



# Insurance Committee Meeting Minutes

Lee County, Illinois

May 16, 2022 at 2:00 PM CDT

Old Lee County Courthouse, Third Floor, 112 E. 2nd St, Dixon, IL 61021

## I. Call to Order

Meeting was called to order at 2:01 p.m. by Chair Nancy Naylor.

## II. Board Members Roll Call - Nancy Naylor and Tom Kitson

Both members were present and attended in person.

## III. Employee Members

Penny Skibinskie, Carmen Bollman, Lori Miller, and Samantha Schmitt were present and attending in person.

Dave Anderson, Brandi Barkowski, David Glessner, Christy Laws, Staci Stewart and Teri Zinke were absent.

## IV. Meeting Attendees and Visitors

Brad Johnson and Tally Neofotist (Health Insurance Consultants for Assured Partners), Nancy Petersen (County Clerk and Recorder), and Wendy Ryerson (County Administrator) were present and attended in person.

## V. Approval of Minutes from the Previous Meeting - (March 14, 2022)

There were no corrections or additions to the minutes; they stand as presented.

## VI. Old Business

None

## VII. New Business

### A. Health Plan Review Project

Brad walked the committee through his powerpoint presentation focusing this meeting on reviewing the underlying cost drivers.

Demographics: Age, gender, tenure on the health plan, geographic location

Actual claim usage: Lee County has the highest Medical/Rx loss ratio (120.6%) in the QCIP pool of nine municipalities. The target loss ratio is 99%. This will negatively impact bids.

Overview of current annual health insurance cost:

1. IPBC Pool \$1,935,105: BCBS plan with \$6,000 individual, \$12,700 family deductibles. Employees share 25% of BCBS premium - \$484,000.
2. Envision \$351,901: 3<sup>rd</sup> party vendor which manages the gap between the BCBS plan and the employee benefit plan. Envision also manages the FSA program. The deductible gap between the BCBS plan of \$6,000 (individual), \$12,700 (family), and Lee County employee's benefit of \$500 (individual), \$1,000 (family). Envision also covers the gap between the BCBS maximum out of pocket (including the deductible) of \$6,000 (individual), \$12,000 (family) and the employee plan benefit of \$1,400 (individual), \$2,800 (family).
3. Administration Fee: \$11,256 annual estimate; deductible/out of pocket claims for 2021 were \$340,645. Employees do not currently share in this cost.

Current Total Health Insurance Costs: \$2,287,006. Employees are currently paying 25% of the IPBC/BCBS annual cost of \$1,935,105.

IPBC/BCBS (only) rate changes effective for July 1, 2022: \$2,087,978 annually; a 7.9% increase. Employee rates will not change until January 1, 2023. This rate change will be effective for 18 months, until January 1, 2024 to align employee rate changes and IPBC rate change in the future.

Next Steps:

1. Go out to bid (Consultant will prepare and distribute bid documents).
2. Present bids to insurance committee for review.
3. Consider any other viable plan options/modifications.
4. Forward recommendation to Finance Committee (August meeting); in advance to September 1, 2022 deadline to notify IPBC of changes to plan.

#### VIII. Adjournment – Insurance Committee Meeting

Motion to adjourn at 3:14 p.m. moved by Samantha Schmitt. Second by Carmen Bollman. Motion past unanimously by voice vote.

The next meeting of the Insurance Committee will be at  
2:00 p.m., on Monday, August 1, 2022.

Respectively submitted by,

Penny Skibinskie, Lee County Insurance Deputy

# Health Plan Review Project

## Lee County Insurance Committee

### May 16, 2022



# Items We'll Be Reviewing



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EMPLOYEE BENEFITS



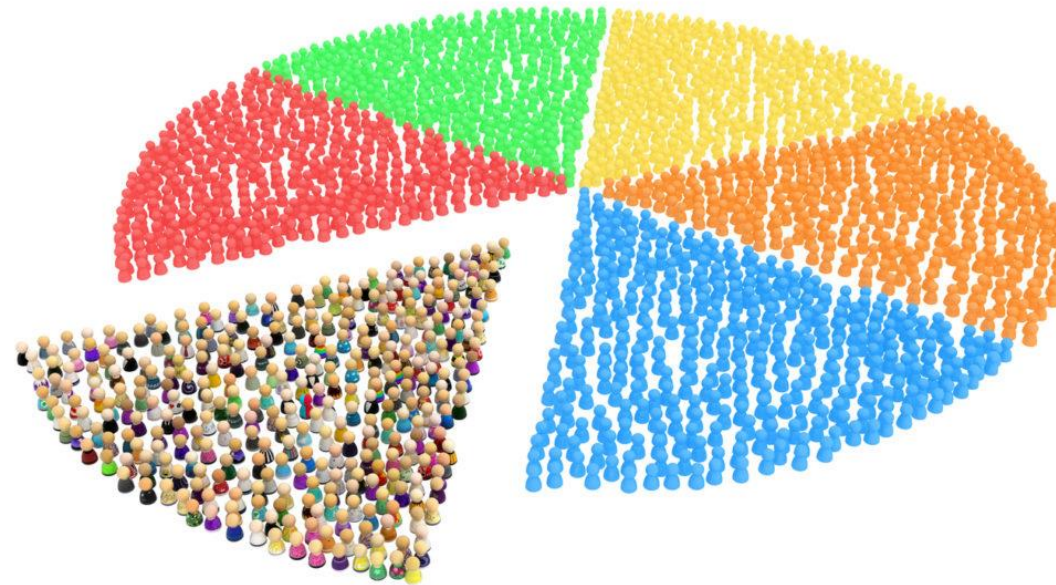
1. Compare Your Health Benefit Offering to Comparable Employers
2. Review Underlying Cost Drivers
3. Insurance Carrier Bidding & Analysis — Note Intergovernmental Personnel Benefit Cooperative (IPBC) Requires Stay / Go Decision by September
4. Sharing of New Ideas and Developments in the Market
5. Employee Communication Ideas

