

Joint Administrative Services Board
August 26, 2019 Regular Meeting 1:00 pm

At a regular meeting of the Joint Administrative Services Board held on Monday, August 26, 2019, at 1:00 pm in the Meeting Room AB, Berryville Clarke County Government Center, 101 Chalmers Court, 2nd Floor, Berryville, Virginia.

Members Present: David Ash, Chuck Bishop, Sharon Keeler, Chip Schutte, David Weiss

Members Absent: None

Staff Present: Tom Judge, Brian Lichty, Gordon Russell, Ed Shewbridge, Brianna Taylor

Others Present: None

1. Call to Order - Determination of Quorum

At 12:58 pm, Chairman Chip Schutte called the meeting to order having determined that a quorum was present.

2. Approval of Minutes

Sharon Keeler, seconded by David Ash, moved to approve the July 22, 2019 minutes as presented. The motion carried by the following voice vote:

David Ash	- Aye
Chuck Bishop	- Aye
Sharon Keeler	- Aye
Chip Schutte	- Aye
David Weiss	- Aye

3. Health Insurance Advisor

Highlights:

- Chuck Bishop and Tom Judge met with Ed White discussing the health insurance market in general.
- Two problems discussed:
 - Competition, specifically Frederick County Public Schools, had favorable rates.
 - Some part-time employees pay a higher share of the premium causing a negative net situation.

TOTAL PREMIUM

	CCPS (20)	FCPS (19)	Variance
Employee	722	696.49	25.51
Family	1949	1936.6	12.4

EMPLOYER SHARE

	CCPS (20)	FCPS (19)	Variance
Employee	663.38	598.61	64.77
Family	1056.33	1263.1	-206.77

- Comparison of Frederick County Public School and Clarke County Public School rates.
- Total premium:
 - Clarke County for employee is \$25.51 / month higher.
 - Clarke County for family is \$12.40 / month higher.
- Employer Share:
 - Clarke County is paying more towards the employee coverage.
 - Clarke County is paying less toward the family coverage.

Suggestion a. Make Clarke employee share higher for family, and lower for employee only.

- Have the option to adjust Employer Share each year.
- Historically paid a flat amount no matter if it was employee, dual, or family.
- All employees compensated the same, not dependent on coverage.
- Local Choice required more contribution to the family coverage.
- The more contributed to dual and family, the greater the employee compensation for those in that coverage.
- Chuck Bishop added that another difference between the two counties was the coverage options. Frederick County has four: Single, employee and spouse, employee and one child, and family. Clarke County has three: single, dual, and family.
- Comparison of the Anthem 500 Plan but still not exactly the same because copays and deductibles are not the same.
- David Ash asked if we were getting the same coverage or if it was entirely different. Also asking if the demographic in the county contributed to the cost and is that why surrounding counties have lower cost.

- Tom Judge explained that those questions would have to be answered by a paid consultant.
- Chuck Bishop questioned if being self-insured helps Frederick County.
 - David Ash stated from experience that it did not help Clarke.
 - Tom Judge explained that because they are large it makes sense for them to self-insure. With Clarke being so small, our variations from year to year were all over. It makes sense for Clarke to be in a larger pool.

Suggestion b. Increase employer share of all coverages.

- Tom Judge stated that Ed White thought that the amount that Clarke contributed toward the premiums was high.

Suggestion c. Separately compute retirees and make employer contribution to rate: would decrease premiums for active employees and eliminate actuarial study (average 4K annually).

- Tom Judge stated retirees pay in at the same rate as the active employee group causing the group rate to increase.
- Tom Judge explained that separating the retirees into their own group would reduce everyone else's premium, increase retiree's premium, and then the county could be able to contribute toward that premium.
- David Ash opined that he does not believe that the retiree group raises the rates of the entire group as much as believed. If we separated, we would have to pay much more toward that group in order for the other group to go down a small amount.

Suggestion d. Dependents of retiree off plan when retiree off plan.

- Tom Judge stated that in the dual coverage plan: the employee retires but they are older than their spouse is, so when they hit the age to go on Medicare their spouse remains in the group until they reach the age to go on Medicare.
- Tom Judge explained that this change would reduce the premium.

Suggestion e. Eliminate separate category for part-time.

