



Insurance Committee Meeting Minutes

Lee County, Illinois

August 1, 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 2:00 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. Meeting Attendees and Visitors

Penny Skibinskie, Brandi Barkowskie, Lori Miller, Samantha Schmitt, Brad Johnson and Tally Neofotist (Health Insurance Consultants for Assured Partners), Nancy Petersen (County Clerk and Recorder), Wendy Ryerson (County Administrator) were present and attended in person.

Dave Anderson, Carmen Bollman, David Glessner, Christy Laws, Staci Stewart and Teri Zinke were absent.

IV. Approval of Minutes from the Previous Meeting - (May 16, 2022)

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

V. Old 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.

Here is an overview of current annual health insurance cost.

IPBC Pool \$1,935,105: BCBS plan with \$6,000 individual, \$12,700 family deductibles. Employees share 25% of BCBS premium - \$484,000.

Envision \$351,901: a 3rd party vendor which manages the deductible gap and FSA program. The gap between BCBS plan deductible (\$6,000/\$12,700) and Lee County employee plan deductible of \$1,400 (individual) and \$2,800 (family).

Administration Fee: \$11,256; deductible claims \$340,645. Employees do not share in the cost.

Total: \$2,287,006

Here are IPBC/BCBS rate changes effective July 1, 2022: \$2,087,978 annually; 7.9% increase. This will be effective for 18 months, until January 1, 2024 to align employee rate changes and IPBC rate change.

Motion to approve the present health plan and pool the county is presently enrolled in. **Moved** by Ms. Miller. **Second** by Ms. Skinbinski. **Motion** carried unanimously by voice vote.

VI. New Business

A. Insurance Carrier Bidding & Analysis

Lee County's latest loss ratio at 134.3% year to date.

IPBC Medical Renewal: July 1, 2022 through December 31, 2023 (note plan year) will increase 7.9% for 18 month rate.

Aetna, Cigna and Humana declined to quote.

Proposed BCBS of IL quote was very similar to Lee County's current BCBS plan – not enough to make a change at this time.

Brad Johnson will present this report to the Finance Committee at Thursday's budget hearing.

B. Wellness Committee Report

1. Ms. Miller reported Audit is complete and if the county passes the audit the county will receive \$65,200 sometime in August.

2. Handed out county's first time \$150 Gas Card giveaway to all employees on the county's health insurance which came out to be 126 Gas Cards for a total of \$18,900.

3. Mental Health fund raiser for Sauk Valley was a huge success, Lee County had a 1st year goal of \$250 and raised \$528.

4. Ms. Miller will go ahead and sign the contract for BioMetrics which will happen sometime in October.

VII. Adjournment – Insurance Committee Meeting

Motion to adjourn at 3:01 p.m. moved by Samantha Schmitt. Second by Lori Miller.
Motion past unanimously by voice vote.

The next meeting of the Insurance Committee will be at
2:00 p.m., on Thursday, September 22, 2022.

Respectively submitted by,

Penny Skibinskie, Lee County Insurance Deputy

Health Plan Review Project Lee County Insurance Committee August 1, 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

Reminder Where We Left Off



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EMPLOYEE BENEFITS

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) vs. Contributions		\$1,786,207	\$1,348,061	\$2,316,930
		\$1,698,581	\$1,715,919	\$1,856,361
Ratio:		105%	79%	125%