# Demographics



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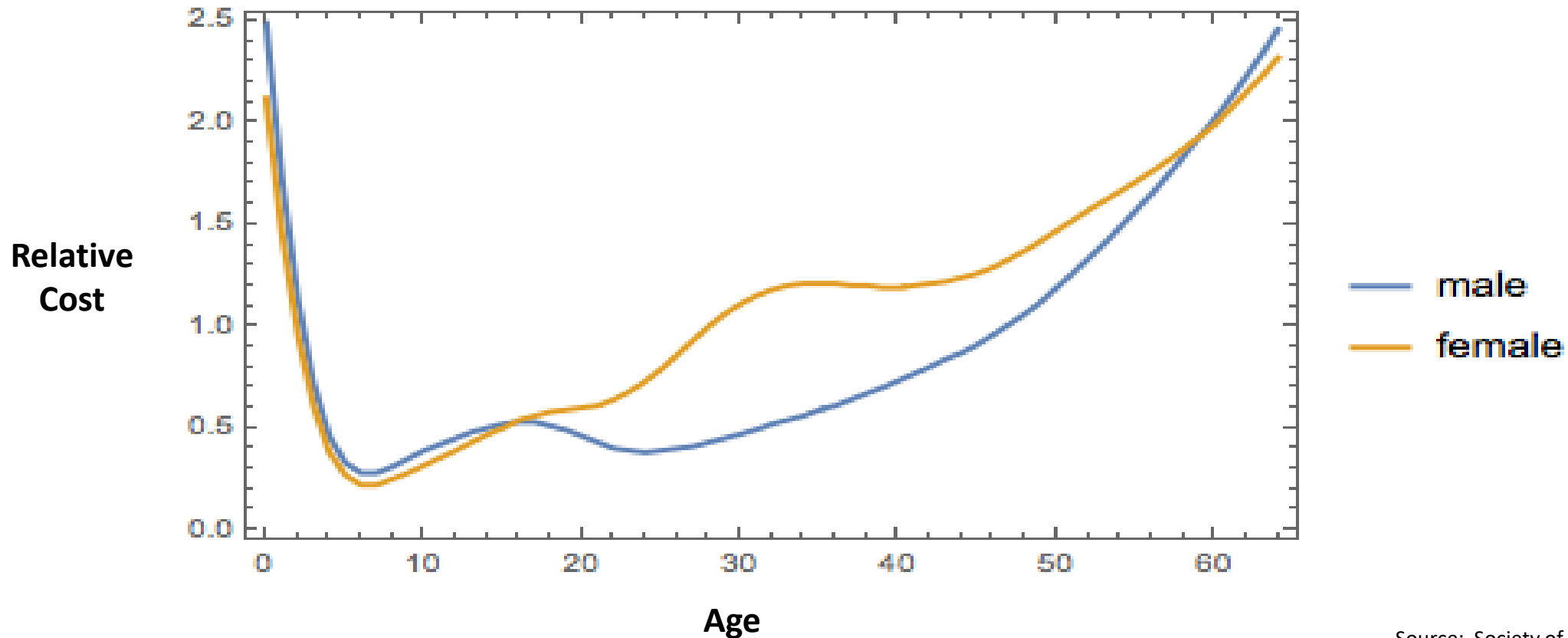


**An employer's demographic data is a key factor in determining insurance rates.**

# Demographic Snapshot



Impact of Age and Gender on Health Plan Cost



# Male / Female % of Employees on Health Plan



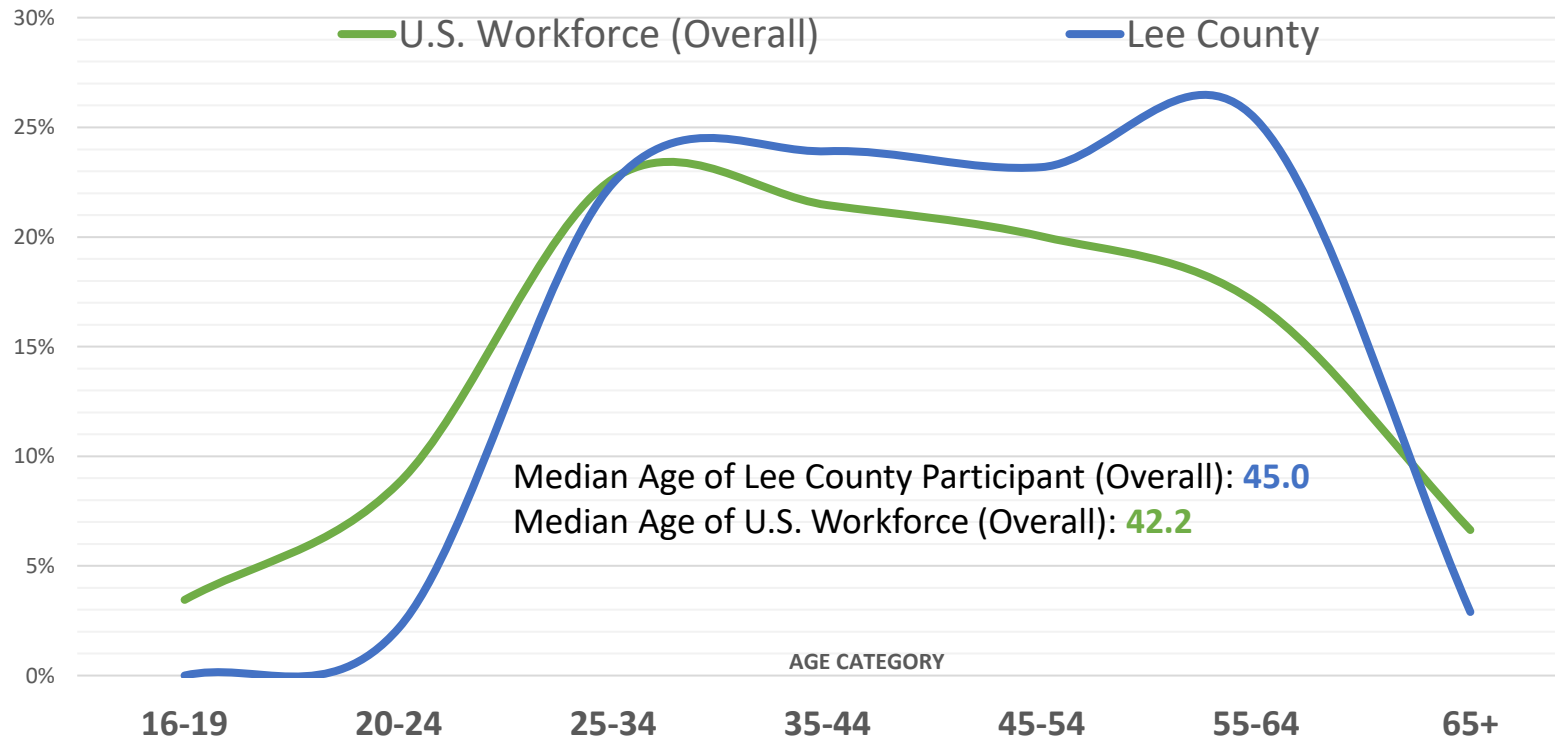
Gender Ratio Of Employee Participants	
Lee County	
<i>Males</i>	47%
<i>Females</i>	53%

