

Human Resources Committee Meeting Douglas County, Nebraska

Tuesday, January 7, 2014

The meeting convened at 12:19 p.m. in Room 903 of the Omaha-Douglas Civic Center, 1819 Farnam Street, Omaha, NE 68183. A copy of the Open Meetings Act is located on the wall near the entrance of the room. A notice of the meeting was published in the December 31, 2013 issue of The Daily Record. County Commissioners present at the meeting were Mary Ann Borgeson, Mike Boyle, Clare Duda, PJ Morgan, Chris Rodgers, and Pam Tusa. Others present at the meeting were Patrick Bloomingdale, Diane Carlson, Catherine Hall, and Kaieva Williams of County Administration; Lee Lazure and Kathy Adair of Civil Service Commission/Human Resources (HR); Dan Esch of the Clerk/Comptroller's office; and Tracy Krause of Aon. Commissioner Borgeson conducted the meeting.

1. Discussion regarding proposed health insurance dependents audit.

Speaking to the item were Ms. Adair, Commissioner Morgan, Commissioner Borgeson, Commissioner Boyle, Mr. Lazure, Ms. Carlson, Mr. Bloomingdale, Ms. Krause, Commissioner Tusa, and Commissioner Rodgers. Highlights from the discussion included the following:

- Ms. Adair and Commissioner Borgeson said the County's Internal Auditor is recommending that the County do a dependent audit for the County's medical and dental plans.
- Mr. Lazure said most organizations have started requiring new employees to bring forth birth certificates and/or a marriage license if the employee is claiming dependents when enrolling in the organization's healthcare plan.
- Ms. Adair went over some steps HR has already taken.
 - Ms. Adair said after an incident several years ago where it was discovered that an employee from Corrections was claiming an ineligible dependent, HR started requiring documentation for any dependent with a different last name from the employee.
 - Ms. Adair said as of January 1st, any employee that adds a child or a spouse is required to provide a copy of the birth certificate and/or marriage certificate to HR.
 - Ms. Adair said because of this step, she believes from here forward the County should be in good shape as far as covering eligible dependents for new employees, but she said she's not sure what the County already has for the longevity employees.
- Ms. Carlson said the dependent audit will help the County make sure they are providing benefits to the people who are entitled to it from here forward.
- Ms. Adair said HR wouldn't perform the audit because they wouldn't have the time to; an outside agency would need to come in and obtain marriage licenses and birth certificates.
 - Commissioner Borgeson asked why employees can't submit documentation during Open Enrollment.
 - Ms. Adair said HR doesn't receive forms or other documentation during Open Enrollment because everything for Open Enrollment is done online.
- Ms. Krause discussed Aon's proposal for the County's dependent audit.
 - Ms. Krause reviewed a handout which included employer statistics, project features, and project assumptions.

