

FINANCE AND RULES COMMITTEE
February 21, 2023

Present: Tom Osborne, Chair; Phil Hathway, Vice-Chair; Jeffrey Nellenback; Jessica Moser and Josh Leviker.

Others present: Legislators Larry Dolhof, and Ian Gilbert; County Manager Ryan Piche; Treasurer, Eric Virkler; Human Resources Director, Caitlyn Smith; and County Attorney Joan McNichol.

Committee Chair, Legislator Osborne called the meeting to order at 3:08 p.m., then approved the January 17, 2023 committee minutes without any amendments.

Annual Health Insurance Renewal – Ryan Piche, County Manager; Jerry Cayer, LCHS CEO; and GKG Representatives

County Manager, Ryan Piche began by explaining the big picture and terminology. Lewis County is “self-insured,” meaning we manage our own premiums and claims. Our premiums completely support our claims. Lewis County employees, spouses, dependents, and retirees are eligible for health insurance. Excellus manages our claims, billing, and customer service. GKG is our consultant for plan design and insurance management. Milliman is the County’s actuarial consultant. “Premiums” are the monthly payments made by employees and employer to cover health insurance expenses. “Claims” are the expenses incurred when one of our insured individuals required medical care. A “Copay” is an out-of-pocket payment made by the insured individual for medical expenses.

Currently insured are 915 employees, 400 retirees with 280 of them who were hired before 1991, meaning the county pays their premium, and 1,750 total covered lives (including spouses and dependents). There are 192 employees who currently receive an annual opt-out payment as an incentive not to take county insurance. The current PPO Health Plan is a monthly premium of \$996 for a single person with the employee paying \$249 and the County paying \$747, and \$2,628 for a family with the employee paying \$657 and the County paying \$1,971. A total of 83% of employees are on this plan. The only two options are single or family plans, there are very few copays, it is union negotiated, and it is no longer open to new members of the CSEA Hospital Union, UPSEU Road Patrol Union, and new Management Exempt/Confidential employees as of January 1, 2023. In a comparison with the Marketplace, a single PPO plan would cost the employee \$338 a month and the employer \$657 versus the current \$249/\$747 split. A family PPO plan would cost the employee \$1,474 and the employer \$1,361 versus the current split of \$657/\$1,971.

The current Hybrid PPO Plan is a monthly premium of \$749 for a single person with the employee paying \$187 and the County paying \$562, a monthly premium of \$1,458 for a two-person plan with the employee paying \$364 and the

County paying \$1,093, and a monthly premium of \$2,109 for a family plan with the employee paying \$527 and the County paying \$1,582. A total of 15% of employees are on this plan. The plan options are single, two-person and family, there are some copays, it was introduced in 2017, and became union negotiated for the CSEA Hospital Union in 2023. In a comparison with the Marketplace, a single hybrid PPO plan would cost the employee \$296 a month and the employer \$574 versus the current \$187/\$562 split. A two-person hybrid PPO plan would cost the employee \$853 a month and the employer \$888 versus the current \$364/\$1,093 split. A family hybrid PPO plan would cost the employee \$1,290 and the employer \$1,191 versus the current split of \$527/\$1,582.

The current High Deductible Plan is a monthly premium of \$643 for a single person with the employee paying \$161 and the County paying \$482, a monthly premium of \$1,252 for a two-person plan with the employee paying \$313 and the County paying \$939, and a monthly premium of \$1,811 for a family plan with the employee paying \$453 and the County paying \$1,358. A total of 2% of employees are on this plan. The plan options are single, two-person, and family, the deductibles which are offset by the HAS is \$2,000 for a single person plan and \$4,000 for a two-person or family plan, it was introduced in 2017, and became union negotiated for the CSEA Hospital Union in 2023. In a comparison with the Marketplace, a single hybrid PPO plan would cost the employee \$296 a month and the employer \$574 versus the current \$187/\$562 split. It is difficult to compare apples to apples when it comes to High Deductible plans.

A review of current plans Annual Premiums: PPO Single Plan cost is \$11,951, employee cost is \$2,988 and County cost is \$8,963; PPO Family Plan is \$31,531, employee costs is \$7,883 and County cost is \$23,648; Hybrid PPO Single Plan is \$8,985, employee cost is \$2,246 and County cost is \$6,739; Hybrid PPO Two-Person Plan cost is \$17,493, employee cost is \$4,373 and County cost is \$13,120; Hybrid PPO Family Plan cost is \$25,306, employee cost is \$6,326 and County cost is \$18,979; High Deductible Single Plan cost is \$7,715, employee cost is \$1,929 and County cost is \$5,786; High Deductible Two-Person Plan cost is \$15,021, employee cost is \$3,755 and County cost is \$11,266; High Deductible Family Plan cost is \$21,729, employee cost is \$5,432 and County cost is \$16,297.

Like any health care plan a small percentage of our covered lives make up a very large percentage of claims costs. 8% of employees made up nearly 60% of total costs incurred. 35% of employees make up less than 2% of total costs incurred. This data shows that many employees are paying premiums for a PPO plan that they don't even utilize. There are roughly 12 claimants that make up 18% of total expenses incurred that are \$150,000 and over, roughly 22 claimants that make up 23% of total expenses incurred that are \$100,000 up to \$149,000.