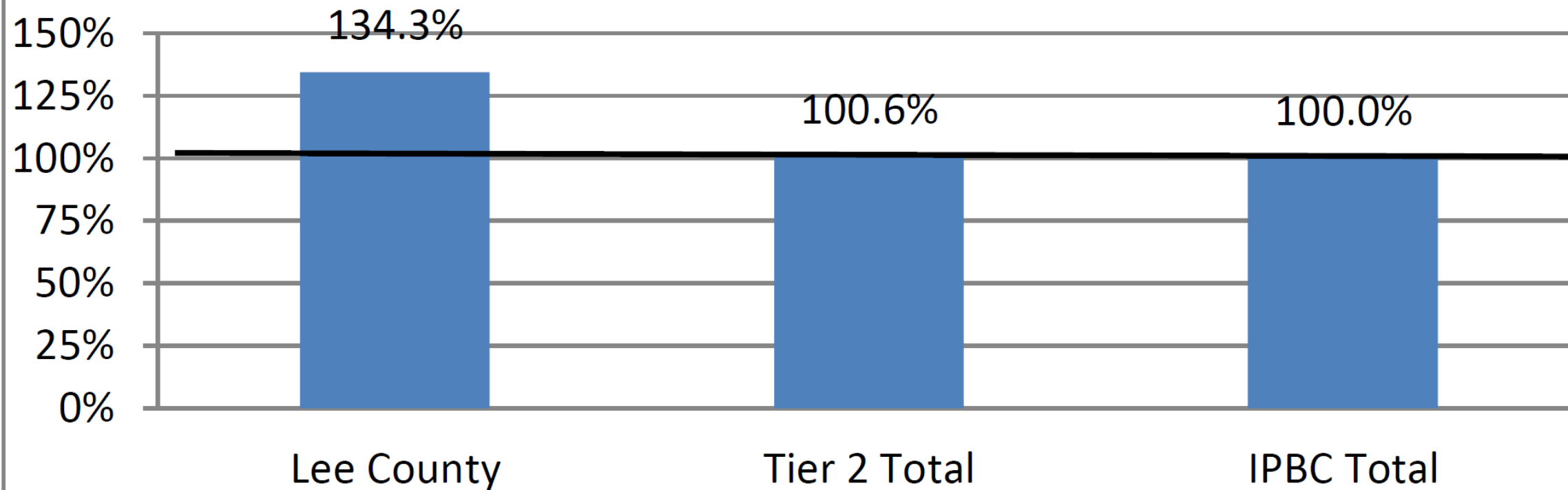
Latest Loss Ratios

7/1/21-5/31/22



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EMPLOYEE BENEFITS

PPO Loss Ratio Plan Year To Date



Was 133.4% At Our Last Meeting (Using Data Through Feb.)

IBPC Medical Renewal:

Note Plan Year



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EMPLOYEE BENEFITS

Lee County Renewal Rates

July 1, 2022 through December 31, 2023

7.9%, 18 Month Rate

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

Reminder- Excludes Cost of Envision Program

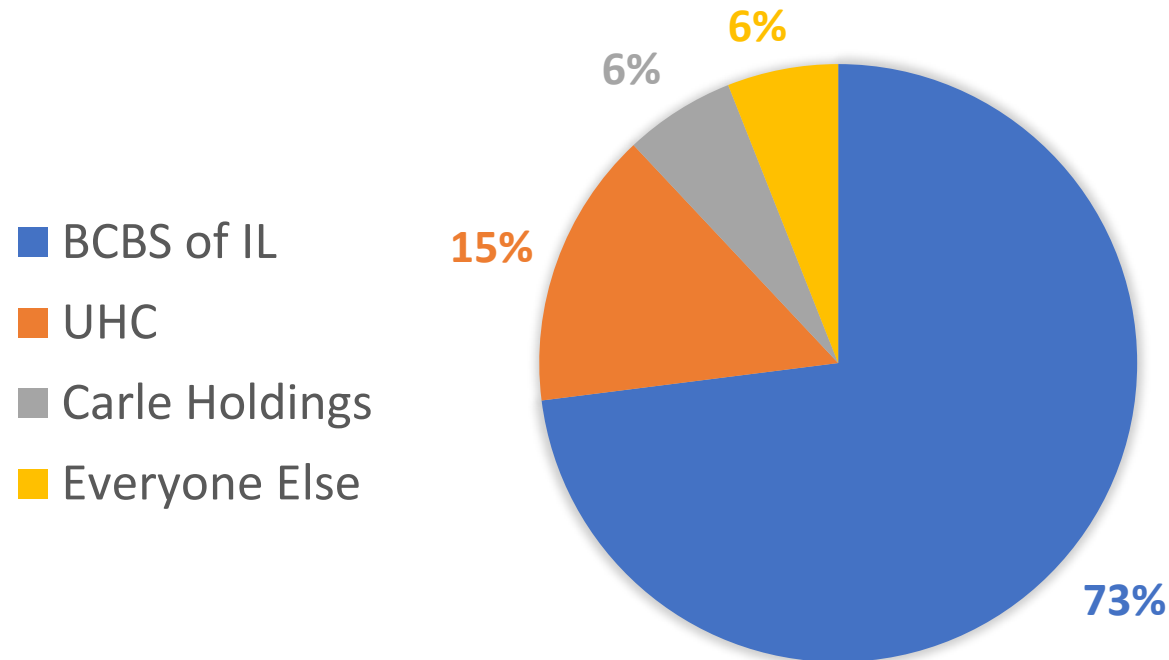
Large Group Carrier Market in IL



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EMPLOYEE BENEFITS

MARKET SHARE OF LARGEST INSURERS
ILLINOIS LARGE GROUP MARKET



Note: BCBS was Only One That Grew Since Prior Year

Insurance Markets Approached



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EMPLOYEE BENEFITS



BlueCross BlueShield
of Illinois



Humana



Status of Quote Process



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EMPLOYEE BENEFITS



Declined to Quote (DTQ)

Commentary: Everything previously submitted has been reviewed by underwriting but based on the current data it will be a DTQ due to risk. If in the future they have additional claims experience to share, UW can take another look, but as it stands now it will be a decline.

Status of Quote Process



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EMPLOYEE BENEFITS



Declined to Quote (DTQ)

Commentary: Thank you for considering Cigna for Lee County. Unfortunately, after UW review Cigna is not able to offer a competitive proposal. Therefore, we have declined to offer a quote at this time.

Status of Quote Process



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EMPLOYEE BENEFITS

Humana

Declined to Quote (DTQ)

Commentary: We will DTQ based upon potential risk. If we can get additional details via the RAF and/or any other reporting that might speak to their 134% I/r and if claims are active/cancelled, group improving, etc., we can take another look.

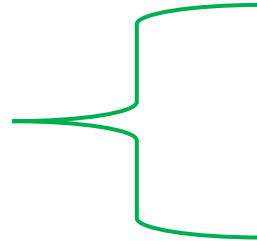
Insurance Markets Approached



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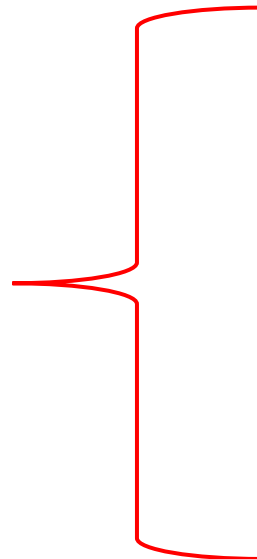
EMPLOYEE BENEFITS

Provided Quote



**BlueCross BlueShield
of Illinois**

Still Awaiting Response



**Health
Alliance™**



UnitedHealthcare®

Current Summary of Benefits and Coverage (SBC)






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EMPLOYEE BENEFITS

Summary of Benefits and Coverage: What this Plan Covers & What You Pay for Covered Services
: IPBC-Lee County: PPO Plan

Coverage Period: 01/01/2022-12/31/2022
Coverage for: Individual + Family | Plan Type: PPO

 The Summary of Benefits and Coverage (SBC) document will help you choose a health plan. The SBC shows you how you and the plan would share the cost for covered health care services. NOTE: Information about the cost of this plan (called the premium) will be provided separately. This is only a summary. For more information about your coverage, or to get a copy of the complete terms of coverage, visit www.bcbsil.com or by calling 1-800-458-6024. For general definitions of common terms, such as allowed amount, balance billing, coinsurance, copayment, deductible, provider, or other underlined terms see the Glossary. You can view the Glossary at <https://www.healthcare.gov/sbc-glossary/> or call 1-855-756-4448 to request a copy.

Important Questions	Answers	Why This Matters:
 What is the overall deductible?	For <u>In-Network</u> : \$6,000 Individual/\$12,700 Family For <u>Out-of-Network</u> : \$12,000 Individual/\$25,400 Family	Generally, you must pay all of the costs from <u>providers</u> up to the <u>deductible</u> amount before this plan begins to pay. If you have other family members on the plan, each family member must meet their own individual <u>deductible</u> until the total amount of <u>deductible</u> expenses paid by all family members meets the overall family <u>deductible</u> .
Are there services covered before you meet your deductible?	Yes. Certain <u>preventive care</u> and <u>prescription drugs</u> are covered before you meet your <u>deductible</u> .	This plan covers some items and services even if you haven't yet met the <u>deductible</u> amount. But a <u>copayment</u> or <u>coinsurance</u> may apply. For example, this plan covers certain <u>preventive services</u> without <u>cost-sharing</u> and before you meet your <u>deductible</u> . See a list of covered <u>preventive services</u> at www.healthcare.gov/coverage/preventive-care-benefits/ .
Are there other deductibles for specific services?	No.	You don't have to meet <u>deductibles</u> for specific services.
 What is the out-of-pocket limit for this plan?	For <u>In-Network</u> : \$6,000 Individual/\$12,700 Family For <u>Out-of-Network</u> : \$12,000 Individual/\$25,400 Family	The <u>out-of-pocket limit</u> is the most you could pay in a year for covered services. If you have other family members in this plan, they have to meet their own <u>out-of-pocket limits</u> until the overall family <u>out-of-pocket limit</u> has been met.

