

County of Summit Developmental Disabilities Board

MINUTESWednesday, November 25, 2009
12:30

The **special meeting** of the County of Summit Developmental Disabilities Board was held on Wednesday, November 25, 2009 at the Summit DD administrative offices located at 89 East Howe Road, Tallmadge, Ohio 44278. The **special Board Meeting** convened at 12:35 a.m.

BOARD MEMBERS PRESENT

William J. Ginter, President
Jacqueline S. Cooper, Vice President
Olivia P. Demas, Secretary
Joseph Siegfert

BOARD MEMBERS EXCUSED

Linda M. Bordenkircher
Randy Briggs
Cynthia Walker

ALSO PRESENT

Thomas L. Armstrong, Superintendent
Lisa Kamlowsky, Assistant Superintendent
Harold Harrison, Director of Human Resources
Billie Jo David, Director of Planning & Performance
Excellence and Quality Assurance
Kevin McGee, Director of PCR/Specialty Businesses
Maggi Albright, Recording Secretary
Nancy Gordon, Transportation Administrator

Joe Eck, Labor Relations Manager
Tom Whitfield, CFO/CIO
Carrie Roberts, Director of Adult Svs.-
Community Employment
Tom Jacobs, Director of Operations
Holly Brugh, Director of Children'
Services
and others

I. CALL TO ORDER

The purpose of this special Board Meeting is to review the recommendations for 2010 health insurance options and rates.

II. 2010 HEALTH INSURANCE RATES

In November 2008 the Summit County Health Insurance Department reported an additional 6% increase in Medical Mutual health insurance premiums for 2009 in addition to the 11% increase that had been previously communicated, for a total increase in 2009 premiums of 17%. During the December 2008 Board Meeting, the Board adopted a resolution for the Agency to pay the additional 6% increase, for 2009 only, as part of the Board's share of health insurance premiums. This additional amount that the Board covered amounted to \$262,000. The Board's 2010 budget reflects a 10% increase relative to health insurance rates, for a total 2010 budget amount of \$5,572,492 for health benefits.

SPECIAL BOARD MEETING *(continued)*

II. 2010 HEALTH INSURANCE RATES *(continued)*

The Summit County Health Insurance Department advised that Medical Mutual of Ohio's EPO/PPO plans would reflect a 14% increase for the 2010 benefit year. If these plans were selected for Summit DD employees, those enrolled with Medical Mutual would experience a 20% increase in the employee's share of medical benefits since the Board would no longer cover the additional 6% increase from 2009. Additionally, the Board was advised of a 12% increase to the 2010 Kaiser Permanente health plan. For 2010, the Summit County Health Insurance Department has offered two new health insurance plans; Medical Mutual of Ohio PPO Plus and Medical Mutual of Ohio PPO Advantage. These plans offer comparable coverage but have slightly higher co-payments, have deductible requirements and also co-insurance amounts. Under the current health plans, co-payments are \$10 and they will be \$15 for doctor visits/\$20 for specialists under the proposed new plan. Prescription co-payments are currently \$5 and will become \$10. Current health plans do not have deductibles; there will be a \$300 single/\$600 family deductible requirement under the proposed new plan. The proposed new plan has co-insurance amounts of \$1,500/single and \$3,000/family. The Board asked what a 20% increase would amount to for staff. Mr. Armstrong replied that approximately 82% of staff are currently enrolled in the Medical Mutual EPO plan and these staff will experience a slight decrease in premiums under the proposed new Medical Mutual PPO Advantage plan. It is estimated that the remaining 28% of staff will see an increase of approximately \$40 per pay in premiums under the proposed new plan. The Summit DD Insurance Committee, consisting of eight management representatives and eight bargaining unit representatives (two representatives from each bargaining unit), have met on a number of occasions to review options but the committee has not been able to come to consensus and has not made a recommendation relative to benefit plans for 2010. The Board asked why the Insurance Committee was unable to reach consensus. Mr. Harrison, who serves on the Summit DD Insurance Committee, replied that some members wanted to keep the existing EPO and exceed the 2010 budget and management explained that exceeding the budget was not an option. Another strategy some committee members favored was offering the new lower cost plan along with the current plan, with the assumption that a number of staff would switch to the plan with lower monthly premiums, bringing benefits within budgeted dollars; management did not agree with this strategy because it is not possible to predict how many staff would switch plans. Mr. Armstrong commented that the Board is attempting to offer high quality health benefits within budget dollars that have been allocated. The Board noted that this is the second time that the Summit DD's Insurance Committee failed to meet its charge of providing a recommendation to the Board relative to health benefits for staff. The HR/LR Committee has also been actively involved in the benefits review process and recommends that the Board discontinue the health plan with Kaiser Permanente and discontinue the current Medical Mutual health plans. It recommends that the Board offer staff the Medical Mutual PPO Advantage health insurance plan for 2010 benefits. It is also recommended that the Board allocate \$400,000, in 2010 only, to reimburse staff the difference in newly incurred co-payments and deductibles under the new plan above what would have been paid under 2009 benefits.

