

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

AGENDA

Joint Administrative Services Board
Monday February 26, 2018 10:00 p.m.
Joint Government Center

1. Call to Order.

Determination of Quorum

2. Approval of Minutes. (January 22 Minutes Attached).

3. ERP Update. Donna and Gordon are invited to join with Sharon in assessing the status of the taxation implementation.

4. 2019 Health Insurance. This item was held over from January to investigate whether cost savings could be obtained. There would be no savings in administrative costs through Local Choice by eliminating a plan, but eliminating the KA 250 Plan for 2019 is estimated to save 7% in overall premiums in 2020 if that change occurred for plan year 2019. See the attached email from Walt Norman of Local Choice.

As an alternative, Mr. Norman suggests differential employer contributions as an option.

5. Next Meeting March 26.

Joint Administrative Services Board
January 22, 2018 Regular Meeting 1:00 pm

At a regular meeting of the Joint Administrative Services Board held on Monday, January 22, 2017, 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, Brianna Taylor

Others Present: None

1. Call to Order - Determination of Quorum

At 1:00 pm, Chairman Chip Schutte called the meeting to order having determined that a quorum was present.

Selection of Chairperson

Tom Judge opened the floor for nominations for the position of Joint Administrative Services Board Chair for 2018.

Sharon Keeler, seconded by Chuck Bishop, moved to appoint David Weiss for Joint Administrative Services Board Chair for 2018.

Tom Judge called for vote from all those in favor of David Weiss as Chair for calendar year 2018. The vote carried by the following voice vote:

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

Following the vote, Tom Judge turned the meeting over to Chairman David Weiss.

Selection of Vice-Chairperson

Chairman David Weiss opened the floor for nominations for Vice Chair.

David Ash, seconded by Chuck Bishop, nominated Chip Schutte for Joint Administrative Services Board Vice Chair for 2018.

Chairman David Weiss called for vote from all those in favor of Chip Schutte as Vice Chair. The vote carried by the following voice vote:

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

Tom Judge introduced Mary the new CCSA employee to the board.

Establishment of meeting calendar

Chairman David Weiss suggested to move the meetings to morning, Chuck Bishop suggested 10AM.

All members came to the consensus to move the time to 10:00AM and set the schedule as presented.

Date	Time	Location	Topic(s)
02/26/2018	10:00AM	JGC	Technology
03/26/2018	10:00AM	JGC	Technology
04/23/2018	10:00AM	JGC	Technology
05/21/2018	10:00AM	JGC	Audit, Technology
06/25/2018	10:00AM	JGC	<i>If needed</i>
07/23/2018	10:00AM	JGC	<i>If needed</i>
08/27/2018	10:00AM	JGC	<i>If needed</i>
09/24/2018	10:00AM	JGC	Technology
10/22/2018	10:00AM	JGC	Director Evaluation
11/26/2018	10:00AM	JGC	<i>If needed</i>
12/17/2018	10:00AM	JGC	<i>If needed</i>
01/28/2019	10:00AM	JGC	Organization, Budget, Technology

2. Approval of Minutes

Chip Schutte, seconded by Chuck Bishop, moved to approve the December 18, 2017 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. ERP Update

Tom Judge stated that Jim Rasmussen from Tyler Technologies was here for Taxation Training last week and is scheduled to be here nine more days before the Go Live date. He also stated that the Go Live date needs to be discussed and re-evaluated.

4. Health Plan

Tom Judge explained the changes in the Health Insurance Plan, for the FY19 plan. After discussion, Tom is going to get more information on options for the Health Insurance Plan and bring it back to the board.

5. JAS 2019 Budget

Tom Judge stated that the budget is rising \$150K primarily due to inclusion of the ERP system annual maintenance. The board agreed that the ERP system should be included in the JAS budget. Tom Judge will take this forward to the Board of Supervisors for their consideration.

6. Next Meeting

The next regularly scheduled meeting is set for February 27, 2018.

7. Adjournment

At 1:51 pm, Chairman David Weiss adjourned the meeting

Minutes Recorded and Transcribed by Brianna Taylor

Clarke County

tjudge@clarkecounty.gov

RE: Clarke County Renewal

From : Norman, Walter (DHRM)
<walter.norman@dhrm.virginia.gov>

Tue, Jan 23, 2018 04:12 PM

Subject : RE: Clarke County Renewal

To : Tom Judge <tjudge@clarkecounty.gov>

Cc : Wohl, Ann (DHRM)
<Ann.Wohl@dhrm.virginia.gov>

Hi Tom,

As promised, I wanted to follow up with the information we discussed this morning. All TLC plans are rated and designed to stand on their own. That means that each rate will hold regardless of how many participants you have in each product.

Unfortunately, we can't reduce your rates for this year even if you eliminate one of your plans. The rates are based on your demographics and claims experience of your group and the pool at TLC for Rx and Dental which is the same for all groups. That allows us to spread the experience of the most volatile Rx component of your plan over the 70,000 TLC participants.