Proposed BCBS of IL Quote (SBC)



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EMPLOYEE BENEFITS

Summary of Benefits and Coverage: What this Plan Covers & What You Pay For Covered Services



: MIEEE2080 BlueEdge HSASM 2080

Coverage Period: 09/01/2022-08/31/2023

Coverage for: Individual + Family | Plan Type: PPO

Similar Plan



The Summary of Benefits and Coverage (SBC) document will help you choose a health plan. The SBC shows you how you and the plan would share the cost for covered health care services. **NOTE: Information about the cost of this plan (called the premium) will be provided separately. This is only a summary.** For more information about your coverage, or to get a copy of the complete terms of coverage, visit www.bcbsil.com/member/policy-forms/2021 or by calling 1-800-541-2768. For general definitions of common terms, such as allowed amount, balance billing, coinsurance, copayment, deductible, provider, or other underlined terms see the Glossary. You can view the Glossary at www.healthcare.gov/sbc-glossary/ or call 1-855-756-4448 to request a copy.

Important Questions	Answers	Why This Matters:
What is the overall deductible?	Individual: Participating \$6,000; Non-Participating \$12,000 Family: Participating \$12,000; Non-Participating \$24,000	Generally, you must pay all of the costs from <u>providers</u> up to the <u>deductible</u> amount before this plan begins to pay. If you have other family members on the plan, each family member must meet their own individual deductible until the total amount of deductible expenses paid by all family members meets the overall family deductible.
Are there services covered before you meet your deductible?	Yes. Certain <u>preventive care</u> services are covered before you meet your deductible.	This plan covers some items and services even if you haven't yet met the deductible amount. But a <u>copayment</u> or <u>coinsurance</u> may apply. For example, this plan covers certain <u>preventive services</u> without <u>cost-sharing</u> and before you meet your deductible. See a list of covered preventive services at www.healthcare.gov/coverage/preventive-care-benefits/ .
Are there other deductibles for specific services?	No.	You don't have to meet <u>deductibles</u> for specific services.
What is the out-of-pocket limit for this plan?	Individual: Participating \$6,000; Non-Participating \$12,000 Family: Participating \$12,000; Non-Participating \$24,000	The <u>out-of-pocket limit</u> is the most you could pay in a year for covered services. If you have other family members in this plan, they have to meet their own <u>out-of-pocket limits</u> until the overall family <u>out-of-pocket limit</u> has been met.
What is not included in the out-of-pocket limit?	Premiums, <u>balance-billed</u> charges, and health care this plan doesn't cover.	Even though you pay these expenses, they don't count toward the <u>out-of-pocket limit</u> .
Will you pay less if you use a network provider?	Yes. See www.bcbsil.com or call 1-800-541-2768 for a list of Participating <u>Providers</u> .	This plan uses a <u>provider network</u> . You will pay less if you use a <u>provider</u> in the plan's <u>network</u> . You will pay the most if you use an <u>out-of-network provider</u> , and you might receive a bill from a provider for the difference between the <u>provider's charge</u> and what your plan pays (<u>balance billing</u>). Be aware, your <u>network provider</u> might use an <u>out-of-network provider</u> for some services (such as lab work). Check with your <u>provider</u> before you get services.
Do you need a referral to see a specialist?	No.	You can see the <u>specialist</u> you choose without a <u>referral</u> .

