

## Human Resources Committee Meeting

### Douglas County, Nebraska

Thursday, August 24, 2017

The meeting convened at 1:33 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 August 17, 2017, issue of *The Daily Record*. County Commissioner Mary Ann Borgeson chaired the meeting. Others present at the meeting included Patrick Bloomingdale, Joe Lorenz, Diane Carlson, Marcos San Martin, and Catherine Hall, County Administration; Matt Oberle, Human Resources; Carl Betts, Local 251; Michelle Winger, EULA; Nancy Ward, Local 571; Brian Parizek, Fraternal Order of Police #2; Scott Stevens, Stevens and Associates; Tracy Krause, Aon; and Sheri Larsen, Amanda Wells, Rocio Padilla, and Constance Mierendorf, Douglas County Clerk/Comptroller's office.

A video recording of the meeting is available on the Douglas County Website:  
<http://commissioners.douglascounty-ne.gov/board-meetings/videos>.

#### **Flexible Spending Account (FSA) Administration**

- Matt Oberle presented the FSA Vendor Proposals (Attachment p.3). The current vendor is Payflex with a \$3.65/participant administrative fee. Payflex's re-enrollment fee is \$250.00 and the rate is guaranteed for 3 years. The renewal period is coming up, so Mr. Oberle researched other vendors.
- The overall claim experience with Payflex has not been satisfactory. Claim substantiation has often been an area of difficulty.
- Mr. Oberle found 2 competitive vendors and is recommending Discovery Benefits. The administrative fee for Discovery is \$3.35/participant with no re-enrollment fee and a 5-year rate guarantee. This would mean a savings of 20%, \$6,737, over 2 years over Payflex rates.
- Claim processing should be improved with Discovery. A single debit card will cover all claims: medical, parking, dependent care, etc.
- Aon is currently using Discovery with positive results. Scott Stevens also spoke in favor of Discovery.
- The other vendor, Connect Your Care, offers an administrative fee of \$2.10/participant with a re-enrollment fee of \$250.00 and an initial setup fee of \$500.00. Like Discovery Benefits, it guarantees rates for 5 years.
- Savings with Connect Your Care would be \$12,242 or 36.7% over 2 years compared with Payflex. Though the price is attractive, Mr. Oberle was not satisfied with the interview he had with the company in terms of its preparedness and technology.
- Mr. Oberle said he would like to schedule implementation for January 1.

### **Premium Rates**

- Premium rates for 2018 medical coverage are 4% above 2017 rates. This means an employee only rate would increase from \$50.21 to \$52.21. A family premium would increase from \$266.04 to \$276.68 (Attachment p.7).
- Dental premiums will increase 1% over 2017. A single employee will increase from \$3.79 to \$3.82 and the family rate will increase from \$13.08 to \$13.21.

### **Health Savings Account (HSA) Rates and Plan Design**

- Matt Oberle discussed some ideas about making the High Deductible Health Plan (HDHP) more attractive to employees (Attachment p. 6). Among the ideas he presented are premium reductions, making the plan standard for retirees and front-loading HSA contributions.
- Scott Stevens suggested that more engagement and education are needed from HSA providers to help employees understand the benefits of the HSA.
- Commissioner Borgeson said that even though new employees receive information about health care options during new employee orientation, they are often not focused and don't always understand the benefits completely.
- Patrick Bloomingdale said the HSA is difficult to understand and one-on-one consultation may be the solution. Making the information sessions about HSAs attractive and helping employees understand them is a challenge.
- Joe Lorenz said the health care plans the County offers are in the top 10% of offerings. They simply don't exist in the private sector and, if anything, are an incentive to draw people to come to work for the County.

### **Pharmacy Plan Options**

- Blue Cross Blue Shield has introduced 3 new, narrower pharmacy options that could potentially save the County money. The options exclude CVS/Target pharmacies and as they become more restrictive, they reduce the number of pharmacies in the plans and limit enrollees to Walgreens/Walmart (Attachment p.8).
- Option 1 is the least aggressive of the plans and keeps 55,000+ pharmacies in the plan. Option 1 would save approximately \$72,600 annually and would disrupt 239 members or 7.2% of claims.
- Option 2 would reduce the number of eligible pharmacies to 40,000+. It would exclude independent pharmacies in addition to CVS/Target. The estimated savings would be approximately \$94,464 per year. The estimated disruptions would be to 322 members or 10.1% of claims.
- Option 3 would reduce the number of pharmacies to the preferred pharmacies, Walgreens/Walmart, and would save approximately \$124,384 annually. The disruptions

would be to approximately 784 members or 25.8% of claims. This is the most aggressive option.

- Discussion followed about the desirability of grocery store pharmacies like Hy-Vee and Bakers.
- Mail order drugs would still be an option.
- Specialty drugs need to be considered.

#### **Separating Medical/Dental/Vision plans**

- Matt Oberle said the goal for Human Resources is to make options for employees more flexible when it comes to health plans (Attachment p. 11).
- Unintended consequences of changing the plans even 10% could mean an increase in the amount of money the County would pay for administrative services to Blue Cross Blue Shield.
- Commissioner Borgeson said the separation needs to be simple and easy for employees to understand.

#### **Wellness Program Enhancements**

- Matt Oberle discussed the Wellness Program (Attachment p. 12). Only 4.8% of participants have met the incentive goal of earning 250 points by December 1 to qualify for the \$25/member/month discount on health insurance premiums for 2018.
- Of the 2,945 eligible participants, only 282 (9.6%) have earned some points.
- One of the questions raised was whether the incentive is large enough.
- Joe Lorenz said he had experience with a program where people pledged to participate and this increased participation. This would allow immediate reward rather than having to earn points ahead of time.
- Sheri Larsen said last year employees received a number of reminders and options for earning points from Kathy Adair. She said some employees undoubtedly forgot about Viverae.
- HR is adding a "new hire" participant level with reduced point goals for those hired in September and a pregnancy goal so no negative readings will occur because a woman is pregnant.
- Discussion followed about whether increasing the premium would help. The number of points needed to qualify for the reward increased from 200 to 250 this year. Many employees liked the gift card but did not like to be taxed for it. More advertising and reminders from Human Resources (HR) may help boost participation.
- Brian Parizek said some employees did not like sharing private health information with the Viverae system.

- Commissioner Borgeson said reminders via email should come from HR and further discussion should occur about the privacy issue.

The meeting adjourned at 1:55 P.M.