

RUTHERFORD COUNTY BENEFITS & INSURANCE COMMITTEE  
MARCH 25, 2010 COURTHOUSE

MINUTES

MEMBERS PRESENT:

VIRGIL GAMMON  
MICHAEL JONES  
MERRY HICKERSON  
PAULA BARNES  
REGINA HARVEY  
EDWIN MCKNIGHT  
JOYCE EALY  
JEFF SANDVIG  
ALLEN MCADOO  
GREG HALL

OTHERS PRESENT:

LOIS MILLER  
EVELYN ANDERSON  
SONYA STEPHENSON  
DAN GOODE  
PAUL HUFFMAN  
LISA NOLEN  
JEANNIE HERNDON  
KELLIE PERRIEN  
ERNIE CLEVINGER  
BRENDIE RITCHEY  
AUDIENCE

Merry Hickerson announced that Mayor Burgess was not in attendance, and she would be acting as Chairman on his behalf. The discussion about GASB had been removed from the agenda, and will be discussed at the next Insurance meeting.

APPROVE MINUTES:

A motion was made by Greg Hall to approve the minutes from December 17, 2009 meeting. The motion was seconded by Mike Jones and passed unanimously.

FINANCIALS:

Lois Miller, Insurance Director, reviewed the past 2 month's financial data handout. The medical, dental, and vision graph runs up and down, however, the average is about the same as last year at this time. The CareHere clinics are running about 2.5% higher, but overall, the same as last year. CareHere clinic visits have increased, the average per month is 1806 visits per month compared to 690 visits per month last year at this time, a 7% increase. The GASB liability is 22.7 million for February 2010. The medical PEPM remains around \$670, while the average CareHere visit remains about the same \$30.59. The work injury fund performance is down 25% from last year at this time and about 25 claims remain open from worker's comp. Of those 25, 7 are in the process of being closed. Eight other cases have closed, but have open medical claims.

WORK INJURY STATS:

Dan Goode, Safety Coordinator, reviewed the OSHA report for February 2010. There were a total of 24 reported OJI injuries, making a total of 44 for the year. Of those, 29 were recordable with 9 having restricted days and 8 having lost days, 12 others were recordable only. The Board of Education had 16 claims with \$20,017.18 incurred expenses and the County General had 8 claims with \$13,925.44 incurred expenses.

Mr. Goode stated that the Training Specialist, Tim Street, has recently conducted safety training with 50 lead custodians. They discussed and developed operating procedures geared toward the upcoming summer months when floors are waxed and buffed.

WELLNESS UPDATE:

Kelli Perrien, Wellness Coordinator, reviewed the 1<sup>st</sup> quarter events. "Aging Well" was the topic for the January GetRutherfit Lunch & Learn; "Identity Theft" was presented on March 9<sup>th</sup>. The CPR class in February had 26 participants, and Thin for Life started March 2<sup>nd</sup> with 13 participants. CareHere continues to offer several programs which include CareHere Weigh, Emotional Eating, Freedom from Smoking, and Menopause and Hormone Replacement. The next Start!Walking Program will kick off on April 7<sup>th</sup>, with a Wii being the grand prize for the employee or dependent logging the most steps. All program date and times can be found on the HR intranet calendar for County General employees and through James Evans and Heather Corban for the Board of Education employees. All questions and comments may be directed to [getrutherfit@rutherfordcounty.org](mailto:getrutherfit@rutherfordcounty.org).

Mrs. Perrien also reviewed a sample Employee Wellness flyer which will soon be made available to employees. The flyer describes all the classes, webinars, programs, and websites available to members of the County health insurance program.

CIGNA ADMINISTRATION RENEWAL:

The CIGNA medical and dental administration renewal is July 1<sup>st</sup>. CIGNA is staying with flat fees again (3<sup>rd</sup> year of a 3 year guarantee), with the exception of the stop-loss fee. This fee is usually not a guaranteed rate or fixed expense. Normally a plan can see a 10% increase, however, the County has had good experience and CIGNA has offered a 2% decrease (\$11,000) on the medical renewal. The dental administration is holding to CIGNA's guarantee as this is the 2<sup>nd</sup> year of a 3 year guarantee.

Mrs. Miller explained that there is an alternative scenario for the renewal. Two new well aware programs are available, Healthy Pregnancies and Healthy Babies (Comprehensive Maternity Program) and Cancer Care Support. In the past year, the County has had 9 high pregnancy claimants resulting in over \$1.1 million; an average of \$126,000 for each. Also, over 13 high cancer claimants have cost over \$827,000, or \$64,000 each in that same time frame. The cost to add these programs is minimal, 72 cents per employee.

The Healthy Pregnancies program supports pregnant members and members considering pregnancy, whether they simply need information about pregnancy and babies, or are identified as high-risk and need specialized case management. The program includes preconception and prenatal education through print and online tools, appropriate incentives to increase identification and participation rates, a comprehensive assessment of every identified pregnant member and development of individualized care plans tailored to each member's specific needs. To encourage early self-referral, the program offers a tiered incentive; upon completion, \$150 if she enrolled in the first trimester, and \$75 if she enrolled in the 2<sup>nd</sup> trimester of pregnancy. Typically, the incentive is given after she completes a postpartum assessment.