Comparison of BCBS Quote



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EMPLOYEE BENEFITS

		18 Month Rate	9/1 Effective Date	Estimate for 1/1/23	
		IPBC Rates	IPBC Renewal Rates	BCBS Quote Plan MIEEE2080	BCBS Est for 1/1/23
	Count	7/1/21-6/30/22	7/1/22 - 12/31/23	9/1/22-8/31/23	1/1/23-12/31/23
Employee Only	71	\$720.77	\$777.71	\$762.31	\$781.37
Employee and Spouse	13	\$1,467.18	\$1,583.09	\$1,578.90	\$1,618.37
Employee and Children	26	\$1,371.92	\$1,480.30	\$1,402.24	\$1,437.30
Family	27	\$2,102.68	\$2,268.79	\$2,218.82	\$2,274.29
Monthly Total:		\$162,690	\$175,543	\$171,016	\$175,291
Annual Total:		\$1,952,283	\$2,106,513	\$2,052,193	\$2,103,498
% Increase:		7.9%	5.1%	7.7%	
\$ Increase / Yr:		\$154,229	\$99,910	\$151,214	

Inflated 2.5% for Trend

(10% Annualized)

Insurance Only - No Wellness \$

Reminder- All Premiums Above Exclude Cost of Envision Program

Quick Refresh on All Components of Lee County Health Insurance Plan



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EMPLOYEE BENEFITS



What Do IPBC Rates Cover?



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EMPLOYEE BENEFITS

Updated for 7/1/22 Renewal

	Monthly IPBC Rates
Employee Only	\$777.71
Employee and Spouse	\$1,583.09
Employee and Children	\$1,480.30
Family	\$2,268.79

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

Just This



IPBC

Intergovernmental
Personnel Benefit
Cooperative

However, Employees Given More



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EMPLOYEE BENEFITS



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

\$500 individual / \$1,000 family

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

What If You Bought the Complete Employee Facing Plan From IPBC?



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EMPLOYEE BENEFITS



Conventional PPO Plan 2 Lee County Effective 1/1/2023

Category	CURRENT	PROPOSED
Deductible		
Network	\$6,000 individual / \$12,700 family	\$500 individual / \$1,000 family
Non-Network	\$12,000 individual / \$25,400 family	\$1,000 individual / \$2,000 family
Coinurance		
Network	100% after deductible	70% after deductible
Non-Network	60% after deductible	50% after deductible
Out-of-Pocket (includes deductible)		
Network	\$6,000 individual / \$12,700 family	\$1,400 individual / \$2,800 family
Non-Network	\$12,000 individual / \$25,400 family	\$2,800 individual / \$5,600 family
Physician Services		
Network	Deductible applies, then 100%	Deductible applies, then 70%
Non-Network	Deductible applies, then 100%	Deductible applies, then 50%
Inpatient Hospital Care		
Network	Deductible applies, then 100%	Deductible applies, then 70%
Non-Network	Deductible applies, then 100%	Deductible applies, then 50%
Outpatient Hospital Care		
Network	Deductible applies, then 100%	Deductible applies, then 70%
Non-Network	Deductible applies, then 100%	Deductible applies, then 50%
Hospital Emergency Care		
Network	Deductible applies, then 100%	Deductible applies, then 70%
Non-Network	Deductible applies, then 100%	Deductible applies, then 50%
Other Covered Services		
Network	Deductible applies, then 100%	Deductible applies, then 70%
Non-Network	Deductible applies, then 100%	Deductible applies, then 50%
Preventive Care		
Network	Deductible applies, then 100%	Deductible applies, then 70%
Non-Network	Deductible applies, then 100%	Deductible applies, then 50%
Prescription Drug (administered by Express Scripts)		
Retail (34-day supply)	Deductible applies, then 100%	Deductible applies, then 70%
Mail Order (90-day supply)	Deductible applies, then 100%	Deductible applies, then 50%
Prescription Drug Out-of-Pocket Maximum (network)	N/A	N/A
HRA Single	Employee pays first \$500. Employer pays 70% of next \$3,000 (or \$2,100) & employee pays 30% (or \$900). Employee pays a total of \$1,400. Employer pays last \$2,500 at 100% for a total of \$4,600.	None
HRA Family	Employee pays first \$500 x2. Employer pays 70% of next \$3,000 x2 (or \$2,100 x2) & employee pays 30% (or \$900 x2). Employee pays a total of \$1,400 x2. Employer pays last \$5,700 at 100% for a total of \$9,900 max.	None

What If You Bought the Complete Employee Facing Plan From IPBC?



