

February 27, 2012

Joint Administrative Services Board  
Regular Meeting

12:00 pm

As a regular meeting of the Joint Administrative Services Board held on Monday, February 27, 2012 at 12:00 pm in the Meeting Room AB, Berryville Clarke County Joint Government Center, 101 Chalmers Court, 2<sup>nd</sup> Floor, Berryville, Virginia.

MEMBERS PRESENT:

Sharon Keeler, J. Michael Hobert, Michael Murphy, David Ash, Chip Schutte

STAFF PRESENT:

Tom Judge, Amanda Kowalski

1. CALL TO ORDER – Determination of Quorum.

Mr. Hobert called the meeting to order at 12:01 pm.

2. APPROVAL OF MINUTES

Mr. Schutte moved, seconded by Dr. Murphy, to approve the January 23, 2012, minutes as presented.

The motion carried as follows:

Sharon Keeler	-	Aye
Chip Schutte, Vice Chair	-	Aye
Mike Murphy	-	Aye
J. Michael Hobert, Chair	-	Aye
David Ash	-	Aye

3. HEALTH INSURANCE RENEWAL

Mr. Judge introduced Ms. Leslie Tucker, a representative from Anthem, who reviewed the renewal rates for health insurance for 2012-2013. Ms. Tucker then highlighted the amount of claims processed last year for employees, the amount of employees who went over the \$100,000 claim limit (4), and the administrative fees that Anthem charges to administer the plan.

Mr. Hobert questioned the amount of the Projected Dental Capitation in proportion to the Medical Administrative Charges and Network Access Fees, asking if dental claims are substantially lower than medical claims. Ms. Tucker noted that she is a medical representative from Anthem and does not deal with the dental side, so she would have to do some research into those charges as to why the dental claims are so high.

Mr. Judge questioned the reserve rate, asking if the rate will be increased substantially in the future if there is no reserve left to pool. Ms. Tucker explained that because the county is in a pool of 'local choice' localities, the increased rate is actually very low, at approximately 5% and the county is somewhat protected from high year-over-year rate increases.

Mr. Schutte asked if the total amount of the Drug Capitation, Behavioral Health Capitation, and Dental Capitation is approximately 30% of the total and if that is the norm. Ms. Tucker stated yes.

Mr. Judge asked if the national healthcare reform mandates will be affecting the rates or other situations. Ms. Tucker explained that many of the mandates have been rolled into plans, for example therapy charges, age limits for coverage, etc.

Mr. Judge questioned the need for an audit to determine the validity of the number of dependents. He noted that Anthem does not currently validate the dependents that are claimed. Ms. Tucker explained the audit that the Commonwealth of Virginia recently performed, noting the high costs and administrative heartache that comes along with performing such a large scale of an audit. She noted that Anthem currently does not have any way of checking into dependents that are claimed. Ms. Tucker stated that she currently does see a lot double coverage.

Mr. Judge noted that the deductible amount has not changed from the previous year.

Ms. Tucker stated that the only difference from the previous year is that deductibles are now factored into the out of pocket maximum and that there is now an autism mandate that is included in the insurance programs.

Mr. Judge then reviewed the FY13 Monthly Health Benefit Rates, which he requested that the JAS board adopt for the upcoming year.

**Mr. Ash moved, seconded by Dr. Murphy, to approve the FY13 Anthem Monthly Health Benefit Rates. The motion carried as follows:**

Sharon Keeler	-	Aye
Chip Schutte, Vice Chair	-	Aye
Mike Murphy	-	Aye
J. Michael Hobert, Chair	-	Aye
David Ash	-	Aye

