

RUTHERFORD COUNTY BENEFITS & INSURANCE COMMITTEE
DECEMBER 9, 2010 COURTHOUSE

MINUTES

MEMBERS PRESENT:

MAYOR BURGESS
MERRY HICKERSON
PAULA BARNES
ALLEN MCADOO
JEFF SANDVIG
JOYCE EALY
WILL JORDAN
BILL SELLERS
GREG HALL
REGINA HARVEY
ELIZABETH CRACE
DONNIE HESTER
MICHAEL JONES
JOE RUSSELL
EDWIN MCKNIGHT

OTHERS PRESENT:

EVELYN ANDERSON
ALANNA SULLIVAN
MELISSA STINSON
PAUL HUFFMAN
LISA NOLEN
ERNIE CLEVINGER
KELLIE PERRIEN
DAN GOODE
OTHER AUDIENCE MEMBERS

APPROVE MINUTES:

A motion was made by Merry Hickerson to approve the minutes from the last Benefits & Insurance Committee on October 28, 2010. The motion was seconded by Mr. Sellers and passed unanimously.

FINANCIALS:

Mrs. Stinson, Insurance Director, reviewed the fund performance for October and November. The PEPM for medical/dental for October is \$588.40 compared to \$607.54 for the same period during the prior year. The PEPM for medical/dental for November is \$831.62 compared to \$902.37 for the same period during prior year. The Average PEPM through November is \$673.31 compared to \$686.70 for prior year. When you combine the plan performance with the CareHere results, through October, the total PEPM plan cost was at \$604.79 compared to \$624.94 for prior year. For November, the PEPM plan cost was \$859.07 compared to \$934.55 for prior year. Through November, YTD averages were \$696.65 compared to the year-end average of \$718.92 for prior year. The plan is trending at -3.1% below prior year.

Mrs. Harvey asked about the CareHere no-show charge of \$15.00. Mrs. Stinson said the change has been communicated to all employees through the CareHere website.

Mayor Burgess introduced Joe Russell, a new member of the Committee. He replaced Virgil Gammon from the Sheriff's Department.

W.C./OJI STATS:

Dan Goode, Safety Coordinator, reviewed October and November OSHA report. October had 23 accidents, making the total YTD 176 and 117 recordable. The total incurred is \$25,459.44; the BOE had \$19,599.44 in 17 claims, County General had \$5,260.00 with 5 claims, and the Highway Dept. had \$600 in 1 claim. In November, there were 18 claims, bring the YTD to 194 and 128 recordable. The total incurred for November is \$74,989.88. The BOE had 10 claims incurring \$70,369.88, and the County General had 8 claims incurring \$4,620.00. Mr. Goode noted that in November, the BOE had 4 large claims with means they have the potential to be severe, however, it is too early to identify based on when they were incurred. He remarked that the BOE summer months experience improved due to safety training.

WELLNESS UPDATE:

Kelli Perrien, Wellness Coordinator, reviewed October and November wellness events. The Rename Wellness Program winner was Josh Kubly, with the entry Smart Steps. Employee Appreciation Day on October 23rd had 1,300 in attendance, with 315 flu shots administered. A recent couponing class had 106 in attendance, with an advanced class to follow. Upcoming webinars for January include Basic Nutrition, How to Use Online Food Journaling, and Meal Planning. The CareHere Weigh Kick off is January 25, 2011. Mayor Burgess suggested that Mrs. Perrien investigate utilizing channel 19 (Rutherford Magazine) which can showcase the wellness programs.

DEPENDENT AUDIT UPDATE:

The recent dependent audit conducted by Secova lasted 14 weeks (June 14 – November 3). There were 6,116 dependents audited, 5,760 were verified, and 356 determined ineligible. The first year's savings is estimated at \$646,134. The total cost of the audit was \$106,304, or \$15.50 per employee. 160 dependents were removed involuntarily due to not completing the requirements or not responding to the request at all. Children dependents constituted 58.22% of dependents audited with spouses representing the remaining balance. Of the 356 dependents removed from the plan, children represented 77.69% and spouses represented 23.31%. The highest category above age 25 was the 46-55 year olds with 4.45% (28 non-

verified). Age band 36-45 ran a close second with 4.12%. If all the ineligible dependents (161) age 19-25 reenter the plan in July 2011 due to Health Care Reform, audit savings would be reduced to \$413,398.

Of the 356 ineligible dependents, a total of 196 voluntarily removed from the plan. This tells us the employee understood the communications and importance of the program and reacted accordingly. A total of 617 members logged on-line to participate in the dependent audit. Through a unique log-in, 478 employees uploaded documents. Typically only 2-3% of employees upload documents during a dependent audit; 15.9% of our employees uploaded documents.

After verification of the number of ineligible dependents and savings, Mrs. Barnes agreed that it was a successful dependent audit. Mrs. Stinson reviewed the changes during open enrollment 2010; medical option 1 had 545 enrolled in 2010, and 527 in 2011, medical option 2 had 1,381 in 2010 and 1,465 in 2011, and medical option 3 had 454 in 2010 and 445 in 2011. New hires must now provide dependent verification within 60 days of hire to maintain dependent coverage. Mrs. Stinson asked Mrs. Barnes and the Sheriff department to add this requirement to the information they give to new hires; this requirement is also distributed in New Employee information from the Insurance Department.

BOE UPDATE:

Mrs. Stinson received information from Keith Cornelius, President of REA, regarding the review of the State plan versus the County plan. The REA has suspended the review because the State plan has made drastic changes for 2011, and they cannot match the CareHere benefit. The REA plans to wait and see how the State plan changes for 2011 work and reevaluate later after state employees have experienced the impact of the changes.

NARCOTIC MANAGEMENT PROGRAM:

CIGNA met with Mrs. Stinson and Lisa Nolen, Finance Director, in November to discuss pharmacy utilization for the past year. Cigna complimented the existing drug testing in place. The 3rd quarter review of pharmacy data identified 40 members who meet the criteria for Narcotic Therapy Management Program. Prescription drugs account for between 25-30% of all drug abuse in the United States, either intentional or misuse. Those with misuse of narcotic meds have healthcare costs that are 3 times higher than those who take medication as prescribed. Annual cost of narcotic abuse is \$7,783 compared to non abuse cost of \$2,668. These costs do not account for the additional expenses passed through the OJI Program due to altered states for the employee and increased opportunity to be involved in or create an accident. The cost PEPM is 11 cents. The savings on 40 members equals \$88,000.

Mr. McKnight asked how these folks would be approached regarding this. CIGNA will create detailed patient profiles and inform their physicians via provider reports who identify members who exhibit medication use patterns that may be indicative of narcotic fraud and misuse.

A motion was made by Mr. McKnight to recommend the Narcotic Management Program with CIGNA effective January 1, 2011. The motion was seconded by Merry Hickerson and passed unanimously.

OTHER BUSINESS:

Mayor Burgess reviewed the current Members at Large serving on the Committee. It is time for the reappointment of these members, as they have served beyond their original time frame. Mr. Sellers, Mr. Hester, and Mr. Hall have all agreed to continue to serve, while Mr. McKnight will step down. Mr. Burgess asked if anyone knows of someone who would be willing to serve to contact his office.

ADJOURNMENT:

The meeting was adjourned at 1:45 p.m.

Mayor Ernest Burgess, Chairman
Rutherford County Benefits & Insurance Committee