

## Human Resources Committee Meeting

### Douglas County, Nebraska

Tuesday, August 9, 2016

The meeting convened at 10:03 A.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 August 4, 2016, issue of *The Daily Record*. The County Commissioners present at the meeting were Mary Ann Borgeson, Clare Duda, Chris Rodgers, and P.J. Morgan. Others present at the meeting were Patrick Bloomingdale, Joe Lorenz, Diane Carlson, and Catherine Hall, County Administration; Karen Buche and Kathy Adair, Human Resources; Tracy Krause and Jolene Froendt, AON; Mike Schlosser, AETNA; and Constance Mierendorf, Douglas County Clerk/Comptroller's office. Commissioner Borgeson chairs the Committee.

A video recording of the meeting is available on the Douglas County Website:

<http://commissioners.douglascounty-ne.gov/board-meetings/videos>.

### **Health Insurance Administration Proposals**

- Patrick Bloomingdale said the County did a Request for Proposals for Health Insurance Plan Administration. Three proposals were received: Aetna, Blue Cross/Blue Shield and United Health Care. Currently United Health Care is the County's administrator.
- Tracy Krause is the County's contracted consultant from AON who is in the process of reviewing the proposals along with internal staff. Mr. Bloomingdale said he is not prepared to discuss the proposals at this point, but he will address the process of moving forward.
- The next step in the process is to interview all 3 companies. Those interviews will be scheduled on August 17 and 18; Commissioners are invited to attend the interviews. The next Human Resources Committee Meeting will be held on August 23 where the recommendation for a company will be discussed with the goal of approving a company at the Board of Commissioners meeting on August 30. This will allow for time to prepare for open enrollment.
- Commissioner Morgan said the County needs to be aware that any change in carriers can be disruptive to employees. Commissioner Duda pointed out that it is painful to switch carriers and there needs to be a compelling reason to do so.
- Mr. Bloomingdale said that these are proposals and the County is not obligated to take the lowest price. What is in the best interests of the County and the employees will be considered.
- Ms. Krause said only the carriers are at play; they will administer the plans but the plans themselves will remain the same. Under consideration are the administration costs and the claims discount.

### Life Insurance Proposals

- Kathy Adair said the County has contracted with Minnesota Life Insurance Company since 2005, and they have done a very good job. At one point Minnesota Life lowered the rate for basic life coverage, extended supplemental insurance for spouses and children, and extended supplemental coverage up to \$500,000 for employees.
- However, since the County's experience rating went sky high over the past 2 years, the Minnesota Life renewal rate was increasing dramatically. The County therefore went out for proposals and received 8. Two of those proposals, VOYA and Met Life, were significantly better than their competitors and Minnesota Life.
- Voya offers the lowest rate for Basic Life and Accidental Death and Dismemberment at \$79,519 (See Attachment A). This is still a slight increase over current Minnesota Life rates, but it is still lower than any other carrier. Jolene Froendt, AON, also negotiated a lower rate from Voya on Voluntary Life which is a cost to employees.
- Ms. Adair said staff would like to recommend Voya to the Board of Commissioners.
- Joe Lorenz said Voya is currently one of the administrators of the County's 457 deferred compensation plan.
- Ms. Krause said the current rate the County is paying Minnesota Life is \$73,241 and it is proposed to go up to \$106,723. The Voya rate is \$79,519 which is an increase, but a modest one given the County's recent experience. Voya has also agreed to a 3 year guarantee on the rates.
- Ms. Adair said, unlike health and dental insurance, claims for life insurance are processed at the County and employees do not deal with the carrier.
- Mr. Lorenz explained that Voya is a spin-off of ING Group, a Dutch Company. ING is a free standing North American Company that is traded on the New York Stock Exchange and it has severed ties with ING.
- Ms. Adair noted that she was aware that the Commissioners had inquired about what the savings would be if the County dropped Accidental Death and Dismemberment insurance. She looked into this and found that nearly all employers offer this benefit. It has only been paid out 3 times during her tenure. It is a minimal cost of \$10,000 and is a benefit worth keeping.
- The Voya contract would be effective January 1, 2017, and extend for 3 years.
- Ms. Adair would like to present this for Board approval on August 30.

