

POA BENEFITS COMMITTEE
Minutes for September 20, 2012

Attendees Present: Jeff Burlew, Nancy Drury, Bill Lacour, Nina Smith, Rich Sneath, Steve Steinberg, Shane Strangfield (as proxy for Matt Ellington), Todd Rollins, and Carolyn Williams

The meeting officially began at approximately 4:08 p.m.

The meeting began with updates to Providence's alternative care benefits. Bill and Carolyn have passed along significant employee feedback to Providence regarding the ASH network's poor service. While discussions are still in the preliminary stage, there may be a possibility that Providence will contract with Complementary Health Plan (CHP) for Clackamas County effective 01/01/2013. While the network is half the size, providers are more likely to get paid through CHP. There would be no rate or benefit difference. Steve noted he would support switching to CHP from the ASH network. Carolyn will keep the group informed.

INFORMATION REQUESTS

All information requests were supplied through email on September 17th, 2012 prior to the meeting.

Bill clarified the differences between Kaiser Dental Plans L and W. The main differences are the annual benefit maximum (there currently is no annual benefit maximum). Plan L has an annual plan maximum of \$2,000 and Plan W has an annual plan maximum of \$1,500. In addition, the periodontics, endodontics, major restorative, and removable prosthetic services have a coinsurance versus the current plan structure of copays.

Neither the union nor the management members of the committee had any proposed changes to the plan for 2013. Jeff pointed out that the researched possible changes to the plan only have small financial percentage decreases. In order to make a major change to the premium, significant changes to the medical plans must be made which could really affect employees and their families.

Bill concurred and said that 20% of the participants make up 80% of claims. That is impossible to overcome. After that, changes to the medical plans result in small percentage changes unless they are significant changes. It is easier to make changes to the dental plans for greater cost savings.

Todd noted that a big part of the 2012 committee's purpose was to come to a better common understanding of what goes into plan design. Steve felt the committee succeeded in that regard.

Nancy said that there had to be changes to deductibles in order to have a considerable change to the premiums. By going from \$0 to \$250, there is a decrease of 3% for the Providence Personal Option and 2.25% by going from \$50 to \$250 for the Open Option.

Jeff noted that only a small amount of POA members (40 in 2012) have elected the Personal Option. Overall, it may not make a large difference to the Personal Option. Steve Steinberg pointed out that there are a lot of unknown variables. Jeff reflected that according to the

meeting regarding the Affordable Care Act (ACA), the election in November may change things or lead employer groups in certain directions to comply with the ACA. Jeff stated that he was not taking any political stance but noting it for the committee's reference.

Nancy clarified that unless the union was proposing changes, the plans would remain the same in 2013. Steve confirmed that no changes were being proposed. Steve also asked what the target date is for any potential changes for 2014. Carolyn clarified that the goal is 09/01/2013. Changes may be proposed up to mid-September, but the first is the target date.

Steve also noted that the ball is the Union member's court to look at carving out POA as a separate group or make changes to the plans. If it was decided that was where the plan should go, the changes should coincide with the end of the benefit year as contracts are made for the entire calendar year. Steve proposed that no meeting be scheduled for the future as research still needs to be done.

Nancy agreed, however requested that all the members of the committee be included in looking at plan designs so everyone is on the same page and has the same information available to them. Steve said that was fine, but the POA members are prepared to do the legwork ("nuts and bolts") so that the room had information to start. Nancy noted that a lot of the nuts and bolts can be provided by Carolyn, Jan, and Bill as they are available to answer questions regarding benefits and provide that information. So, if the POA members wanted to ask questions, get the answers, and then talk amongst themselves, that is a good place to start.

Bill confirmed that Mercer is available to be contacted for questions. Bill noted that what most groups look at when looking at becoming self-funded is administrative fees (5-10% of total). 90% is on the claims side. The real dollars are in claims discounts. Steve Steinberg confirmed that that the discounts and rebates are really the catalyst for the POA. The discounts are where other groups, such as Clackamas Fire, find their cost savings.

Bill mentioned that a lot of plans will provide repricing by taking a group's claims through other plans and then recast it to show what the group would have paid under the other plan's system. Jeff confirmed that the committee can get numbers from Mercer after the 2012 claims are filed so that it can be repriced.

Nancy asked if Clackamas Fire was self-funded. Steve confirmed that they are self-funded. They use a network and look at creative things to manage benefits. Similar to any plan, some people like the benefits and others do not. However, overall, the significant cost savings is the money that comes back to them as a group. Steve said that was the appeal for the POA to have more freedom of how to use those funds: whether it be stockpiling for another year or using it to reimburse members for out of pocket expenses.

Nancy noted that DES Benefits had talked to Clackamas Fire District in 2011 and it may be good to sit down as an entire committee and talk to them again so that everyone hears the same questions and answers. Nancy also noted that Carolyn and she will be talking to Deschutes County regarding their onsite clinic and how that works for the County in terms of logistics and cost savings. Shane suggested that Nancy and Carolyn visit Clackamas Fire as well as they have an onsite facility for their plan members.

Nancy said that Deschutes County has advised that one step in getting employees to buy-in to an onsite clinic is to introduce the pharmacy services first as opposed to what they did: introduce medical care first. It would allow employees and their families to trust the system and privacy of the clinic before introducing medical services. In addition, Deschutes County also hired a third party administrator to process the claims which may satisfy those employees who worry about privacy.

Shane said that he has met with Clackamas Fire several times in regards to their wellness programs and they have physical and occupational therapy program and they may be interested in partnering with Clackamas County to provide those services. It may be something to keep in mind. Nancy said that she agreed as long as there were enough office hours and services for the population it serves.

Both Nancy and Steve confirmed that everyone has the same goal. The increase each year to health premiums is unsustainable for the POA and the General County. Fringe benefits are no longer fringe benefits as Carolyn noted benefits on average are at 60% of an average employee's compensation.

ACTION ITEMS

- Mercer will research the last five or ten years of claims to see if POA had been their own group during that time, what the premiums would be at this point in time.

The meeting adjourned at 4:45pm

MEETING SCHEDULE

- A meeting will be scheduled after Carolyn and Nancy visit the Deschutes Onsite Clinic, potential times are scheduled with Clackamas Fire, and the POA talk to other Unions and groups regarding their own plan structures.