Total Adults on Plan (Including Spouses)	
Lee County	
	46%
	54%

Gender is also a key variable in determining insurance premiums. Generally speaking, males have a lower incidence and severity of medical claims until they reach late 50's. However, females live longer than males on average and are less expensive to insure for Life Insurance. Females have a higher incidence of disability claims with a leading contributor being pregnancy related claims.

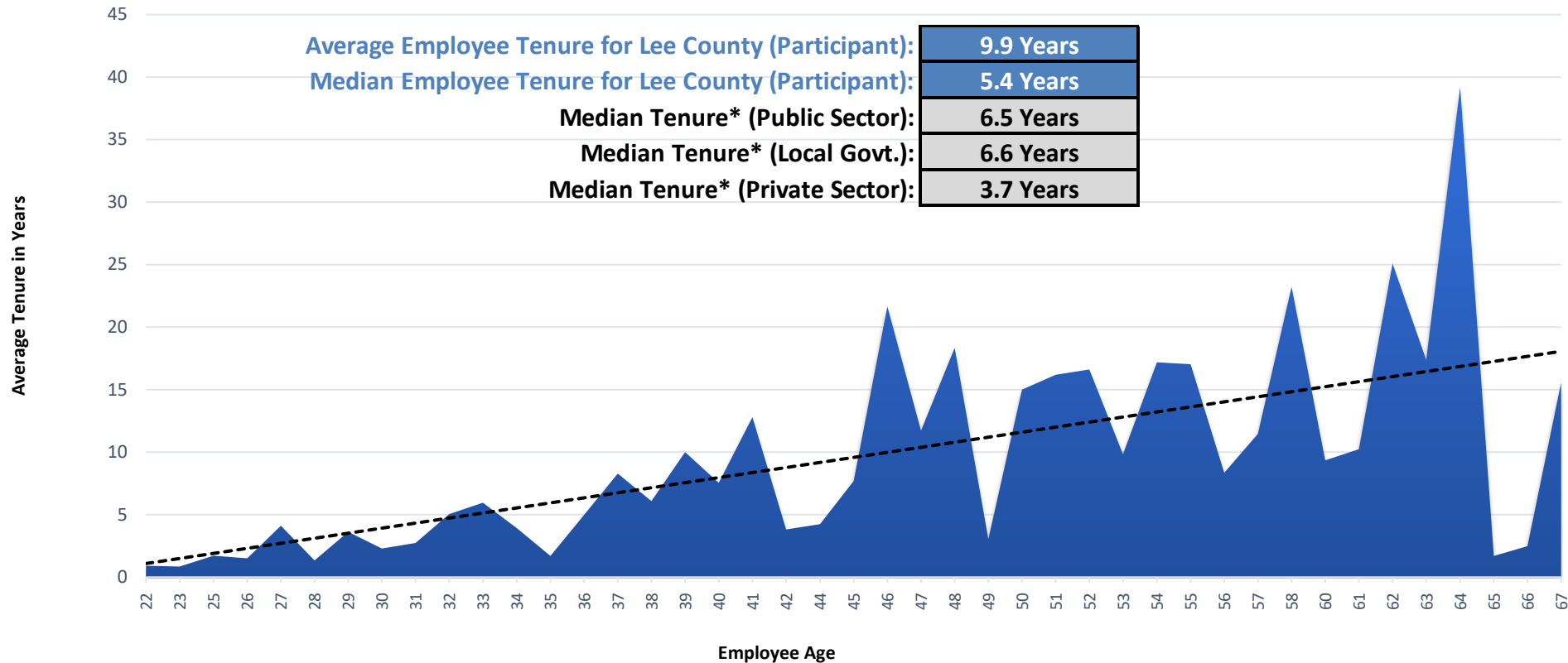


# Age Distribution of Employees on Health Plan



Age is a key variable in determining insurance premiums because it is correlated with claim activity. As people grow older, they have a higher frequency of doctor and hospital visits. Morbidity and Mortality factors increase directly with age. It should also be noted that older individuals have a higher chance of incurring large, catastrophic claims.

