

Washington County Benefits Committee
November 17, 2009

CONVENED: 1:00PM

COMMITTEE MEMBERS:

Present: David Ainslie, David Bellwood, Dirk Biddington, Karen Crawford, Susan Field, Amanda Garcia-Snell, Kim Knudeson, Tracie Krevanko, Valerie McCraw, Tammy McVean, Susan Pinnock, Sara Stevenson

Absent: Don Bohn, Mike Brunner, Angi Duyck, Dawn Vandehey, Charlie Weaver

HUMAN RESOURCES STAFF:

Tracy Kittler, Benefits Specialist

Steve Sanford, Assistant HR Manager

Valerie Weekly, Benefits Analyst

CONSULTANTS:

Mike Berry, Mercer

Renee Balsiger, Mercer

Kristen Kirschten, Mercer

1. REVIEW OF ACTION ITEMS FROM 10-20-09

- Human Resources will bring sample employee survey tool.
 - This is on the agenda for today
- Human Resources to reiterate timelines for Committee decisions.
 - Benefits Committee is on track according to the master agenda presented at the first committee meeting
 - At the next meeting we hope to be reviewing employee survey results
 - With employee feedback, the committee should be able to begin formulating recommendations for changes by January/February 2010.

2. EMPLOYEE BENEFITS SURVEY

- Valerie Weekly introduced the sample draft of the Employee Benefits Survey that will be distributed to all employees. The County intends to focus any strategic plan design changes around what is important to its employees. This survey is the tool intended to gauge the benefit priorities and preferences with the general employee population.
- There were suggestions and discussion related to the benefits survey.
- The timeline would be tight but Human Resources hopes to have the survey out to employees after Thanksgiving and bring some data to the December meeting.

3. PRELIMINARY RENEWAL RATES from Mercer

- Kristen Kirschten provided preliminary renewal projections for some of the County's current carriers. These numbers are only an estimation based on current data. She reminded the Committee that these projections are subject to change since the County still has 3 months of experience data, which could affect the renewal costs (either positively or negatively).
- Kaiser is looking like a 10-12% rate increase
- Providence is looking like a 14-17% rate increase
- ODS is looking like a 7-8.5% rate increase

4. Request for Proposal (RFP) [handouts: “Carriers to Receive RFP,” “Washington County-Marketing Timeline”

- Renee Balsiger of Mercer explained that the County may be conducting a Request for Proposal or “going to market” for the County’s medical insurance. This process presents the County as a potential customer to all of the carriers in the market with the ability to serve the County’s current needs and employee population. Carriers present their quotes so the County can ensure that it is choosing the carrier whose services best match current needs.
- Renee added that even if the County does not change carriers during the RFP process, it is performing its due diligence by researching available viable options and associated costs. The County has not conducted an RFP for medical insurance in approximately 16 years.
- Kristen Kirschten adds that this encourages current carriers to present their very best rates as well.
- Mike Berry reminded the committee that they should not anticipate large rate savings from the RFP since prospective providers will still be considering the County’s utilization history.
- Mike Berry presented the timelines associated with the combined RFP/renewal process shown on “Washington County-Marketing Timeline” handout. This assumes a July 1, 2010 effective date for any plan/vendor changes. If the effective date were to change to January 1, 2011, the timeline would be adjusted accordingly.

5. ACTION ITEMS FOR NEXT MEETING

- Human Resources will incorporate Committee feedback into the draft of the Employee Benefits survey and redistribute to Committee members
- Human Resources will bring rate increases (percentage increases) from last renewal

6. NEXT MEETING 12/15/2009, 1pm-4pm

7. COMMENTS

The following comments were made by committee members:

- “I have received feedback that employees would like to lengthen the plan year for flexible spending accounts so more money could accumulate for larger expenses such as orthodontia?”
 - Valerie Weekly responded that unfortunately IRS regulations stipulate that plans cannot have a plan year longer than 12 months. FSA plans cannot roll-over contributions or continue elections from the previous plan year. Participants must make new elections annually.
 - Mike Berry did point out that there are special provisions for orthodontia specifically and that Manly Services could explain those.
 - Mike Berry of Mercer also added that there is a lot of discussion about legislation that could change flexible spending account (FSA) regulations, or do away with the plans altogether. FSAs provide a tax-sheltered environment that some legislators are questioning.
- “What decisions need to be made by the committee by January/February 2010?”
 - Valerie Weekly indicated that the committee should have a general idea of their cost containment strategy at that time. We understand that no firm decisions can be made until more variables are solidified but we cannot wait that long to start having those discussions.

- A committee member pointed out that, from the data presented, we know there will have to be some change. We just don't know when or how much so it doesn't hurt to start formulating a plan.
- “When will we have numbers (renewal rates) and data from the survey to talk to the Committee?”
 - Mercer responded that a timeline is included in today's meeting.
 - Valerie Weekly also added that we do not currently have hard numbers for renewal, nor do we currently have a specific budget number to be working toward. However, we do need to proceed with the intent to contain costs and provide employees with benefits that are of value to them. With the data from the survey, we can start proceeding in this direction.
- “What are the next steps on the survey?”
 - Human Resources will incorporate Committee feedback and redistribute a second draft of the Employee Benefits Survey for review.
 - Human Resources will then post to SurveyMonkey for electronic distribution to employees. Paper copies will be made available to those without computer access.
 - Human Resources would like to have initial data available by the December 15 meeting. If those timelines prove to be too ambitious, then we can adjust the agenda and present the data at the January meeting.
- “If the County was to change medical insurance carriers, is there the potential that employees could have a doctor that is not covered by the new insurance?”
 - Mercer responded that “provider disruption” as this is called, is generally very limited, about 2-3%. We would be able to run reports to discover the amount of “provider disruption” before making any carrier changes.
 - Mercer also mentioned that if there were to be a change, the County's potential carriers have only broader networks than what is currently in place, further reducing the chance of disruption.
- “Should the County be looking at a Request for Proposal (RFP) every 5 years?”
 - Mercer responded that a group of the County's size generally does conduct RFP's at regular intervals.
- “In the event that the County was to change carriers, do employees have to satisfy deductibles with both carriers?”
 - No. If the change happens mid- calendar year, reports are exchanged between carriers to credit those individuals that have already satisfied part or all of the deductible with the previous carrier.
- “Do we ‘bargain’ with carriers? For example saying ‘Providence’ is able to give me this rate, can you do better?”
 - Mike Berry responded that depends on what the County directs them to do.
 - Valerie Weekly responded that the State and County purchasing rules include an exemption for employee benefits when an agent of record is conducting the vendor search. That may allow Mercer a little more leeway in negotiations but we would have to verify that with the Purchasing division.

- “Is there any value in being a member of a coalition such as OEBC?”
 - Mike Berry of Mercer responded that OEBC (Oregon Educators Benefit Board) is a group that was formed through state legislation so that all public school employees purchase insurance through its state pool.
 - It was passed with the idea that large groups (all public schools together) have more bargaining power than one lone school.
 - OEBC as concept seemed logical, however most schools were already purchasing through 1 of about 3 pools anyway; hasn’t lent much additional bargaining power to date.
 - OEBC is a one time only election. As a public school, members can only opt-in once and not opt out. The reason for the one time election prevents “healthy” populations from pulling out of the coalition when they happened to be able to get better rates on their own; if they did pull out, only the poor experience data would be left in the coalition skewing (and raising) rates for the rest of the members.

- “How are other members of the Committee communicating meeting information to their staff?”
 - Various methods from different members: newsletter, weekly or monthly staff meetings,
 - Some members have not communicated back to their departments because there have not yet been any firm decisions made.

- “I just wanted to express thanks to Mercer for taking the time to explain and re-explain details of plans to the Committee. It takes patience, and we appreciate the time and effort taken to foster true understanding so the Committee can make informed decisions.”