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EMPLOYEE BENEFITS

		18 Month Rate	18 Month Rate	
		IPBC Renewal Rates 7/1/22 - 12/31/23	IPBC (Eliminating HRA) 7/1/22-12/31/23	
	<u>Count</u>			
Employee Only	71	\$777.71	\$1,158.35	
Employee and Spouse	13	\$1,583.09	\$2,357.92	
Employee and Children	26	\$1,480.30	\$2,204.83	
Family	27	\$2,268.79	\$3,379.24	
Premiums Paid to IPBC:		\$2,106,513	\$3,137,530	49%
+ Envision Claims (Assume 2021 Usage):		\$340,645	\$0	-100%
+ Envision Admin (Assume 2021 Fee):		\$11,256	\$0	-100%
Grand Total:		\$2,458,414	\$3,137,530	28%
Difference:		\$679,117		

What If You Bought a Similar (But Not Identical) Employee Facing Plan From BCBS Direct?



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EMPLOYEE BENEFITS

	<u>Plan Summary</u>	<u>Plan Summary</u>
Deductible:	\$500 / \$1,000	\$500 / \$1,000
Coinsurance:	70/30%	90/10%
Out of Pocket:	\$1,400 / \$2,800	\$1,500 / \$4,500

		18 Month Rate	12 Month Rate	
		IPBC Renewal Rates 7/1/22 - 12/31/23	BCBS Direct (Eliminating HRA) 9/1/22-8/31/23	
	Count			
Employee Only	71	\$777.71	\$1,113.10	
Employee and Spouse	13	\$1,583.09	\$2,305.46	
Employee and Children	26	\$1,480.30	\$2,047.50	
Family	27	\$2,268.79	\$3,239.85	
Premiums Paid to IPBC:		\$2,106,513	\$2,996,544	42%
+ Envision Claims (Assume 2021 Usage):		\$340,645	\$0	-100%
+ Envision Admin (Assume 2021 Fee):		\$11,256	\$0	-100%
Grand Total:		\$2,458,414	\$2,996,544	22%
		Difference:	\$538,131	