# Employee Tenure Of Those On Health Plan



**As a general rule, years of tenure tend to increase with age. Public Sector workers had the highest tenure while workers in the private sector had the lowest median tenure.**

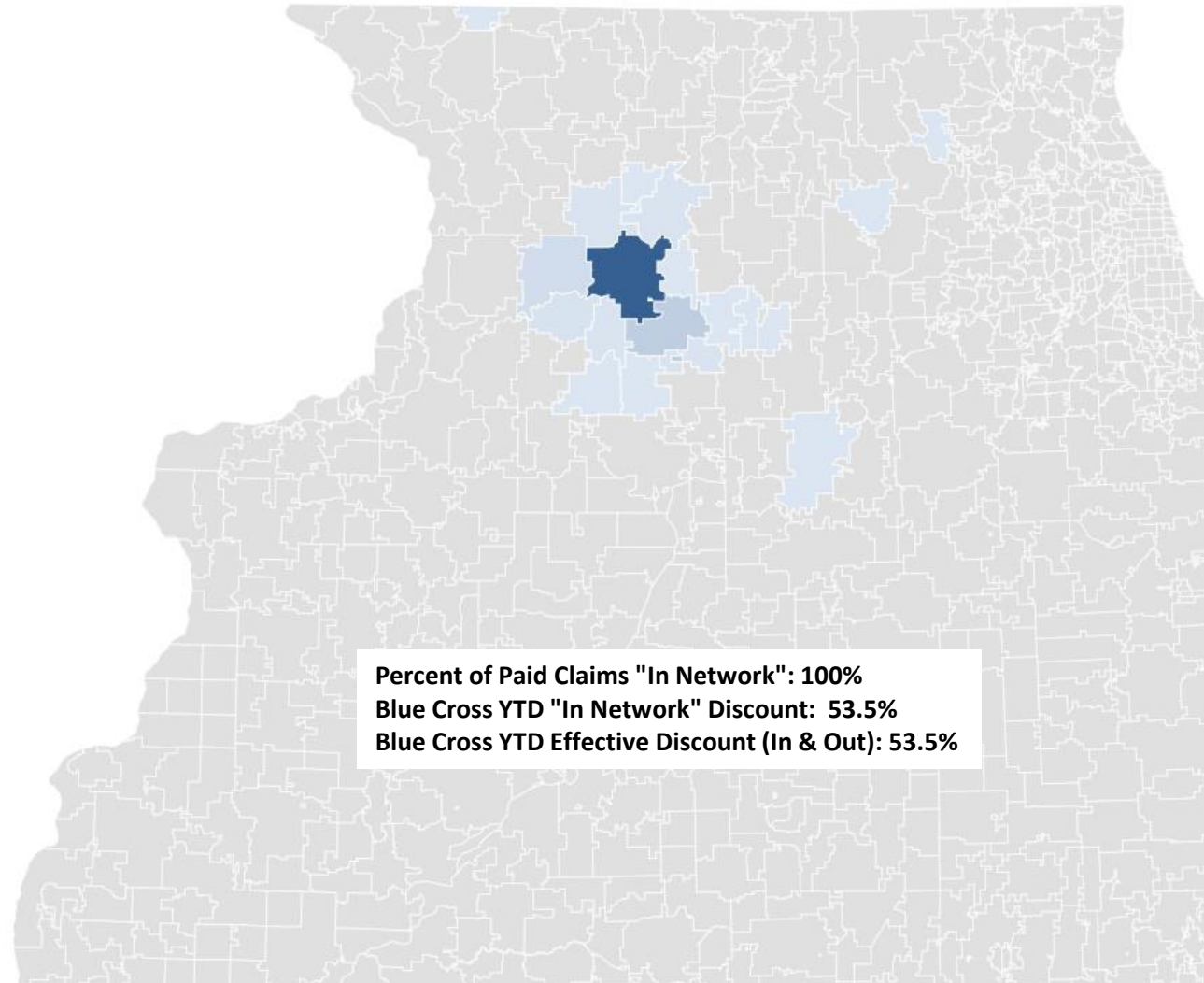
# Geographic Location of Participants



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## Map of Participant Home Zip Codes



The location of employees has a direct impact on claim utilization, provider charges, and physician practice patterns. For example: a hospital stay in Dixon, IL will be dramatically less expensive than one in New York City. Also, access to discounted provider networks vary greatly by geography.

# Avg. Family Size



## Avg. Family Size:

Lee County  
Benchmark

2.05

2.40

	Enrollment:	%
Employee Only	68	51%
Employee and Spouse	13	10%
Employee and Children	25	19%
Family	28	21%
	<b>134</b>	<b>100%</b>

Although often overlooked, the average family size of the covered employees will have direct impact on the health insurance plan. All other variables being equal, employees with larger families will incur more claims due to more total members being insured. Average Age, Spousal Surcharges, and Family Contributions can directly impact this ratio.

# Claim Experience & Plan Expenses



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Insurance companies will blend the expected risk associated with a group's demographic profile with their actual claim usage to determine an insurance rate.