The Cancer Care Support program offers resources in prevention strategies to treatment support and survivorship planning. There is a wide variety of print, online communication, websites, and 24-hour health information line available. Based on each member's specific needs, CIGNA makes sure the member has access to the right providers and ongoing support from case managers and other nurses who can help with treatment options, make decisions and coordinate care. The program also offers needed support for members and their families who are facing end-of-life care.

Mrs. Miller stated that if the County purchased both programs, a savings of \$82,000 could be realized in a year.

A motion was made by Edwin McKnight to accept the alternative scenario as presented which includes both wellness programs. The motion was seconded by Regina Harvey and passed unanimously. The motion will be forwarded to the next Budget Committee meeting.

#### DEPENDENT AUDIT FINALIST PRESENTATIONS:

The committee working on the dependent audit selected two finalists, Aon and Secova. Mrs. Miller explained that both companies were equal to each other, but Secova was just a touch ahead because of public sector experience. The timeline for the audit is 5-6 months, and will occur in 2 phases. The County General employees audit is first; then, the Board of Education employees in late summer. There will be a complete review of current eligibility criteria and recommendations to tighten them up if necessary prior to the audit. The entire process will be managed by a project manager. All communication pieces will be customized for the Rutherford County with input from the Insurance Department. There are 5 letters that could be sent to covered employees and retirees.

The audit will include an amnesty period, an audit period, and a silent grace period. The County will receive an analysis of results and a final client report. We will receive advice regarding how to tighten up eligibility rules to best practices to avoid similar issues in the future. There is also a possibility of purchasing ongoing services if deemed necessary to maintain a clean eligibility.

Mrs. Miller then reviewed a handout comparing Aon and Secova information and services. The cost for Aon is \$82,576 and Secova is \$100,217. Both companies predict a total 1<sup>st</sup> year savings of almost \$862,000.

Bruce Borgos, Director of HR Audit Services with Secova presented first; Mark Stroman with Aon spoke next. A question and answer period followed after each presentation. Committee members discussed pro's and con's of both companies. Paula Barnes confirmed that real time reporting (Secova) was important, however, she preferred the "soft landing" that Aon offered in finding coverage for dependents that lost coverage. Gregg Hall noted that the 24 hour call center at Secova was very important for departments that operate around the clock and Mr. McKnight felt it was important to have local companies offer coverage for dropped dependents. Two on-site training sessions (could have multiple days for each session) are provided by Secova, while Aon only allows 2 hours of free training. The cost for additional training hours is \$400 per hour.

A motion was made by Paula Barnes to recommend Aon for the dependent audit. The motion was seconded by Allen McAdoo. After roll call vote, the motion did not pass as the vote was tied 5 yes and 5 no. It was recommended that both motions be forwarded to the Budget Committee.

Commissioner McAdoo suggested that the Committee thoroughly explain why both companies were sent to the Budget Committee, and explain the difference in premium. Mr. McKnight then asked for a revote, and made a motion to recommend Secova as the company to handle the dependent audit. The motion was seconded by Gregg Hall. The motion passed with 7 yes and 3 no roll call votes. The motion will be forwarded to the next Budget meeting.

#### ALL OTHER BUSINESS:

The Insurance Appeals Committee recently recommended a change to the Summary Plan Document (SPD) to recommend coverage for cochlear implants. Currently, the plan document excludes hearing aids or any device designed to restore or enhance the covered person's hearing ability to hear. A ten year old dependent has a cochlear implant to help her recognize sounds and speech. The tool is several years old and in need of updating at a cost of \$8,400. A cochlear implant is a device that provides stimulation directly to the auditory nerve, bypassing damaged hair cells in the cochlea that prevent sound from reaching the nerve. An implant does not result in restored hearing for the recipient, but does allow her to perceive sounds. A possible change to the SPD could read:

"No payment will be made for any charges for hearing aids and examinations for the fitting of hearing aids, including but not limited to semi-implantable hearing devices, audient bone conductors and Bone Anchored Hearing Aids (BAHAs). A hearing aid is any device that amplifies sound." This exclusion would not include cochlear implants because they transmit sound, not amplify sound.

Mrs. Miller checked nearby municipalities to see if this service was covered, resulting in a mix of coverage. Annual estimated costs to Rutherford County are \$52,000 per year if the additional coverage is approved. These costs are reasonably offset by reduced necessity for speech and hearing therapy sessions which can be necessary at a rate of 3x per week and cost up to \$100 per session. In addition, the Board of Education must provide special education services for the children afflicted by this disability.

A motion was made by Mr. McKnight to recommend changing the SPD to include cochlear implants as discussed. The motion was seconded by Regina Harvey and passed unanimously. The motion will be forwarded to the next Budget Committee meeting.

ADJOURNMENT:

The meeting was adjourned at 2:57 p.m.

  
Merry Hickerson, Co-Chair  
Rutherford County Benefits & Insurance Committee