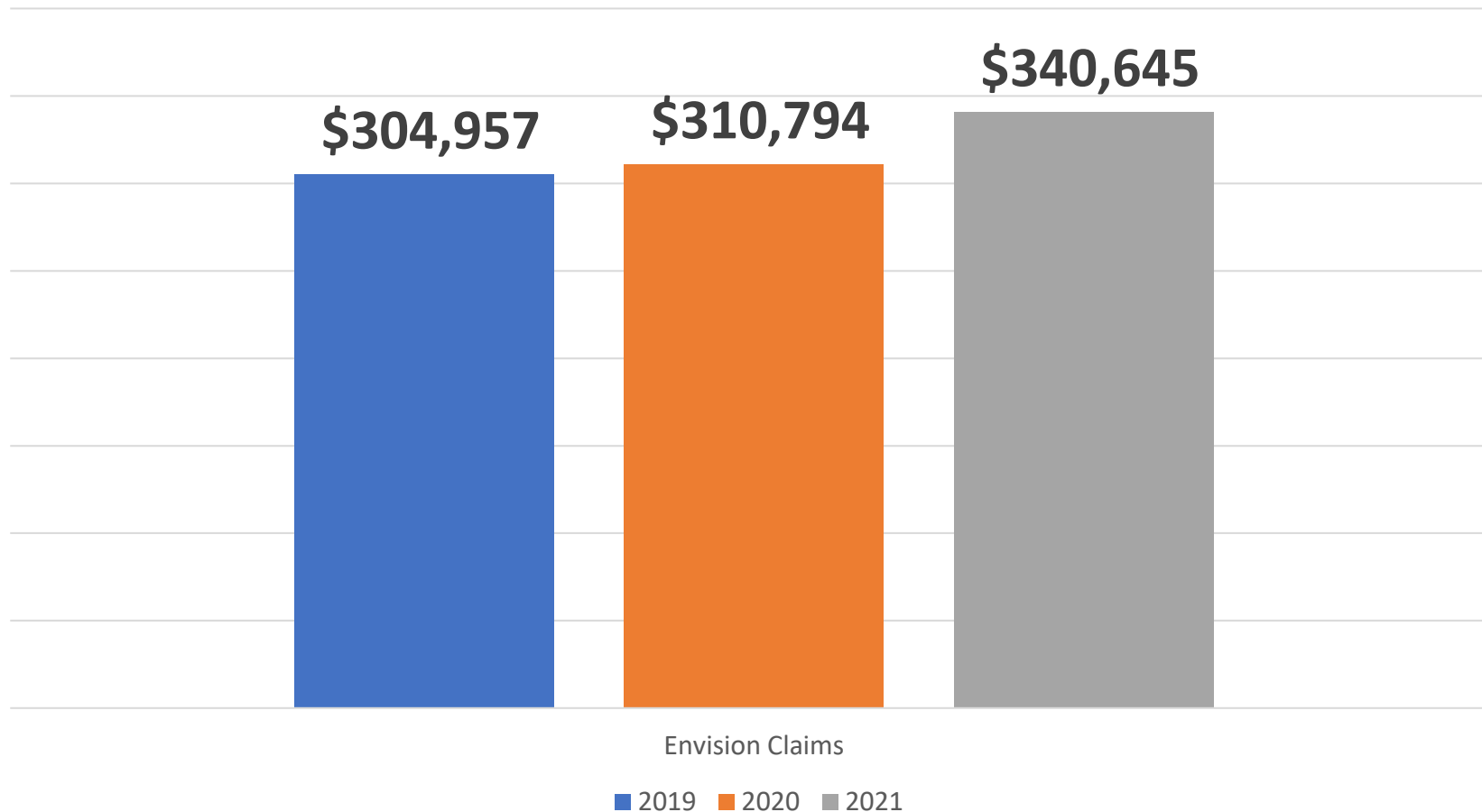
+ Update for Trend for 1/1 Eff. Date

Envision Claims – 3 Year Chart



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EMPLOYEE BENEFITS



Putting It All Together...



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EMPLOYEE BENEFITS

Updated for 7/1/22 Renewal

	7/1/22 Renewal IPBC Rates	x Enrollment:	Total			
Employee Only	\$777.71	71	\$55,217			
Employee and Spouse	\$1,583.09	13	\$20,580			
Employee and Children	\$1,480.30	26	\$38,488			
Family	\$2,268.79	27	\$61,257			
		Monthly Total:	\$175,543			
		Annual Total:	\$2,106,513			
				Envision Admin	Envision	Annual
				@ \$7 PEPM	Annual Claims	Total
				+ \$ 11,508	+ \$340,645	= \$ 2,458,666

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

Put Another Way....



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EMPLOYEE BENEFITS

	7/1/22 Renewal IPBC Rates	x Enrollment:	Total				
Employee Only	\$777.71	71	\$55,217				
Employee and Spouse	\$1,583.09	13	\$20,580				
Employee and Children	\$1,480.30	26	\$38,488				
Family	\$2,268.79	27	\$61,257				
		Monthly Total:	\$175,543				
		Annual Total:	\$2,106,513	+	@ \$7 PEPM \$ 11,508	+	Envision Admin Annual Claims \$340,645
						=	Annual Total \$ 2,458,666

Need to Inflate Rates by x 16.7% to Reflect Full Cost

(Math: $\$2,458,666 \div \$2,106,513 = 16.7\%$)

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



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EMPLOYEE BENEFITS

Existing Method to Calculate Employee Contributions

	7/1/22 IPBC Rates		EE Cost Monthly
Employee Only	\$777.71	x 25% =	\$194.43
Employee and Spouse	\$1,583.09	x 25% =	\$395.77
Employee and Children	\$1,480.30	x 25% =	\$370.08
Family	\$2,268.79	x 25% =	\$567.20

Vs. if 25% Cost Sharing Accurately Reflected All Costs of Health Plan

	7/1/22 IPBC Rates		EE Cost Monthly		EE Cost If All Costs Included
Employee Only	\$777.71	x 25% =	\$194.43	x 1.167 =	\$226.90
Employee and Spouse	\$1,583.09	x 25% =	\$395.77	x 1.167 =	\$461.87
Employee and Children	\$1,480.30	x 25% =	\$370.08	x 1.167 =	\$431.88
Family	\$2,268.79	x 25% =	\$567.20	x 1.167 =	\$661.92

