

**AGENDA**

Joint Administrative Services Board  
March 26, 2012 12:00 p.m.  
Joint Government Center

1. Call to Order.
2. Approval of Minutes. (February 27 Minutes Attached) (pg. 2).
3. **Health Insurance: Dependent Eligibility Verification.** Two ways to go:
  - a. *Hire an audit firm.* This would cost \$1,200 to \$2,000. Vendor would inform all holders of policies that include dependents of who and who is not eligible. They would require documentation for all dependents (tax returns, marriage licenses, birth certificates), would work to remove ineligible dependents, and would provide training of staff in verification for future hires.
  - b. *Warn of Penalties.* Joint Administrative Services will provide all employees with dependent coverage a definition of eligible dependents, and inform them of the penalties for fraudulent claiming of dependents.

*The penalty: An employee's failure to remove ineligible persons from his or her health benefits membership may result in the retraction of claims and removal from the Plan for up to three years according to the regulations governing The Local Choice Health Benefits Program. The employee may not be allowed to reduce health benefits membership except within 31 days of the dependent's loss of eligibility, during Open Enrollment, or with another consistent Qualifying Mid-Year Event.*

4. **Health Insurance: Eligibility of Terminated Employees beyond COBRA.** It is recommended that Government and School personnel policies be modified to conform with the requirements of the Local Choice plan with respect to terminated employees. The newly revised language in the Local Choice policy is: *A retiring employee must meet the employer's criteria for retirement to be eligible for health benefits coverage through the employer "Retiree Group". In addition to meeting the Local Employer criteria, the retiree must be: at least 55 years of age, have at least five (5) years of service with the participating employer or at least 50 years of age and have at least ten (10) years of service with the participating employer.*

*In addition, "Elected officials that make up the governing body of a Local Employer may be eligible as either a special class of full-time employee or as part-time employees. They may not, however, participate in the retiree classification. Temporary employees, appointed board members or appointed commissions are not eligible for coverage under the The Local Choice."*

5. Next Meeting will be April 23 (Technology, Audit).

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 headache 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	Employer	Employee	Employer FY 13 Share	Employer FY 12 Share	Employer Annual
<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	468.05	458.95	50%	50%	5,693
Family	1,350.00	680.73	669.27	50%	50%	8,189
<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	468.05	393.95	54%	54%	5,693
Family	1,259.00	680.73	578.27	54%	54%	8,189
<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	1,259.00	574.39	684.61	46%	46%	6,893
<b>TLC High Deductible</b>						
<i>Regular Full Time</i>						
Single	382.00	382.00	.00	100%	100%	4,584
Dual	707.00	434.52	272.48	61%	61%	5,214
Family	1,031.00	632.76	398.24	61%	61%	7,593
<i>Transportation, Food Service &amp; Other</i>						
Single	382.00	322.32	59.68	84%	84%	3,868
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)		46.24				543
TLC Health Savings Account Contribution (dual)		31.53				378
TLC Health Savings Account Contribution (family)		47.98				578
<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		468.05				
Family Health		680.73				
TLC Single Health & 'HSA'		427.24				
TLC Dual Health & 'HSA'		468.05				
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				6.40%
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



## Key Advantage

Notification of Changes to Your Member Handbook  
Effective October 1, 2010 (for certain school groups) and July 1, 2011  
The Local Choice Health Benefits Program  
Commonwealth of Virginia, Department of Human Resource Management

Keep this notification with your Key Advantage Member Handbook and the appropriate Benefits Summary Insert, for a full and complete description of your coverage. You or your Benefits Administrator may view and print the most current member handbook from The Local Choice Web site at [www.thelocalchoice.virginia.gov](http://www.thelocalchoice.virginia.gov).

Following are new eligibility rules regarding coverage for family members. These changes comply with new Federal Health Care Reform legislation.

1. The following family members may be covered if the employee elects:

a. The employee's spouse.

The marriage must be recognized as legal in the Commonwealth of Virginia.

b. Children. Under the health benefits program, the following eligible children may be covered to the end of the year in which they turn age 26. (age requirement is waived for adult incapacitated children)

(1) Natural, adopted children or children placed for adoption.

(2) Stepchildren. A stepchild is the natural or legally adopted child of the participant's legal spouse. Such marriage must be recognized by the Commonwealth of Virginia.

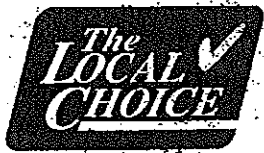
(3) Incapacitated children. Adult children who are incapacitated due to a physical or mental health condition, as long as the child was covered by the plan and the incapacitation existed prior to the termination of coverage due to the child attaining the limiting age. The employee must make written application, along with proof of incapacitation, prior to the child reaching the limiting age. Such extension of coverage must be approved by the plan and is subject to periodic review. Should the plan find that the child no longer meets the criteria for coverage as an incapacitated child; the child's coverage will be terminated at the end of the month following notification from the plan to the enrollee. The child must live with the employee, as a member of the employee's household and be dependent upon the employee for financial support. In the case of a divorce, living with the spouse will satisfy the condition of living with the employee. Furthermore, the support test is met if either the employee or spouse or combination of the employee and spouse provide over one half of the child's financial support.

- Adult incapacitated children of new employees may also be covered, provided that:
- (a) The enrollment form is submitted within 31 days of hire;
  - (b) The child has been covered continuously by group employer coverage since the disability first occurred; and
  - (c) The disability commenced prior to the child attaining the limiting age of the plan.

The enrollment form must be accompanied by a letter from a physician explaining the nature of the incapacitation, date of onset and certifying that the dependent is not capable of self-support. This extension of coverage must be approved by the plan in which the employee is enrolled.