- Tom Judge stated that it would increase overall employer cost.
- Vice Chairman David Weiss clarified with Tom Judge that currently Clarke pays 92% for Employee plan under KA500 and only 78% for the part time employees.
- Chuck Bishop then explained the hours of a bus driver and how their check does not even cover the family plan health insurance.
- David Ash asked how many part time employees participate Tom Judge stated approximately 25 participants.

Suggestion f. Push Anthem or employees on Telemedicine, wellness, chronic disease counseling to reduce premiums.

- Tom Judge stated that Ed White believed that this does not really work to reduce the premium.

- Vice Chairman David Weiss opined that this would not change employee's choice because it just causes employer to pay more.
- David Ash explained that many years ago all were told to stay away from prescription plans because it will only raise costs. Then the following year they force you into a prescription plan.
- Tom Judge explained that it will reduce premiums; but, all employees will need to be educated and all employees will need to use it in order for the claims to go down.

Suggestion g. Increase deductible to encourage consumer behavior (eliminate KA250). Plans are currently cross subsidized. McGriff says most plans start at \$500 deductible or more.

- Tom Judge stated that Ed White expressed that most employers have eliminated the KA250 Plan. Adding that the most common plan was KA500 or KA1000.
- Tom Judge explained that even though the employee is paying the premium, there is a cross subsidy, the employees in the KA 500 and the high deductible plan blend the KA250 plan.
- Tom Judge opined that if the KA250 plan were gone the KA500 rate would go up because everyone in the KA250 plan would opt for the KA500 plan. The presumption is that with the higher deductible people may be more hesitant to consume medical services.

Suggestion h. Add basic dental option; will reduce premium marginally.

- Tom Judge explained that Local Choice encourages offering both a basic dental option and a comprehensive dental option.
- Tom Judge expressed that Sally Sheckels feels that many people would switch if the basic dental option were available.
- Tom Judge stated that Ed White was skeptical about it because most people will look at getting it then say it is not enough of a difference so most will just stick with the comprehensive plan.
- Tom Judge explained that this would most likely have to be offered anyway with the Affordable Care Act.
- Chuck Bishop stated that the primary difference between the two plans was orthodontics.


Suggestion i. Go out to bid, but problems getting data from Anthem.

- Tom Judge stated that the issue with this is that Local choice pools the prescription coverage and cannot release Clarke specific data because it is combined in a larger pool.
- Tom Judge expressed that Ed White opined any communities who plan to leave Local Choice have trouble getting the data. He also stated that our competitors are Cigna, United Health, and Aetna and if we switch to those the coverage will not change much so employees will not have to change doctors, etc. because all of those plans should cover.
- Vice Chairman David Weiss asked if we could get direct numbers from the suggestions. Chuck Bishop stated that Ed White did not believe that we would be able to call Local Choice and get them to run scenarios.

- David Ash stated that there is a perception that the surrounding localities have better health insurance benefits than what Clarke offers.
- Vice Chairman David Weiss asked if overall trying to correct a problem to incentivize employees to stay; is changing insurance the way to go or are we better to leave the insurance alone and deal directly with the salary issue. He opined that this is something that probably cannot be answered.
- Chuck Bishop stated that for VRS Plan 1 & 2 employees the higher salaries benefit them in terms of retirement benefit; therefore, some people who are three to five years from retirement would think that it would benefit them. Adding that the problem is some of the increases that employees have seen over the past few years was to offset the increase in premium.
- Chuck Bishop opined that he did not know the right answer and that it is probably individual dependent driven.
- Tom Judge stated that it might be a matter of educating the employees, so they are looking at the total compensation package he added that reports could be completed for each employee to show them the benefit that was received throughout the year.
- Tom Judge expressed that he could try to get a true comparison from surrounding localities and distribute with new rates next year.
- Tom Judge clarified that the options were to go to bid in October timeframe or to use these suggestions to change marginal items in February.
- David Ash opined that educating employees and assisting them in picking out the plan that best fits them might help.
- Vice Chairman David Weiss stated that he would like to have a better understanding of how our plans rate compared to surrounding counties plans, furthermore, seeing if our employees have plans that are significantly different in comparison then surrounding counties.
- Tom Judge stated that he could research to get a comparison for Frederick, City of Winchester, Warren, and Fauquier.
- Vice Chairman David Weiss expressed that going out to bid does not seem as productive as educating our employees.
- Tom Judge clarified that he will get the comparison and bring to the Board in October to start thinking about when the renewal comes in February maybe changing the Employer share or changing the percentages.
- Chuck Bishop stated that most employees do not complain about the coverage but more about the cost they pay compared to the surrounding areas.