### Renewal of Agreement with Delta Dental

- Ms. Adair said the County has been with Delta Dental since 2014. The company has offered the County a renewal rate that is flat-- no increase. She recommends that the County renew with Delta Dental for another 3 years at a rate of \$3.05/employee/month.

- This will also be presented to the Board for approval at the August 30 meeting.

#### **Union Bank Discussion**

- Diane Carlson said Union Bank has been hosting County employees' high deductible plan for health insurance since 2010. Initially, the bank did not charge employees; however, the cost to them eventually rose to \$20/year and in July was increased to \$24/year for each employee. About 50 employees participate in the plan.
- The Board requested that she investigate other options and while there are other banks that may offer a lower rate, other fees may apply. Further, there are fees associated with moving from Union Bank.
- Ms. Carlson now has a contract from Union Bank that says it will freeze these fees until December 2018. Prior to that, the County will go out with a Request for Proposals.

#### **Other Business: Wellness Program**

- Kathy Adair said the success of the Viverae program has become overwhelming. Approximately 200-300 gift cards are being issued every month. The complaints when the gift cards were discovered to be taxable also created a burden for the Human Resources office.
- Ms. Adair said that the two tier program for 2016 has been successful. Participants who reached the first tier were given a gift card right away. More than 300 people have earned their second gift card. The second round of cards will be distributed in December.
- She is proposing a Premium Incentive to replace the gift card program. In October, the County works out a program design for the following year with Viverae. The Premium Incentive would provide a discount on health insurance premiums each pay period. The points that are earned in 2017 would be applied to employee insurance premiums beginning in 2018. If an employee meets the requirements for a reduction in premiums, that savings would be \$25/month in pretax dollars for a total of \$300/year. If a spouse participates, that would mean a premium savings of \$50/month or \$600/year for the employee and spouse.
- Additionally, a lump sum is not taken out of the County's medical fund. Most employers offer a Premium Incentive plan.
- Patrick Bloomingdale said he believes the unions will receive this program positively in 2017 but suggested that the idea be vetted with them.
- Commissioner Borgeson suggested that Ms. Adair create an Executive Summary sheet, a one-pager, that Diane Carlson, Marcos San Martin and Ms. Adair can present to the unions.
- Commissioner Duda raised the question about whether the program is worth \$600 to the County for a couple that participates in the program.

- Ms. Adair said last month was the end of the first 2 years of participation with Viverae and the County may begin to get some statistics about the effectiveness of the program.
- Two basic elements of participation are biometric screening and the member health assessment. The screenings are key to preventative care and early detection of health problems. Additionally, the program provides coaching for anyone who wants assistance with issues like nutrition, smoking cessation, etc. Ms. Adair believes the Premium Incentive program will attract more participants.
- Ms. Adair said she has had a handful of people tell her how glad they were to have participated in the program because they have detected health problems they were not aware of.
- Joe Lorenz said money is saved when people get early intervention. The data is clear that early detection of health problems saves money.
- Ms. Adair said she is aware that diabetes and heart disease are issues for County employees, so this voluntary program offers the opportunity for coaching and early intervention.
- Participation is up this year and the program is entirely voluntary.
- Mr. Bloomingdale asked for consensus from the committee about the new direction of using Premium Incentives. Ms. Adair said full board approval would be desirable before October 1 so next year's plan can be designed.
- Commissioner Borgeson suggested that a Power Point presentation be made to the Board after Human Resources is able to get input from the unions.
- Diane Carlson said that the Viverae contract ends at the end of this year, but the contract is being extended at no additional cost. Ms. Adair added that the present per employee fee for coaching, which is \$125/year, would remain. Viverae had originally proposed a per month/per employee fee. This was also negotiated by Jolene Froendt.
- Commissioner Borgeson asked about how employees get information about opportunities with Viverae. Ms. Adair discussed the effectiveness of the portal as well as 5 large bulletin boards in the building where health information is posted. She also sends out massive email flyers when there is a new program.
- Tracy Krause said a marketing piece could be created to promote the Premium Incentive program.
- Commissioner Borgeson said the County should be the leader on marketing wellness and promoting public health.
- Ms. Adair said that before open enrollment begins, her office sends out a letter to each employee's home address to inform them about open enrollment and Viverae information could be sent at the same time.

The meeting adjourned at 12:42 P.M.