- Ms. Krause said Aon has done a dependent audit for the State of Nebraska, City of Lincoln, and Lancaster County.
 - Ms. Krause said the City of Lincoln had 2,800 dependents and 69 dependents were deemed ineligible. Lancaster County had 1,000 dependents and 29 were deemed ineligible.
- Ms. Krause said Aon would charge \$42 per DCE (Dependent Covering Employee) to do a dependent audit for the County, which would bring the total cost to \$50,820.
 - Commissioner Boyle said he thinks there are many lawyers in Omaha who would like to have a shot at this audit and would do it for less than the price Aon is proposing.
 - Ms. Krause said she doesn't know of another company who would do the audit and doesn't believe an attorney would be willing to take on the amount of documentation for \$50,000.
 - Ms. Krause said with Aon's proposal, if the audit found 14 ineligible dependents, then the audit would pay for itself.
 - Mr. Bloomingdale said the County could put out an RFP on the dependent audit.
- Possible repercussions for employees caught carrying ineligible dependents were discussed.
 - Mr. Bloomingdale said since it is taxpayer money, he thinks one could make the case that the County has an obligation to recover the money from employees who have been carrying ineligible dependents.
 - Commissioner Rodgers said he thinks it's unrealistic to expect to recover money.
 - Ms. Adair said when the County caught the employee from Corrections claiming an ineligible dependent, the County did not get restitution.
 - Commissioner Borgeson said Lancaster County granted amnesty to employees who were claiming ineligible dependents.
 - Commissioner Boyle said he'd like to have all County employees sign a contract stating that their dependents are eligible, and if an employee is carrying dependents who are ineligible, then the employee would have to make up for the claims paid.
 - Mr. Bloomingdale said the County can't enter in to a contract with employees who are covered by a bargaining unit.
 - Mr. Bloomingdale said if an employee is represented then the County would have to do the contract with the union that represents them.
 - Ms. Adair said currently the enrollment cards require the employee to say they are carrying eligible dependents, but it does not say anything about restitution.
 - Mr. Bloomingdale said it's possible that if it's a matter of criminal insurance fraud, the Court could order restitution through the criminal case.
 - Ms. Krause said a collection of claims would not be included in the dependent audit.
 - Ms. Krause said once a dependent is deemed ineligible, the County does not have to offer COBRA to them.
- Mr. Lazure said the audit could bring about some resistance from employees who will be upset that they have to go find their marriage license and/or birth certificates of their children.
 - Mr. Lazure said the resistance should not stop the County Board from moving forward with the audit, but it is a likely ramification.
- Commissioner Morgan said some school districts and large corporations will randomly select a certain number of employees to audit annually.
- Commissioner Borgeson said the County will put out an RFP for a dependent audit, then the dependent audit topic will be brought back for discussion once the RFP results are in.

- Commissioner Borgeson said the Board will need to keep considering if there will be any repercussions for employees carrying ineligible dependents.

2. Discussion regarding contracting with a wellness vendor.

Speaking to the item were Ms. Adair, Ms. Krause, Commissioner Borgeson, Commissioner Boyle, Commissioner Tusa, Commissioner Rodgers, Commissioner Duda, Mr. Bloomingdale, Ms. Carlson, and Mr. Lazure. Highlights from the discussion included the following:

- Ms. Krause reviewed a handout that outlined wellness initiatives and goals for Douglas County.
 - Ms. Krause said she worked with HR and County Administration to come up with this.
- Ms. Krause said two wellness vendors, Viverae and SimplyWell, made presentations to members of HR and County Administration.
 - Ms. Krause said Mr. Bloomingdale, Ms. Carlson, Mr. Lorenz, Ms. Adair, Mr. Lazure, herself, and another individual from Aon sat in on these presentations.
- Ms. Krause said Viverae is the group's recommendation because they have impressive technology, a quality implementation team, and a web site that tracks everything, thus alleviating the workload for HR.
 - Ms. Krause said with 100% employee participation, a wellness program with Viverae would cost the County \$184,267 a year.
 - Ms. Krause said it would be a three year contract with Viverae, and that most wellness vendors prefer three years.
 - Commissioner Borgeson said the wellness vendor will be paid for out of the Medical Insurance Fund.
- Ms. Krause and Ms. Adair discussed what a wellness vendor would do for the County.
 - Ms. Krause said a wellness vendor will provide a biometrics screening and a health risk assessment for the employees to participate in.
 - Ms. Krause said once those results are in, the wellness vendor will tell the County where the problem areas are and help the County come up with a strategy to attack those areas.
 - Ms. Krause said typically during the first year or two of a wellness plan, employees would be the only ones eligible to participate, not their dependents.
 - Ms. Krause said the wellness plan can be for all employees, but would recommend for the first year that the wellness plan only be available to those employees on the County's health plan
 - Ms. Adair said a wellness vendor will offer many tools online and she feels a wellness vendor will be able to get more employees to participate than the County would on its own.
- Commissioner Boyle said he thinks the County will have trouble getting employees to participate in the wellness program if it isn't mandatory.
 - Mr. Bloomingdale said the County could probably require employees to go through the biometrics and take a physical, but he doubts the County could deny health insurance.
 - Ms. Krause said Aon works with one private company who gate keeps and denies health insurance for those who don't participate in the wellness program.
 - Ms. Krause said Aon doesn't recommend going that way because of all of the legal issues.