# Dollars & Cents



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## Review of Past 3 Audit Reports

	7/1/18-6/30/19	7/1/19-6/30/20	7/1/20-6/30/21
<b>Contributions</b>	\$ 1,698,581	\$ 1,715,919	\$ 1,856,361
<b>- Expenses</b>			
Medical Fees	\$ 83,587	\$ 91,536	\$ 93,401
Dental Fees	\$ 5,992	\$ 6,531	\$ 6,776
Data Fees	\$ 1,010	\$ 1,132	\$ 1,147
Misc. Fees	\$ 217	\$ 459	\$ 533
Life Insurance	\$ 1,935	\$ 2,100	\$ 2,124
Stop Loss Insurance	\$ 52,290	\$ 50,259	\$ 58,447
Allocation of Corridor (35k-500k)	\$ 119,917	\$ 1,601	\$ -
Vision	\$ -		\$ 4,504
Claims Paid (Medical)	\$ 1,730,823	\$ 1,300,810	\$ 2,255,349
IBNR Change	\$ 1,581	\$ (4,111)	\$ 78,807
Claims Paid (Dental)	\$ 55,384	\$ 47,251	\$ 61,581
Stop Loss Recoveries	\$ (333,327)	\$ -	\$ -
Claims Assessed /(Forgiven)	\$ (266,322)	\$ 113,978	\$ (311,846)
<b>= Difference</b>	<b>\$ 245,494</b>	<b>\$ 104,373</b>	<b>\$ (394,462)</b>



**-\$44,594** Three Year Total

# Overly Simplified View



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## Claims vs. Premium (Excludes Fixed Costs)

	7/1/18-6/30/19	7/1/19-6/30/20	7/1/20-6/30/21
Raw Med & Dent. Claims (Before Pooling)	\$1,786,207	\$1,348,061	\$2,316,930
vs. Contributions	\$1,698,581	\$1,715,919	\$1,856,361
Ratio:	105%	79%	125%

# QCHIP Rankings 7/1/20-6/30/21



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	Avg. EE's	Med/Rx Loss Ratio
Lee County	131	120.6%
Byron Forest Preserve	24	114.5%
Rock Falls	86	113.6%
Rochelle	110	107.9%
Princeton	77	104.2%
Colona	26	102.7%
East Moline	267	102.4%
Freeport	166	94.0%
Washington	71	88.6%
<b>Overall</b>	<b>958</b>	<b>103.7%</b>



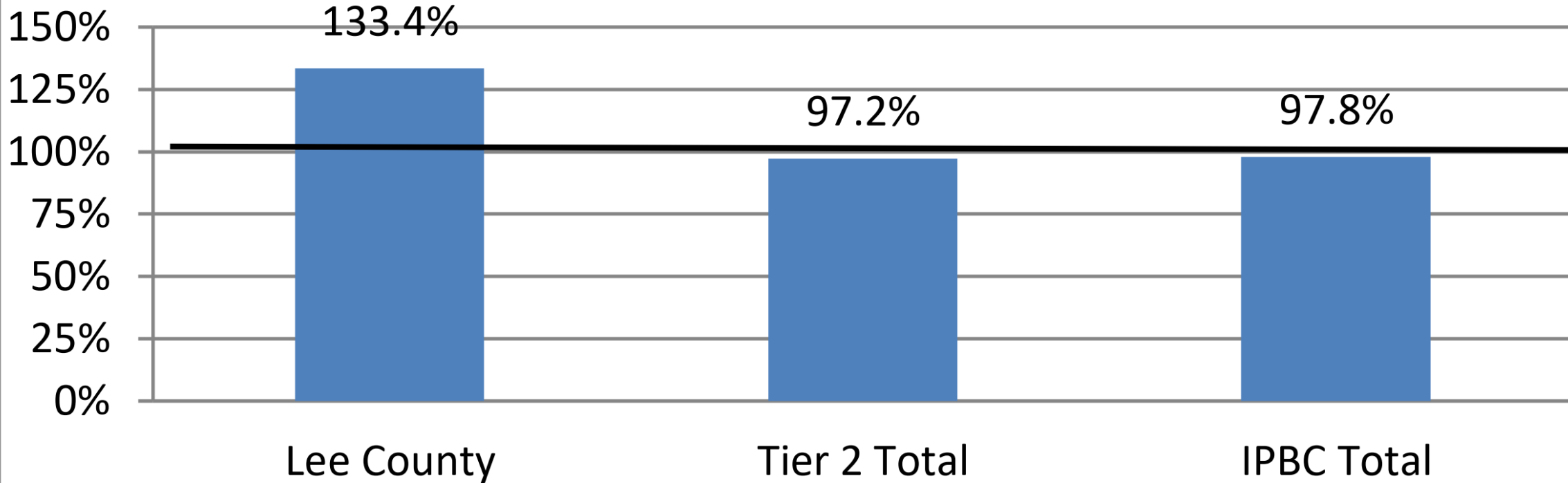
Target Loss Ratio is 99%



# Loss Ratios 7/1/21-2/28/22 (YTD)



## PPO Loss Ratio Plan Year To Date



# Deeper Dive into Current Lee County Health Insurance Rates



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# What Do IPBC Rates Cover?



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	Monthly IPBC Rates
Employee Only	\$720.77
Employee and Spouse	\$1,467.18
Employee and Children	\$1,371.92
Family	\$2,102.68

Benefits	BCBS PF0464
<b>Major Medical Coverage</b>	
<b>Deductible</b>	
Network	\$6,000 individual* / \$12,700 family
Non-Network	\$12,000 individual** / \$25,400 family
<b>Coinsurance</b>	
Network	100%
Non-Network	100%
<b>Out-of-Pocket (includes deductible)</b>	
Network	\$6,000 individual / \$12,700 family
Non-Network	\$12,000 individual / \$25,400 family



Just This



# However, Employees Given More



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Benefits	BCBS PF0464
Major Medical Coverage	
Deductible	
Network	<del>\$6,000 individual* / \$12,700 family</del>
Non-Network	\$12,000 individual** / \$25,400 family
Coinsurance	
Network	100%
Non-Network	100%
Out-of-Pocket (includes deductible)	
Network	<del>\$6,000 individual / \$12,700 family</del>
Non-Network	\$12,000 individual / \$25,400 family

