tennessee Health Management, 4,000 employees | City and County of Denver, 11,000 employees; Oklahoma State University, 7,000 employees; TruGreen Limited Partnership, 16,000 employees; Arkansas State University, 2,300 employees | Blount County, 2,500+ employees, Lee's Summit R-7 School District, 2,500+ employees, Kansas City Public Schools, 2,500+ employees, Waukesha County, 1,000+ employees | Premise Health, 3,000 employees, Shelby County Schools, 6,000 employees, Nissan-North America, 8,000 employees |

| | | | | |
|--|--|---|---|---|
| Describe ability to develop technical EE benefit communications. If outsourced, name/website | Use Willis Towers Watson Communication Consultants (Additional Cost May Apply) | In-house communication resources rather than recommending or choosing to partner with external vendors. | In-house customized communication resources. Flipping book & Brainshark included. Employee benefit websites at preferred pricing (add'l fee). CBIZ has invested in communication experts and multi-media platforms. | Works with client to identify goals and then identifies best resource to help |
| Exp details in Wellness Programs | WTW wellness experts and Health Management consultants, Health Management Gap Assessment | Health Risk Solutions (HRS-located in St. Louis) works with clients and account teams to develop strategies | Uses 5 components of wellbeing, utilize analytics to drive engagement, strategic guidance in programs - will provide Wellbeing Account Executive | Total Health Management (THM) understanding, analyze & design, implement, manage, measure, collaboration |
| Exp details in health benefit plan analysis and design | Developed a comprehensive set of tools and templates for clients use. Tools used by consultants and actuaries as well. Additional fee for BenVal | Group Plan Strategy (GPS) is an actuarial tool using data and current tactics for projections and strategy development. | NavMD analytics tool, actuarial team, internal underwriting, contribution model | Five Step Consulting Process (Understand, Strategy, Design, Implement/Measure, Refresh), Benchmarking, Proprietary Tools, Specialty Resources |
| Provide actuarial analysis, rate determinations, plan savings & other financial analysis as required | Tools and pricing modeler available for client use or use on behalf of client | Full suite of services available | NavMD, Claims analysis, Benchmarking & Benefit Plan Analysis | Actuarial and Financial Group (AFG), Standard Mercer Rating Tool (SMRT), Financial Analysis |

| | | | | |
|---|--|---|---|--|
| Describe any additional services | Claim auditing, Dependent Eligibility Audit, Speciality Benefits, Enrollment Resources, PBM Review, Retirement Svcs, Stop Loss Collaborative | Retirement insurance placement (Mylo). The Mylo platform offers health insurance, Medicare, short-term medical, dental, vision, and accident insurance. Mylo is typically offered to retirees, to COBRA-eligible individuals or to seasonal/part-time employees. Review of county's risk management program (P&C) and OJI | Proactive communication, community involvement, relationship focused | Mercer Marketplace 365 Retiree solution |
| FEE PROPOSAL DETAILS | | | | |
| Did Broker use our Fee Proposal sheet? | Yes | Yes | Yes | Yes |
| Method of Compensation (prefer 3 yr locked in; if increase, describe) | Fixed annual fee, 3 yr lock | Fixed annual fee, 3 yr lock | Fixed annual fee, 3 year lock | Fixed annual fee, 3 yr lock |
| Increase cap for Year 4 and 5 | 5% | 2.50% | 5% | 3% |
| If commission based - proved fee structure | \$585k over 3 years- voluntary products are additional revenue and not applicable to the 3-yr fixed rate | \$585k over 3 years | \$630k over 3 years- If less than \$210k annually, then adusted at next renewal, if over \$230,000 then \$20,000 will be available per Tennessee State rebating rules | \$645k over 3 years - voluntary products are additional revenue and not applicable to the 3-yr fixed rate. |
| If commission basis, will you receive "overrides" and/or "incentives" from any carrier or other provider? | Yes | Yes, not to exceed annual amount | Yes, to be fully disclosed. | Yes, with knowledge and advanced approval of the client, subject to State laws |

| | | | | |
|---|--|--|--|--|
| Will commissions and overrides be in addition to any set-fee? | Yes | No, fee is inclusive off all revenue streams | Yes, compensation arrangements exist with Carriers that would be additional revenue to CBIZ beyond the commission schedule | Yes, with knowledge and advanced approval of the client, subject to State laws |
| Will commissions and overrides be reported to RCG? | Yes | Yes | Yes | Yes |
| Additional Fees | Excess currently \$45,000.00. Not inclusive of all cost for the AE mailer. | None | Onsite Clinic Proposal available upon request. | None |
| CONTRACT REQUIREMENTS | | | | |
| Omissions from Bid Response | No | No | No | No |
| Signature on Section 8 | Yes | Yes | Yes | Yes |

Current Commissions:

Received commissions 2017: \$164,145;
 Expenses 2017: \$17,745;
 Net Commissions 2017: \$146,400

Through November 5/2018: \$291,967;
 Expenses- \$46,102;
 Net Commissions- \$242,865

Additional revenue: UNUM, Voluntary Products: 2017: \$238.44 2018 YTD: \$78 Other overrides as paid by the Carriers

OTHER BUSINESS

The meeting was adjourned at 3:46 pm.



Mayor Bill Ketron, Chairman
 Rutherford County Risk Management Committee