

September 8, 2011

INSURANCE TASK FORCE COMMITTEE MEETING

Members Present

Dr. Greg Adkins
Steve Bowman
Leo Burt
Karen Cooley
Marcia Fain
Mike Hamilton
Bonnie McFarland
Jamie Michael
Donna Mutzenard
Tommy O'Connell
Suzan Rudd
Bob Rushlow

Members Absent

Don Armstrong,
Board Liaison
Joe Pescatrice,
Retiree Liaison
Shandra Backens
Lisa Brown
Mark Castellano
Becky Decker
Dr. Ami Desamours

Others

Barbara Crowe
Debbie Durieux
Robin MacDonald
Karen Toro
Glen Volk
Karen Whitmore

The meeting was called to order at 3:35 PM.

Approve Minutes

Ms. Bonnie McFarland asked if there were any additions, deletions, or corrections to the Minutes of the May 12, 2011, Minutes. There being no changes to the Minutes, Ms. Donna Mutzenard made the motion to approve the Minutes of the May 12, 2011, meeting; Mr. Leo Burt seconded; motion passed unanimously.

Review of Health Plan Financials

Mr. Glen Volk discussed the health plan financials with the group. Overall, the claims look good. They were normal (what was expected) over the summer. Based on the current information, it appears we will have approximately a \$4,000,000 gain. He pointed out that this could change – we are only four months into the plan year.

Basically, there are no surprises when claims are broken down by plan.

- 117 Plan – due to migration during open enrollment, we expected the claims experience to be slightly higher.
- 702 Plan – this plan has become what the 903 plan was last year. Basically, the ones who remained on the 702 Plan are there because they have higher medical claims/needs.
- HMO Plan – due to the increase in cost, enrollment has decreased and the claims experience is higher.
- 3359 Plan – This is such a new plan at this time. We expect this plan to do well.

Clinic RFI, Cancer RFP, Dental RFP Updates

Ms. Bonnie McFarland thanked the sub-committee members for all their hard work on the RFI and RFPs.

On July 13th, the cancer RFP was released, and was due back on August 12, 2011. We had eight (8) companies respond to the RFP.

On July 15th, the dental RFP was released, and was due back on August 17, 2011. We had nine (9) companies respond to the RFP.

On August 18th, the sub-committee met to review the cancer RFP and on September 2, 2011, they met again and ranked Colonial Life as the number 1 candidate.

On September 7th, the sub-committee met to review the dental RFPs received. One company was deemed to be not eligible. Additional information was requested from the remaining companies. The sub-committee plans to meet next Wednesday, September 14th, to rank the companies.

The sub-committee has met a couple times to review the RFI on the Clinics.

Ms. McFarland indicated that she hopes to take the recommendations to the Board on October 25, 2011. In order to accomplish this, she needs to have the Board Agenda completed by October 7, 2011. Based on this, we will need to have a “special” Insurance Task Force Meeting prior to the regular one scheduled for October 13th. The group decided to have the “special meeting” on Monday, October 3, 2011 at 3:30 PM.

Payroll Slots

Mr. Bob Rushlow addressed this issue with the group. He indicated they could take this to the Bargaining Table, however, he felt it was best to have a sub-committee discuss the payroll slots, and then bring forward at a future Insurance Task Force Meeting.

Dr. Adkins agreed, stating there were many issues that would need to be discussed in order to determine if additional payroll slots could be added.

The sub-committee will consist of the following:

- Becky Decker
- Dr. Adkins – he will appoint someone to attend on his behalf
- Mark Castellano
- Bob Rushlow
- Bonnie McFarland
- Rob Dodig

Ms. McFarland will schedule the first meeting.

CareCentrix Transition

Ms. Karen Toro informed the group that Blue Cross Blue Shield is no longer using EMP as a provider for home healthcare, infusion therapy and durable medical equipment. Effective September 1, 2011, they will be using CareCentrix. Letters were sent to all members who currently use EMP, explaining that they would need to start using CareCentrix.

Federal Healthcare Reform – 2014

Ms. Bonnie McFarland discussed the Federal Healthcare Reform and some upcoming issues. The first issue will be with the 2011 W-2's. Law now states that the value of the medical insurance be stated on the W-2's. This will not have an effect on taxes, it is only for informational purposes at this point in time. Ms. McFarland just wanted to bring this to everyone's attention as there will probably be a lot of questions about it.

In 2014, there will be insurance exchanges – shared responsibility. This will be based upon the poverty level (133% to 400%), estimated wages of \$30,000 to \$88,000. The employer will pay a portion and the employee will pay a portion.

The Cadillac Tax will be imposed in 2018. Basically, there could be a large increase in premiums due to the tax to be imposed. The tax is determined by the value of your plan. If the plan is deemed to be a "Cadillac Plan", the tax is higher.

Report Card – Healthy Perspectives

Ms. Lisa Brown sends out a newsletter called Healthy Perspectives to all employees. The first page will have a "report card" on the health plan financials. This information will allow all employees to see how each plan is doing. That way, no one is surprised when the rates increase due to bad claims experience. In addition to the financial information, there will be some tips on how members can help to reduce claims experience.

Mr. Leo Burt asked how this was being distributed to employees. Ms. Brown sends the newsletter out via email. She does ask that a copy be printed and posted for those employees who do not have email access. Mr. Burt requested that she bold the request to post.

Plan Year and Deductible Year Alignment

Mr. Tommy O'Connell addressed this issue with the group. He feels it would make more sense to have both the Plan Year and the Deductible Year be the same. Many employees find it confusing that the Plan Year starts April 1, and the Deductible Year starts January 1.

Mr. Robin MacDonald indicated that Blue Cross Blue Shield could accommodate aligning the deductible to the Plan Year. If the group decided to change effective April 1, 2012, they would credit any deductible met from January 1 to March 31, 2012, to the deductible starting April 1, 2012. Mr. Glen Volk and Mr. MacDonald will review the impact this will have on the plans and report back at the next meeting.

Ms. Jamie Michael made a motion to have Mr. Volk and Mr. MacDonald to determine the cost involved in aligning the deductible to the plan year; Mr. Leo Burt seconded the motion; motion passed unanimously.

TSA Review – Sub-Committee

Ms. Bonnie McFarland felt like the number of vendors we currently have on our TSA list is a little overwhelming to employees. She felt that saving towards retirement was something everyone should consider & her feelings were that due to the overwhelming number of vendors to choose from, many

employees do not contribute to a TSA. Ms. McFarland would like to have a sub-committee review various options.

The sub-committee will be comprised of the following individuals:

- Bonnie McFarland
- Bob Rushlow
- Jamie Michael
- A Talc Representative
- A TSA Consulting Group Representative

Mr. Tommy O'Connell offered to review information and offer his comments, but he does not want to attend any meetings due to his schedule.

Good of the Order

None

Meeting was adjourned at 4:40 PM.