**\$500 individual / \$1,000 family**

**\$1,400 individual / \$2,800 family**

# Envision Admin Fee \$7 PEPM



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EMPLOYEE BENEFITS

Envision Healthcare, Inc  
PO Box 5047  
Oak Brook, IL 60522  
Phone# 866-672-7526

## Invoice

Date	Invoice #
4/1/2022	215896

### Bill To

Lee County  
P.O. Box 329  
Dixon, IL 61021

**Total**

\$973.00

# Envision Admin Fee \$7 PEPM



AssuredPartners  
EMPLOYEE BENEFITS

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## Invoice

Date	Invoice #
4/1/2022	215896

### Bill To

Lee County  
P.O. Box 329  
Dixon, IL 61021

**Total**

\$973.00

X

Annualized Est. = \$11,676

# Envision 2019 Claims



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## Monthly HRA Claims Report

December, 2019

### Company

<b>Name:</b>	Lee County	<b>Run Date:</b>	3/31/2022
<b>Address:</b>	P.O. Box 329	<b>Group #:</b>	LEE010
<b>City/State</b>	Dixon, IL	<b>ZIP code</b>	61021
<b>Phone:</b>	(815)288-3309		

### YTD Totals, Includes Employees Terminated This Year

**\$304,957 Paid Out**



<b>RX Claims Paid:</b>	\$33,020.30	3.2%
<b>Medical Claims Paid:</b>	\$271,937.12	26.4%
<b>Special Claims Paid:</b>	\$0.00	0.0%
<b>Total Allotment</b>	<b>\$1,028,300.00</b>	<b>100.0%</b>

Exposure if Everyone Maxed Out Benefit

# Envision 2020 Claims



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## Monthly HRA Claims Report

December, 2020

### Company

<b>Name:</b>	Lee County	<b>Run Date:</b>	3/31/2022
<b>Address:</b>	P.O. Box 329	<b>Group #:</b>	LEE010
<b>City/State</b>	Dixon, IL	<b>ZIP code</b>	61021
<b>Phone:</b>	(815)288-3309		

### YTD Totals, Includes Employees Terminated This Year

**\$310,794 Paid Out**



<b>RX Claims Paid:</b>	\$29,779.47	2.9%
<b>Medical Claims Paid:</b>	\$281,014.35	27.0%
<b>Special Claims Paid:</b>	\$0.00	0.0%
<b>Total Allotment</b>	<b>\$1,038,900.00</b>	<b>100.0%</b>

Exposure if Everyone Maxed Out Benefit



# Envision 2021 Claims



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## Monthly HRA Claims Report

December, 2021

### Company

<b>Name:</b>	Lee County	<b>Run Date:</b>	3/31/2022
<b>Address:</b>	P.O. Box 329	<b>Group #:</b>	LEE010
<b>City/State</b>	Dixon, IL	<b>ZIP code</b>	61021
<b>Phone:</b>	(815)288-3309		