4. Cybersecurity

VACorp Coverage: Tom Judge reviewed the following.



Cyber Risk

- VACORP members are covered for online privacy matters (including identity theft), losses due to network security breaches (including hacking and viruses), copyright infringement, and online slander or libel, among other issues.

Limits

- \$500,000 Per Occurrence and Aggregate - Per Member
- \$5,000,000 Combined Aggregate for all Members

Coverages

Network Security, Privacy, and Data Breach Liability

- Liability for unauthorized access to the computer network, including personal identifying information such as social security numbers, credit card numbers, etc.
- Liability for transmission of a computer virus

Multimedia Liability

- Copyright/trademark infringement, invasion of privacy, plagiarism, libel and slander through website or social media

Regulatory Liability

- Liability, including defense costs, resulting from a claim by an official regulatory agency or governmental body as a result of a security breach or privacy breach or breach of privacy regulations
- Includes civil and/or administrative penalties or fines imposed by an official regulatory agency or governmental body

Data Breach Incident Response

- Expenses paid to third party service providers arising from a data breach for legal services, notification expenses, fraud monitoring and resolution services, call center services, public relations services, and computer forensic services.

Data Restoration

- Costs to restore, compile or replace data
- Reasonable and necessary costs and expenses to determine scope of breach
- Costs paid to restore, compile or replace data to a third party as a result of a network security breach or cyber extortion event

Cyber Extortion

- Reimbursement of reasonable costs and expenses resulting from request for money to avoid damage, destruction, corruption or introduction of a computer virus, a malicious code or denial of service

Social Engineering Fraud

- Covers financial loss relating to a social engineering event whereby an employee is instructed to move funds to another bank fraudulently

PCI DSS Fines

Payment Card Industry Data Security Standard

- Covers PCI contractual costs and regulatory fines following a security or privacy event

Deductible

None

Highlights:

- Tom Judge stated that additional services could be purchased.
- Chuck Bishop stated that there is the option to increase coverage.
- Tom Judge clarified that the coverage is for after an event, which is what IT is trying to prevent and avoid.

Tom Judge invite Ed Shewbridge and Gordon Russell to the table.

- Gordon Russell and Ed Shewbridge agreed on the company KNOWBE4.
- Rates depend on the number of employees and the type of training.
- Approximately \$10 - \$20 per year per employee.
- Covers Security awareness training including phishing and password management.
- Employee progress can be tracked.
- Annual subscription service that is all remote.
- Overall, estimate \$15,000 per year.
- Both Gordon Russell and Ed Shewbridge both agreed that this would need to start sooner than waiting for next year. In addition, both thought that their FY2020 budgets had enough.
- The training will be required and it is not a webinar that you can just start and walk away, it is more hands on and questions have to be answered throughout the process.
- For the different levels of training, required, Gordon Russell believes that you should be able to subscribe to different plans.
- The training will probably be geared more too desktop use then mobile use.
- Tom Judge stated that he might be able to make a state contract as an emergency procurement.
- Vice Chairman David Weiss opined that this is needed.

Chuck Bishop, seconded by Vice Chairman David Weiss, moved to proceed with contracting for end user education for technology. The motion carried by the following voice vote:

David Ash	-	Aye
Chuck Bishop	-	Aye
Sharon Keeler	-	Aye
Chip Schutte	-	Aye
David Weiss	-	Aye

Tom Judge showed the Board a webinar from VACorp. Link

<https://member.vacorp.org/VACoRP/RiskControl/TrainingPresentation/Cyber%20Security.wmv>

The Board agreed that the more interactive training would benefit employees more so than webinars.

Gordon Russell stated that the phishing test that was done last week for County employees has made people more aware.

5. Next Meeting

September 23, 2019 (if needed)

6. Adjournment

At 3:08 pm, Chairman Chip Schutte adjourned the meeting.

Minutes Recorded and Transcribed by Brianna R. Taylor