Even though we can't alter your rates now, dropping the KA250 plan for 2018-19 should save you money in the long term by reducing claims experience. Actuarially, we estimate that the value of claims between KA250 and KA500 at approximately 7%.

Employees most at risk for claims tend to congregate in the better benefit plans because they know they will use them.

Approximately 32% of your employees are in KA250 with the balance in KA500 and HDHP. As you can see, eliminating that plan won't have huge impact on your plan and might cause animosity from those that feel they really need it. You might accomplish much the same result by simply contributing more toward the cost of the lesser benefit plans and allowing the employees who really want the Cadillac plan to buy up.

To summarize the reasoning behind your 14% rate adjustment, I wanted to again relay several factors. Your claims went up by over 5.88% this year and trend has edged up to 7% per year. Keep in mind that we have to provide rates for your group that will hold until July of 2019 which represents 18 months from the date of experience cut off on January 2018 (1/5 years of trend). In

addition your demographic factors increased by 2.3%. All told the benefits of TLC reduced your overall renewal by 3%.

If you have any questions or if I can provide more clarity for you, please don't hesitate to contact me. I look forward to talking with you.

Walter E. Norman
Program Manager, The Local Choice
Department of Human Resource Management
101 N. 14th St., 13th Floor
Richmond, VA 23219
(804) 786-6460
Fax (804) 371-0231

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-----Original Message-----

From: Tom Judge [mailto:tjudge@clarkecounty.gov]
Sent: Monday, January 22, 2018 5:32 PM
To: Norman, Walter (DHRM)
Subject: Clarke County Renewal

Walt,

The Board is looking for ways to reduce the premium increase.

We've been told in the past that reducing the plan options would reduce costs (for example eliminating the 250 option). How much would this save, and would the 250 be the option you'd recommend reducing, if indeed we choose to reduce an option.

Thomas J. Judge, Director of Joint Administrative Services,
Clarke County, 540-955-6172

FY 19 Monthly Health Benefit Rates

Effective 5/16/2018

Source: Joint Administrative Services

A. Plan Rates	Cost	Employer	Employee	Employer	Employer	FY 19
				FY 19 Share*	FY 18 Share*	Employer Annual
<u>KA 250 Plan Option</u>						
<i>Regular Full Time</i>						
Single	769.00	648.68	120.32	84%	85%	7,784
Dual	1,423.00	707.75	715.25	50%	50%	8,493
Family	2,076.00	1,033.02	1,042.98	50%	50%	12,396
<i>Transportation, Food Service & Other</i>						
Single	769.00	547.34	221.66	71%	71%	6,568
Dual	1,423.00	597.18	825.82	42%	42%	7,166
Family	2,076.00	871.64	1,204.36	42%	42%	10,460
<u>KA 500 Plan Option</u>						
<i>Regular Full Time</i>						
Single	706.00	648.68	57.32	92%	92%	7,784
Dual	1,306.00	707.75	598.25	54%	54%	8,493
Family	1,906.00	1,033.02	872.98	54%	54%	12,396
<i>Transportation, Food Service & Other</i>						
Single	706.00	547.34	158.66	78%	78%	6,568
Dual	1,306.00	597.18	708.82	46%	46%	7,166
Family	1,906.00	871.64	1,034.36	46%	46%	10,460
<u>TLC High Deductible</u>						
<i>Regular Full Time</i>						
Single	557.00	557.00	.00	100%	100%	6,684
Dual	1,030.00	633.04	396.96	61%	61%	7,596
Family	1,504.00	923.05	580.95	61%	61%	11,077
<i>Transportation, Food Service & Other</i>						
Single	557.00	469.99	87.01	84%	84%	5,640
Dual	1,030.00	534.14	495.86	52%	52%	6,410
Family	1,504.00	778.85	725.15	52%	52%	9,346
B. Account Contributions						
<u>Regular Full Time</u>						
TLC Health Savings Account Contribution (single)		91.68				1,100
TLC Health Savings Account Contribution (dual)		74.71				897
TLC Health Savings Account Contribution (family)		109.97				1,320
<u>Transportation, Food Service & Other</u>						
TLC Health Savings Account Contribution (single)		77.35				928
TLC Health Savings Account Contribution (dual)		63.04				756
TLC Health Savings Account Contribution (family)		92.79				1,114
C. Total Employer Cost Per Group Health Member						
<u>Regular Full Time</u>						
Single Health		648.68				
Dual Health		707.75				
Family Health		1,033.02				
TLC High Deductible Single Health & "HSA"		648.68				
TLC High Deductible Dual Health & "HSA"		707.75				
TLC High Deductible Family Health & "HSA"		1,033.02				
<u>Transportation & Food Service</u>						
Single Health		547.34				
Dual Health		597.18				
Family Health		871.64				
TLC Single Health & "HSA"		547.34				
TLC Dual Health & "HSA"		597.18				
TLC Family Health & "HSA"		871.64				
				Overall Change	14.00%	

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 High Deductible employee single contribution to zero.
- Force 500 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.