### YTD Totals, Includes Employees Terminated This Year

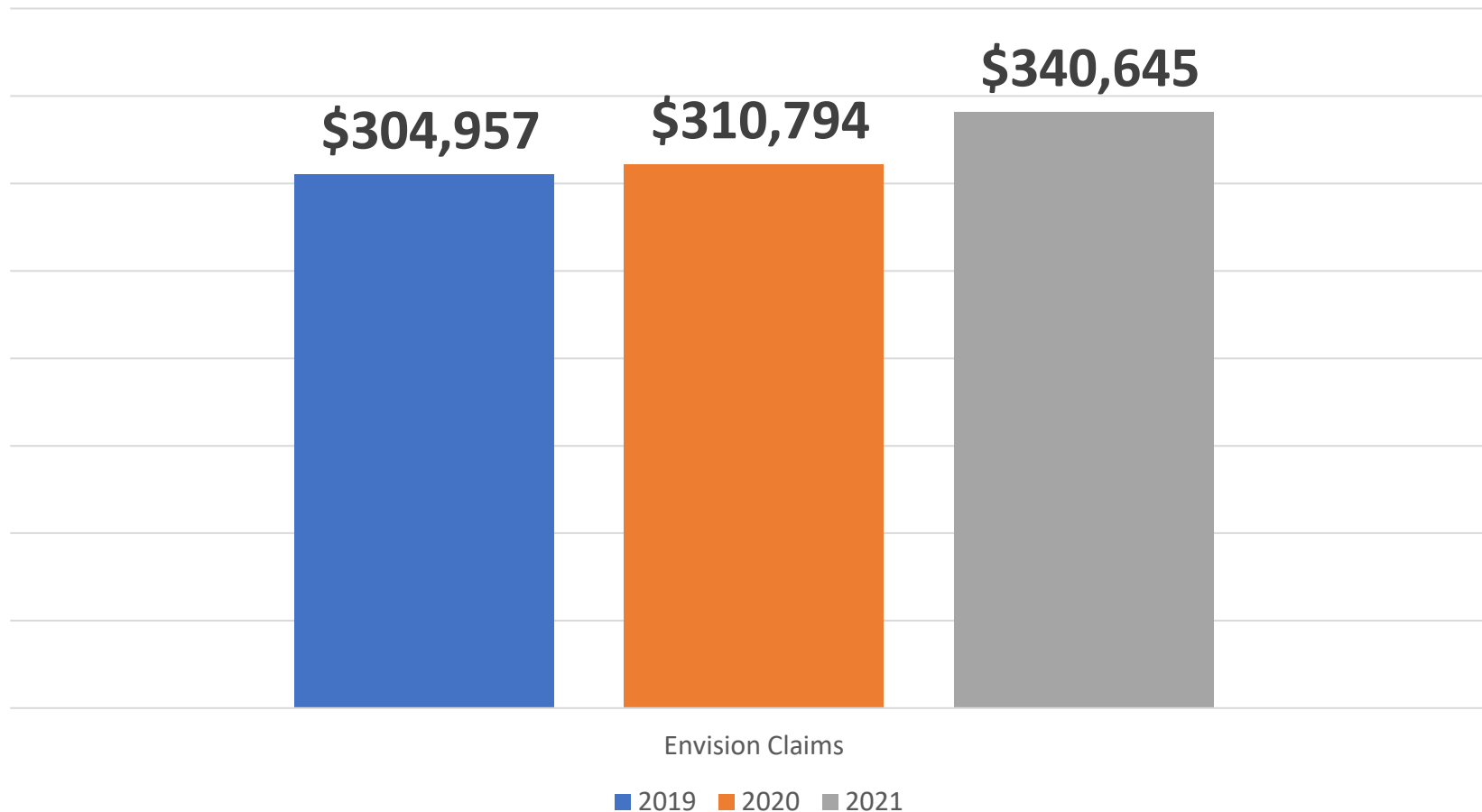
**\$340,645 Paid Out**



<b>RX Claims Paid:</b>	\$16,554.75	1.5%
<b>Medical Claims Paid:</b>	\$324,090.26	30.1%
<b>Special Claims Paid:</b>	\$0.00	0.0%
<b>Total Allotment</b>	<b>\$1,077,100.00</b>	<b>100.0%</b>

Exposure if Everyone Maxed Out Benefit

# Envision Claims – 3 Year Chart



# Putting It All Together...



	Monthly IPBC Rates	x Enrollment:	Total						
Employee Only	\$720.77	68	\$49,012						
Employee and Spouse	\$1,467.18	13	\$19,073						
Employee and Children	\$1,371.92	25	\$34,298						
Family	\$2,102.68	28	\$58,875						
		Monthly Total:	\$161,259						
		Annual Total:	<b>\$1,935,105</b>	+	<b>\$ 11,256</b>	+	<b>\$340,645</b>	=	<b>\$ 2,287,006</b>

Envision Admin

@ \$7 PEPM

Envision

Annual Claims

Annual

Total

Includes Active EE's, COBRA, and Retirees on Plan

# Put Another Way....



	Monthly IPBC Rates	x Enrollment:	Total			
Employee Only	\$720.77	68	\$49,012			
Employee and Spouse	\$1,467.18	13	\$19,073			
Employee and Children	\$1,371.92	25	\$34,298			
Family	\$2,102.68	28	\$58,875			
		Monthly Total:	\$161,259			
		Annual Total:	<b>\$1,935,105</b>			
				Envision Admin	Envision	Annual
				@ \$7 PEPM	Annual Claims	Total
				<b>\$ 11,256</b>	<b>\$340,645</b>	<b>\$ 2,287,006</b>



**Need to Inflate Rates by x 18.2% to Reflect Full Cost**

(Math:  $\$2,287,006 \div \$1,935,105 = 18.2\%$ )

# Challenge is EE Contributions Don't Take Into Account Envision \$\$\$



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	Monthly IPBC Rates		EE Cost Monthly
Employee Only	\$720.77	x 25% =	\$180.19
Employee and Spouse	\$1,467.18	x 25% =	\$366.80
Employee and Children	\$1,371.92	x 25% =	\$342.98
Family	\$2,102.68	x 25% =	\$525.67

Screenshot of current cost share memo

	<u>Contributions</u>				Employer <u>75%</u>	Employee <u>25%</u>	EE Per <u>Pay Period</u>
	<u>Health</u>	<u>Dental</u>	<u>Vision</u>	<u>Total</u>			
Employee	\$720.77			\$720.77	\$540.58	\$180.19	\$90.10
Employee & Spouse	\$1,467.18			\$1,467.18	\$1,100.36	\$366.80	\$183.40
Employee & Child	\$1,371.92			\$1,371.92	\$1,028.94	\$342.98	\$171.49
Employee \$ Family	\$2,102.68			\$2,102.68	\$1,577.01	\$525.67	\$262.84

# Renewal Rates: Note Plan Year



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## Lee County Renewal Rates

July 1, 2022 through December 31, 2023

LIFE	Rate Tier	7/1/2021 - 6/30/2022	7/1/2022 - 12/31/2023
The Standard Basic Life and AD&D	AD&D Rate	\$ 0.020	\$ 0.020
The Standard Basic Life and AD&D	Life Rate	\$ 0.100	\$ 0.095
PPO	Rate Tier	7/1/2021 - 6/30/2022	7/1/2022 - 12/31/2023
BCBS PPO	Employee Only	\$ 720.77	\$ 777.71
BCBS PPO	Retiree Only	\$ 720.77	\$ 777.71
BCBS PPO	Employee and Children	\$ 1,371.92	\$ 1,480.30
BCBS PPO	Retiree and Children	\$ 1,371.92	\$ 1,480.30
BCBS PPO	Employee and Spouse	\$ 1,467.18	\$ 1,583.09
BCBS PPO	Retiree and Spouse	\$ 1,467.18	\$ 1,583.09
BCBS PPO	Family	\$ 2,102.68	\$ 2,268.79
BCBS PPO	Retiree Family	\$ 2,102.68	\$ 2,268.79
Dental	Rate Tier	7/1/2021 - 6/30/2022	7/1/2022 - 12/31/2023
Delta Dental	Employee Only	\$ 24.29	\$ 23.08
Delta Dental	Retiree Only	\$ 24.29	\$ 23.08
Delta Dental	Employee and Spouse	\$ 48.98	\$ 46.53
Delta Dental	Retiree and Spouse	\$ 48.98	\$ 46.53
Delta Dental	Employee and Children	\$ 54.21	\$ 51.50
Delta Dental	Retiree and Children	\$ 54.21	\$ 51.50
Delta Dental	Family	\$ 93.49	\$ 88.82
Delta Dental	Retiree Family	\$ 93.49	\$ 88.82