SPECIAL BOARD MEETING (continued)

II. 2010 HEALTH INSURANCE RATES (continued)

Additionally, it is recommended that the Board maintain Delta Dental in 2010. Dental rates reflect a 4% increase over 2009 rates. The EyeMed vision insurance rates remain the same for 2010 as they were in 2009. The monthly Flexible Spending Account administrative fee will increase to \$4.30 from \$4.15 effective in January 2010. The Board asked how the reimbursement payments would be managed to ensure equity and consistency. Mr. Harrison advised that reimbursements will be based on actual documented expenses and a process will be established to handle these reimbursements. The Board asked for a total dollar amount if all employees sought the maximum reimbursement. Mr. Armstrong speculated that it would be in excess of one million dollars. The Board suggested compiling a forecast of how many staff may utilize this benefit based on historical usage and what amount would be reimbursed. This information can be reviewed by the HR/LR Committee. The Board stated that decisions relative to health benefits need to be realistic relative to the state of the economy. In Summit County there have been reductions in workforce, reductions in services, furloughs, unilateral pay cuts and a taxpayer base dealing with a 10% unemployment rate. Funds are available in the budget and the 2010 health insurance rates have been recommended for approval by the November HR/LR Committee.

III. ACTION ITEM

A. 2010 HEALTH INSURANCE RATES

R E S O L U T I O N No. 09-11-11

Mr. Siegfert moved that whereas the Board is responsible to provide group hospitalization, medical and dental benefits for all of its full-time employees; and

Whereas the Board currently provides group hospitalization and medical benefits through the Summit County Medical Mutual EPO and PPO health plans and through Kaiser Permanente; and

Whereas in November of 2008, the Board adopted Resolution No. 08-11-07 increasing the Summit County Medical Mutual EPO and PPO 2009 insurance rates by eleven percent and;

Whereas subsequent to this action, the Board was notified by the Summit County Insurance Department of an additional six percent (6%) increase to the 2009 premiums resulting in a total increase of seventeen percent (17%) for the 2009 insurance rates. The Board adopted Resolution No. 08-12-17 electing to absorb the additional six percent increase for the 2009 calendar year only rather than passing the additional six percent cost increase on to its employees. This action by the Board increased the Board's cost for health insurance by \$262,000 for calendar year 2009; and

SPECIAL BOARD MEETING *(continued)*

III. ACTION ITEM *(continued)*

A. 2010 HEALTH INSURANCE RATES *(continued)*

R E S O L U T I O N

No. 09-11-11

Mrs. Demas moved that whereas on October 26, 2009 the Summit County Insurance Department reported to the Board an increase to the Summit County Medical Mutual EPO and PPO 2009 insurance rates of fourteen percent (14%). On November 23, 2009 Summit County Council adopted a resolution confirming such increase; and

Whereas on October 30, 2009 Kaiser Permanente reported to the Board an increase to the 2009 HMO insurance rates of twelve percent (12%); and

Whereas the Board has adopted a 2010 budget that reflects a ten percent (10%) increase for health insurance premiums for calendar year 2010; and

Mrs. Cooper moved that whereas the increases in premiums for the three current health plans offered by the Board exceed the ten percent increase for health care premiums budgeted by the Board for 2010; and

Whereas the Summit County Insurance Department made available in 2009 a Medical Mutual of Ohio PPO Advantage health care plan; and

Whereas the 2010 premium rates for the Medical Mutual of Ohio PPO Advantage health care plan will result in a slight premium decrease for employees currently enrolled in the Medical Mutual of Ohio EPO plan (approximately 82% of Board employees); Now Therefore be it

Resolved that the Board adopt the Summit County Medical Mutual PPO Advantage health care plan for eligible employees for the 2010 calendar year with the rates as presented in Attachment #1. The Medical Mutual EPO and PPO and Kaiser Permanente HMO health insurance plans shall not be offered by the Board after December 31, 2009.

Mr. Ginter moved that the Board shall allocate up to Four Hundred Thousand Dollars (\$400,000), in calendar year 2010 only, to reimburse certain documented in-network, out of pocket expenses incurred by employees, as outlined in Attachment #1. Approval of the \$400,000 reimbursement level is subject to review and approval by the Superintendent's HR/LR Committee by December 31, 2009 of a reimbursement cost forecast based upon historical claims data. Be it further

Resolved that the Board maintain Delta Dental for dental benefits in 2010, and EyeMed vision insurance in 2010, with the rates as presented in Attachment #1. The motion was seconded by Mr. Siegfert.

SPECIAL BOARD MEETING *(continued)*

III. ACTION ITEM *(continued)*

A. 2010 HEALTH INSURANCE RATES *(continued)*

R E S O L U T I O N No. 09-11-11

Mr. Ginter advised that Randy Briggs was unable to attend the meeting today and noted that he serves on the Superintendent's HR/LR Committee and has been very involved in the dialogue relative to 2010 health insurance rates and proposed plans. Mr. Briggs strongly supports the recommendations of the November HR/LR Committee relative to 2010 health insurance. Mr. Ginter further commented that it is difficult to communicate all that went into the discussions and decisions relative to 2010 health insurance but indicated that he is pleased that the Board is able to continue to offer exceptional benefits and he applauds the appropriate and responsible use of public funds.

The motion was unanimously approved.

The special Board Meeting adjourned at 1:17 a.m.

Olivia Demas, Secretary