- (4) Other children. A child for which a court has ordered the employee to assume sole permanent custody. Additionally, if the employee or spouse shares custody with the minor child who is the parent of the "other child," then the other child may be covered. When a child loses eligibility, coverage terminates at the end of the month in which the event that causes the loss of eligibility occurs.

There are certain categories of persons who may not be covered as dependents under the program. These include dependent siblings, grandchildren, nieces, and nephews except where the criteria for "other children" are satisfied. Parents, grandparents, aunts and uncles are not eligible for coverage regardless of dependency status.



## The Local Choice Health Benefits Program

**To:** Employees Eligible for The Local Choice Health Insurance Program (TLC) with Children Under Age 26

**Re:** New Eligibility Rules for Children

Beginning July 1, 2011, children up to the age of 26 will be eligible for coverage under TLC health plans. If you have a child under age 26 who is not currently covered by your plan, you may add that child and any other eligible dependents to your coverage effective July 1, 2011. Your children may be covered until the end of the year in which they turn age 26.

In addition, if you are an eligible employee who does not currently participate in the plan and have an eligible child, you may enroll and cover all of your eligible dependents.

To enroll or if you have any questions about eligibility, you should contact your Group Benefits Administrator. IRS regulations require that you notify your Group Benefits Administrators of your intent to add this coverage before July 1, 2011 or wait until you have a Qualifying Mid-Year Event that is consistent with adding your dependents.

Also attached is an amendment to your health plan which describes the changes in greater detail. Remember this amendment, your Member Handbook (which can be accessed electronically at [www.thelocalchoice.virginia.gov](http://www.thelocalchoice.virginia.gov)), and your current year benefit summary provide the complete explanation of the health benefits plan.

### Summary of TLC Dependent Eligibility Changes:

Current Eligibility Rule	Health Reform Change October 1, 2010 or July 1, 2011
<ul style="list-style-type: none"> <li>▪ Eligible dependents must be unmarried.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Eligible dependents may be married.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Eligible dependents may be covered through the end of the year in which they turn 23 years of age.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Eligible dependents may be covered through the end of the year in which they 26 years of age.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Covered dependent must reside full-time with plan participant.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Requirement for full-time residency with plan participant does not apply.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Participant must provide more than 50 percent of covered dependent's financial support in order to claim the dependent for tax purposes.</li> </ul>	<ul style="list-style-type: none"> <li>▪ 50 percent financial support no longer required.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Eligible dependents may have coverage in the participant's TLC plan even if they are eligible coverage at their own place of employment.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Eligible dependents may have coverage in the participant's TLC plan even if they are eligible for coverage at their own place of employment. If the dependent is enrolled under their employer's plan, the TLC plan will provide secondary coverage.</li> </ul>



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County of Clarke – Personnel Policies

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10. *Retirement*

The County is a participant of the Virginia Supplemental Retirement System, a plan that is mandatory for all regular full-time employees. The Commonwealth of Virginia supplements Federal Social Security benefits with provisions for retirement due to disability or age. The County bears the cost for the employee.

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11. *Life Insurance*

Permanent full-time employees are insured for twice the next \$1,000 of their annual salary. Thus, an employee making \$22,600 annually is insured for \$46,000.

The County pays the full cost of this insurance. This program is an adjunct program of the Virginia Supplemental Retirement System.

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12. *Health Insurance*

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A. *Eligibility:* All regular, full-time employees of the County, who are actively at work, and all elected officials, are eligible the month following the first pay check to participate in the County's Group Insurance Program.

Temporary, substitute, seasonal, and other part-time employees not meeting definitions contained in the plan document are not eligible.

Participating employees and elected officials with at least eight (8) years of service or five (5) years of service with medical disability may remain on the County health insurance program on an individually paid basis after leaving service with the County. Such participants, who have left county service, and who discontinue participation, are not eligible for reinstatement.

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B. *Plan Changes:* It is vitally important that employees understand that the plan changes periodically, according to availability of coverage and carrier. Employees should consult the plan documents for answers to specific questions regarding cost, eligibility, beginning of coverage, and limits of protection.

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## PERSONNEL

### § 8 - 43 Insurance

#### A. Life Insurance

For Virginia Retirement System (VRS) eligible employees, the Board shall pay the premium for life insurance available to such employees in accord with the VRS insurance program.

#### B. Group Hospitalization

The following Employees are eligible for group hospitalization (health insurance):

- All full-time employees of the Clarke County School Board (see Policy § 8-6A)
- food service employees who are employed for at least 183 days and no less than three and one-half (3.5) hours per day
- food service employees who commence working after the start of a contract year in a position that is budgeted for at least 183 days and for no less than three and one-half (3.5) hours per day under a regular contract or assignment are eligible for group hospitalization (health insurance).

The Board will determine annually the amount it will pay each month toward the insurance premium for any eligible employee. Temporary employees and other part-time employees are excluded.

School Board employees who retire or terminate after ten years of service with Clarke County Public Schools may remain on the School Division health insurance program under a prepaid schedule after leaving service with the County School Board of Clarke County. Such eligible individuals may elect to continue coverage for a spouse that was covered prior to termination or retirement. In no case will a former employee be permitted to add a spouse to coverage after termination or retirement.

#### C. Worker's Compensation

1. Coverage. The Board shall provide coverage for employees under a worker's Compensation Insurance Plan.
2. Compensation. Employees may elect to suffer a loss in pay during the time the employee is incapacitated due to injuries covered by Worker's Compensation Insurance and while the employee has available sick leave days.

Employees who are eligible for payment under the Worker's Compensation Insurance and who have accumulated sick leave days may elect to be paid by the Board the difference between their regular