Additional fees for buy up programs through Businessolver may apply

### 7/1/2022 - 12/31/2023 Rate Adjustment Summary

PPO	HMO	EPO	Dental
7.9%			-5.0%

Reminder- Excludes Cost of Envision Program

# Trending Story in the World of Benefits

THE WHITE HOUSE



[Administration](#) [Priorities](#) [COVID Plan](#) [Briefing Room](#) [Español](#)

[MEN](#)



BRIEFING ROOM

## FACT SHEET: Biden Harris Administration Proposes Rule to Fix “Family Glitch” and Lower Health Care Costs

APRIL 05, 2022 • STATEMENTS AND RELEASES

*President Biden Announces Proposal to Take Most Significant Administrative  
Action to Improve Implementation of the ACA Since its Enactment*

President Biden and Vice President Harris believe that health care is a right, not a privilege. They promised to protect and build on the Affordable Care Act (ACA), lowering costs and expanding coverage so that every American has the peace of mind that health insurance brings.

# ICHRA – Individual Coverage Health Reimbursement Account







## What is an ICHRA?

- The employer determines eligibility and sets allowance amounts
- Employees purchase an individual health insurance plan
- Employees pay in full for the plan of their choosing and provide proof of insurance
- The employer reimburses the employee based on the set allowance amounts
- Employees cover anything exceeding set allowances.

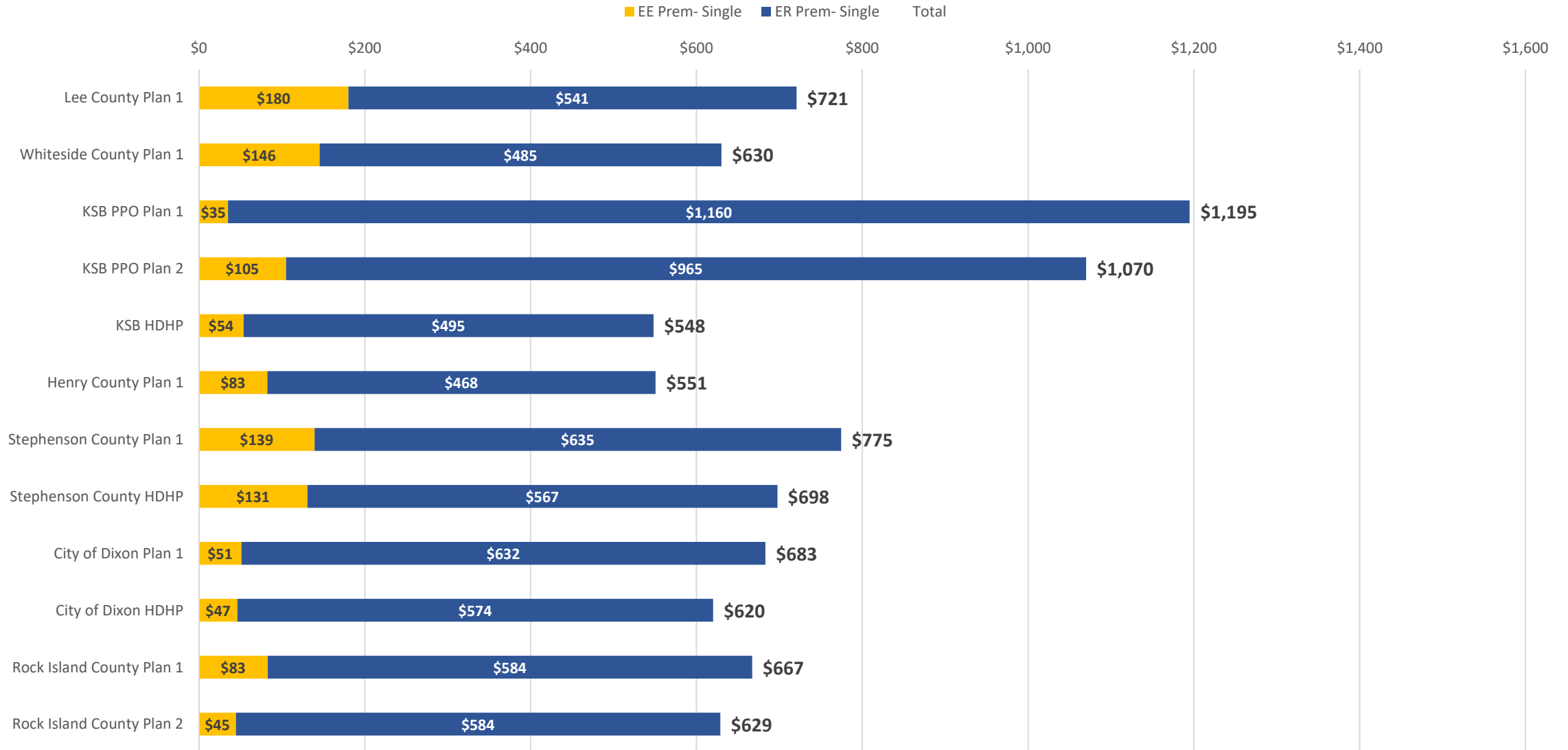




# Cost Sharing (Single) - Monthly

Corrected

*\*State of Illinois not represented*





# Cost Sharing (Family) - Monthly

Corrected

*\*State of Illinois not represented*