**FY 13 Monthly Health Benefit Rates**

Effective 7/1/2012

Source: Joint Administrative Services

A. Plan Rates	Cost	Employee		Employer	Employer	Employer Annual
		Employer	Employee	FY 13 Share	FY 12 Share	
<b>KA 250 Plan Option</b>						
<i>Regular Full Time</i>						
Single	500.00	427.24	72.76	85%	85%	5,127
Dual	925.00	466.05	458.95	50%	50%	5,693
Family	1,350.00	680.73	669.27	50%	50%	8,169
<i>Transportation, Food Service &amp; Other</i>						
Single	500.00	360.50	139.50	72%	72%	4,326
Dual	925.00	393.24	531.76	43%	42%	4,719
Family	1,350.00	574.39	775.61	43%	42%	6,893
<b>KA 500 Plan Option</b>						
<i>Regular Full Time</i>						
Single	465.00	427.24	37.76	92%	92%	5,127
Dual	860.00	466.05	393.95	54%	54%	5,693
Family	1,256.00	680.73	575.27	54%	54%	8,169
<i>Transportation, Food Service &amp; Other</i>						
Single	465.00	360.50	104.50	78%	78%	4,326
Dual	860.00	393.24	466.76	46%	46%	4,719
Family	1,256.00	574.39	681.61	46%	46%	6,893
<b>TLC High Deductible</b>						
<i>Regular Full Time</i>						
Single	382.00	382.00	.00	100%	100%	4,684
Dual	707.00	434.52	272.48	61%	61%	5,214
Family	1,031.00	632.76	398.24	61%	61%	7,693
<i>Transportation, Food Service &amp; Other</i>						
Single	382.00	322.32	59.68	84%	84%	3,888
Dual	707.00	366.64	340.36	52%	52%	4,400
Family	1,031.00	533.91	497.09	52%	52%	6,407
<b>B. Account Contributions</b>						
<i>Regular Full Time</i>						
TLC Health Savings Account Contribution (single)		45.24				543
TLC Health Savings Account Contribution (dual)		31.53				378
TLC Health Savings Account Contribution (family)		47.98				576
<i>Transportation, Food Service &amp; Other</i>						
TLC Health Savings Account Contribution (single)		38.18				458
TLC Health Savings Account Contribution (dual)		26.60				319
TLC Health Savings Account Contribution (family)		40.48				486
<b>C. Total Employer Cost Per Group Health Member</b>						
<i>Regular Full Time</i>						
Single Health		427.24				
Dual Health		466.05				
Family Health		680.73				
TLC Single Health & "HSA"		427.24				
TLC Dual Health & "HSA"		466.05				
TLC Family Health & "HSA"		680.73				
<i>Transportation &amp; Food Service</i>						
Single Health		360.50				
Dual Health		393.24				
Family Health		574.39				
TLC Single Health & "HSA"		360.50				5.40%
TLC Dual Health & "HSA"		393.24				
TLC Family Health & "HSA"		574.39				

Note: Where two employees are married, and they together opt for either a dual or family option, the employer will pay two times the single employer contribution for the plan option selected.

**METHOD:**

Force TLC employee single contribution to zero.  
 Proportion other rates to percentage contributions from prior year.  
 Force 250 employer contribution to same as 500 contribution.  
 Force "HSA" contribution so total employer equal across plans.

#### 4. IT GOVERNANCE AND ERP SYSTEM UPDATE

Mr. Judge gave an update to the memorandum of agreement that the Board of Supervisors approved. He noted that the School Board will be voting tonight on the same memorandum to give the JAS Board the governance over the ERP system.

Mr. Hobert questioned that if the School Board approves the memorandum, what steps would Mr. Judge take to communicate to the other governing bodies in the county.

Mr. Judge explained the focus groups that took place within the county, noting the positive of those groups. Mr. Judge then outlined the communication steps between the governing bodies.

Mr. Judge briefed the board the grant that was proposed by Delegate Joe May to implement the ERP system successfully. He noted that Clarke County may have been used as a model to other localities.

Mr. Hobert then reviewed the members on the conversation he had with Delegate Joe May, stating that Delegate May was sorry that the budget was not amended to include the grant, but that he believes in the ERP system and would like to potentially help in the future.

Mr. Schutte re-stated his recommendation that it would be prudent to proceed with the implementation of the ERP system. He recommended that the school system look into funding the ERP from the school renovation surplus. Mr. Schutte also noted that within the next few years the debt service fund will be dropping sharply. Mr. Hobert stated that the position of this board has not changed and that it fully plans on going forward with the ERP system.

#### 5. NEXT MEETING WILL BE MARCH 26 (HEALTH INSURANCE RENEWAL, TECHNOLOGY, AUDIT)

At 12:55 pm, Mr. Hobert adjourned the meeting.

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Minutes Recorded and Prepared by: Amanda W. Kowalski