

BOARD OF SUPERVISOR SPECIAL MEETING
APRIL 9, 2015

At a special meeting of the Pulaski County Board of Supervisors held on Thursday, April 9, 2015 at 6:00 p.m. in the Information Technology Training Room located on Commerce Street in the Town of Pulaski, the following Board of Supervisors members were present: Joseph L. Sheffey, Chairman; Charles Bopp, Vice-Chairman; Andy McCready; Ranny O'Dell; and Dean Pratt.

County staff present included; Peter Huber, County Administrator; Karen Thompson, Assistant County Administrator for Management Services; Diane Newby, County Finance Director; Tammy Safewright, Human Resources Specialist; and Gena Hanks, Clerk to the Board of Supervisors.

1. Dinner, Welcome and Call to Order

Mr. Sheffey welcomed those in attendance and advised the purpose of the meeting was to hold a budget work session.

2. Insurance Update

A. Health Insurance Coverage Options

Ms. Safewright described health insurance calculations which use the one-time consortium funding to help reduce the County's portion of health insurance costs. Ms. Safewright described the following four options which applies the 7.1% increase to the County and to employees on a percentage basis - since the County already pays more than 50% of health insurance costs, the majority of the 7.1% cost increase is covered by the County.

- Option 1 - Dental insurance remains 100% paid by the County.
- Option 2 - Same as option 1 except dental insurance costs are 100% paid by employees.
- Option 3 (recommended) - Same as option 1 except dental insurance costs are shared 80% paid by the County and 20% paid by employees.
- Option 4 - Same as option 1 except dental insurance costs are shared 50% paid by the County and 50% paid by employees.

Ms. Safewright advised staff recommends option 3 in which both the employees and the County absorb the 7.1% increase and dental insurance costs are split 80%-20% for the following reasons: This option represents the least cost to employees while moving the County toward an a-la-carte self-paid approach to dental insurance. Under the HSA insurance option, the net increase to employees would range from \$8 for single coverage to \$40 per month for family coverage. Under the Choice 200 plan, the net increase would range from \$12 per month for single coverage to \$53 for family. It is important to note that regardless of the

BOARD OF SUPERVISOR SPECIAL MEETING
APRIL 9, 2015

441

plan, covered employees would take home less pay for the first three months of the new fiscal year as health insurance increases take effect prior to the state implementation of the 2% pay increase. In addition, the proposed pay increase would result in a \$33 per month increase and further increasing the health insurance contribution could be more than the proposed pay increase.

Ms. Safewright advised the following second set of options divides the 7.1% health insurance cost increase equally on a dollar basis between the County and employees such that cost increase is equally shared regardless of the greater portion of current costs being paid by the County. Dental insurance remains 100% paid by the County.

- Option 1 - Dental insurance remains 100% paid by the County.
- Option 2 - Same as option 1 except dental insurance costs are 100% paid by employees.
- Option 3 - Same as option 1 except dental insurance costs are shared 80% paid by the County and 20% paid by employees.
- Option 4 - Same as option 1 except dental insurance costs are shared 50% paid by the County and 50% paid by employees.

Ms. Safewright explained that currently, the County contributes between \$46.50 and \$213 per month more to health insurance coverage for the Choice 200 plan than is contributed for the same type of coverage under the HSA plan. This difference creates an inequality that should be equalized over time. Currently 94 employees utilize the HSA plan while 240 utilize the Choice 200 plan. We recommend notifying employees of the need to make this adjustment beginning in July 2016 such that employees can plan accordingly. Some may want to move to the HSA plan in order to take advantage of the potential savings of both insurance premiums and County funding of individual Health Savings Accounts.

Board members discussed the following: insurance for the school employees; application of consortium savings primarily to the HSA cost increases in order to reduce the gap between the HSA and Choice 200 plans; and timeline for open enrollments meetings.

Staff was requested to send an email to the Board with an update on the application of consortium savings scenario.

B. Health Advocate Service

Ms. Safewright described a recent utilization report, as provided by Health Advocate, advising that while this is a helpful service to employees, the County has only experienced 11 contacts this fiscal year. Ms. Safewright indicated that the County pays \$4,898 per year in order to

BOARD OF SUPERVISOR SPECIAL MEETING
APRIL 9, 2015

cover 314 employees and while the service could be of major benefit to employees, direct assistance could be provided the employee through a physician, insurance carrier, and training could be provided to County supervisors in how to be of assistance to employees. Ms. Safewright advised that due to the lack of use by employees, it is recommended that the service be discontinued and the savings be applied to help offset the County's cost for the recommended health and 80/20 dental insurance coverages.

On a motion by Mr. Pratt, second by Mr. McCreedy and carried, the Board approved discontinuing services with HealthAdvocate when the current agreement ends June 30, 2015.

Voting yes: Mr. McCreedy, Mr. O'Dell, Mr. Sheffey, Mr. Bopp,
Mr. Pratt.

Voting no: None.

C. Dental Insurance Improvements

Ms. Safewright advised that, based on the recommended 20% employee participation in the dental insurance program, it is recommended that the current level of coverage be improved by offering full coverage for tooth implants and allow preventative services to now count toward the \$1,000 maximum thus benefiting the employee by them being able to utilize more of their dental benefits from the \$1,000 maximum annual benefit offered by this program.

On a motion by Mr. McCreedy, seconded by Mr. O'Dell and carried, the Board accepted the recommendation of staff in that the current level of coverage be improved by offering full coverage for tooth implants and to allow preventative services to count toward the \$1,000 maximum annual benefit offered by this program.

Voting yes: Mr. McCreedy, Mr. O'Dell, Mr. Sheffey, Mr. Bopp,
Mr. Pratt.

Voting no: None.

D. Supreme Court Case

As a follow-up to a request by the Board to review the King v. Burwell Supreme Court case, specifically the outcome of which may affect the County's decision related to insurance, Mr. Huber and Ms. Safewright summarized information provided by Claire Holbrook of Wells Fargo, noting there would be no impact on the County as it relates to a subsidy because Pulaski County meets the requirements. A full copy of the

BOARD OF SUPERVISOR SPECIAL MEETING
APRIL 9, 2015

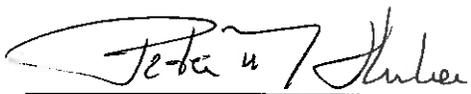
summary of the Supreme Court case is filed with the electronic BoardDocs agenda for this meeting.

Mr. McCready advised he disagreed with the summary provided by Wells Fargo, noting concerns over the potential that the penalty of not providing health care coverage to employees would apply to the employer. Mr. McCready advised that the Supreme Court decision, which is expected to be finalized in late June, could change the situation as it relates to Affordable Health Care.

3. Adjournment

On a motion by Mr. Bopp, seconded by Mr. Odell and carried, the Board of Supervisors adjourned its special meeting to a joint meeting with the School Board to begin at 7:00 p.m.

Voting yes: Mr. McCready, Mr. O'Dell, Mr. Sheffey, Mr. Bopp, Mr. Pratt.
Voting no: None.


Peter M. Huber, County Administrator


Joseph L. Sheffey, Chairman