Another piece of this is Chronic Conditions, which as Ashley Waite, Director of Public Health, has stated before is prevalent in our county. The top chronic conditions that plague our members are hypertension affecting 577 members;

cholesterol disorders affecting 566 members; depression and anxiety affecting 441 members, diabetes affecting 260 members, ischemic heart disease affecting 141 members, asthma affecting 116 members, congestive heart failure affecting 70 members, and chronic obstructive pulmonary disease affecting 65 members. All these chronic conditions amount to 8% of the plan costs which is roughly \$1,218,136.00. Looking back at prior years data, it shows that members are only get unhealthier or having more health issues. Pharmacy Management has been utilized and just last year it saved the county plan \$622,183.00.

The Health Insurance Fund Balance data shows a balance of \$1,109,108 as of the 2nd quarter of 2017 which is when Ryan Piche and Jerry Cayer came on board for the county, it was also around this time when the board had passed a resolution to increase the premiums 10% every 6 months. That premium increase happened 3 times over an 18-month period. The fund balance was just over \$4 million. In the 2nd quarter of 2021, it reached \$7,184,916 which was the highest point, now it has dipped all the way down to \$1,921,797. The policy adopted by the board is to keep the fund balance at \$2 million.

In the October 18, 2022 budget workshop presentation, Ryan had shared a slide that explained a preliminary budget increase of 10% in premiums, even though the aggressive budget recommendation was 7% and the conservative budget was 23%. The County Health Insurance Actuarial recommended at least a 15.5% increase in the annual renewal evaluation. Therefore, the board recommended a 15% increase. Even though the fund balance is low at this time, history shows that the county has always stayed in between the conservative and aggressive recommendations. Monthly premiums versus monthly claims from 2018 through 2022 shows that our premiums collected shows a small decrease over time that is because our member count is down. There are two very large dips in premiums collected and that is due to the holidays given in March 2021 and March 2022. The claims paid out shows an increase over time. Overtime claims have increased and that in turn decreases our fund balance.

Looking back if the two premium holidays were not given to members, the fund balance would have peaked at \$8,562,432 but in the end, it would have still decreased due to the increase in claims down to \$4,620,415. The idea of letting the fund balance grow to over \$8.5 million would not have been a responsible use of taxpayer money. It also wouldn't have been fair to keep that money from employees' pockets. In 2016, the county raised premiums 21% over the course of the year; in 2017, it was raised another 12%; 2018, 2019 only had a 2% increase each year; from 2020 through 2022 there was no increase; and now in 2023 there is a recommended 15% increase.

The average initial increase issued for Experience Rated Groups was 16.98%, with a high of 29%. The average initial increase used for Block Rated Groups was 16.27%, with a high of 36%. The average increase of our large, self-insured groups was 7.3%, with a high of 16.3%. The next steps are to implement a 15% increase in

all premiums beginning June 1st, which will be reflected in the May paychecks. The rate increase is projected to stabilize the fund balance, not increase it. The county needs to increase focus and investment on employee wellness, which should help create a healthier membership and reduce claims. The county needs to work more closely with CSEA to adjust the PPO plan to try and contain costs. There have been zero plan adjustment in over a decade.

Legislator Osborne moved to sponsor a resolution to the full board on increasing the health insurance premiums 15% for the June 1st plan year with the county portion to come out of fund balance, seconded by Legislator Nellenback, and carried.

The following dockets were reviewed:

1. Calling on Governor Hochul to remove Part M of Article VII Revenue Bills from the 2024 Executive Budget.
AYE 5 NAY 0

2. Approving Correction of Tax Bill to adjust, apportion, and charge back a total of \$11,321.43 to various Towns pursuant to the franchise agreements with Time Warner Cable, TCI.
AYE 5 NAY 0

3. Authorizing renewal agreement between the County of Lewis and NCAComp, Inc. for Workers' Compensation administration services
AYE 5 NAY 0

4. Authorizing agreement between the County of Lewis and Pictometry International Corp d/b/a Eagleview.
AYE 5 NAY 0

5. Authorizing agreement between the County of Lewis and Presentation Concepts Corporation for technology upgrades in the Legislative Chambers at a cost of \$98,165.00 to be completed by Fall, 2023.
AYE 5 NAY 0

6. Authorizing inclusion of certain agriculturally viable lands into a certified Agricultural District and negative declaration determination.
AYE 5 NAY 0

7. Authorizing the County of Lewis to "Opt In" to the Nationwide Opioid Settlement Agreements with Pharmaceutical Manufacturers and Pharmacies.
AYE 5 NAY 0

8. Authorizing lease agreement with WPBS, Hudson Valley Wireless, and the County of Lewis to lease space on the WPBS tower and site for the broadband project.

AYE 5 NAY 0

9. Appropriating Funds from Fund Balance in the amount of \$347,875.08 and paying Tax Assessment Refund to City of Rome for the years 2012 thru 2017.

AYE 5 NAY 0

10. Awarding bid and authorizing contract between the County of Lewis and Barton & Loguidice, D.P.C. to provide professional project planning and engineering services for the County-Wide Complete Streets Project at a cost of \$56,137.00 for tasks 1-4 & 7; with options to complete task 5 at a cost of \$28,184.00; and complete task 6 at a cost of \$130,592.00.

AYE 5 NAY 0

At 3:41 p.m. Legislator Hathway moved to enter executive session for update on Information Technology security matters, seconded by Legislator Nellenback, and carried.

At 4:10 p.m. Legislator Leviker moved to enter regular session, seconded by Legislator Nellenback, and carried.

There being no other business to come before the committee Legislator Hathway moved to adjourn the meeting at 4:11 p.m., seconded by Legislator Nellenback and carried.

Respectfully submitted,
Cassandra Moser, Clerk of the Board