

AFFORDABLE EMPLOYEE HEALTH CARE (AHC) COMMITTEE MINUTES
County Board Room, Oneida County Courthouse
October 28, 2020 10:00 a.m.

AHC COMMITTEE MEMBERS PRESENT: Dave Hintz – Chair, Billy Fried – Vice Chair (County Board); Lisa Charbarneau (LRES); Tracy Hartman (County Clerk); Erin Bjorkman (Sheriff’s Office); Linda Conlon via Zoom (Public Health)

ALSO PRESENT: Jenni Lueneburg via Zoom (LRES); Jacob Syndergaard and William Schwarzenbart via Zoom (Cottingham & Butler)

CALL TO ORDER AND CHAIRMAN’S ANNOUNCEMENTS

Hintz called the AHC Committee to order at 11:00 a.m. in the County Board Room of the Oneida County Courthouse. The meeting has been properly posted in accordance with the Wisconsin Open Meeting Law, and complies with the Americans with Disabilities Act.

Hintz says the 2021 budget will be presented in a few weeks to the County Board, which includes plan design and budgetary changes to the 2021 group health plan. This meeting is intended to finalize decisions on the plan.

APPROVAL OF AGENDA

Motion by Charbarneau to approve today’s agenda. Second by Smith. All Committee members voting ‘Aye’. Motion carried.

APPROVAL OF MINUTES

Motion by Fried to approve the minutes of October 9th as presented. Second by Charbarneau. Bjorkman feels the minutes are missing discussion on the county seeding (or funding) the new HSA (Health Savings Account). Brief discussion held. Motion by Fried to amend the October 9th minutes to recognize the discussion on adding HSA seed money in the amounts of \$1,000 single and \$2,000 family. Second by Hartman. Motion by Hartman, second by Fried to adopt the amended minutes of October 9th as discussed. All Committee members voting ‘Aye’ on both motions. Motions carried.

PUBLIC COMMENTS

No public comments made.

2021 HEALTH INSURANCE PLAN DESIGN

- **CHOOSE PLAN OPTIONS:** Charbarneau reviewed the Traditional HRA (Health Reimbursement Account), High Deductible HRA and High Deductible HSA 2021 plans previously discussed and approved by this Committee. Charbarneau said employees that elect the HSA plan would not be eligible for a full FSA (Flexible Spending Account) that covers medical, dental and vision expenses but would be eligible for a Limited FSA, which would cover vision and dental expenses only. Discussion held regarding having one exclusive bank to administer the HSA accounts versus employees getting to choose their own bank for an HSA account. Syndergaard recommends allowing employees to choose their own bank but selecting a preferred bank in the event an employee does not choose a bank for their HSA. Syndergaard also noted that employees could transfer HSA funds from one bank to another during the life of the account. Smith says allowing employees to pick their own bank will add work to her office since checks would need to be cut to many institutions rather than just one for HSA contributions. Syndergaard discussed reimbursement of HSA funds.

Syndergaard says the group will need to terminate the county’s group health plan with GHT (Group Health Trust) for 2021 by this Friday and failing to meet that contract deadline may cause run-out claim issues. Discussion held with Hintz noting that the LRES Committee already discussed the matter of

2021 HEALTH INSURANCE PLAN DESIGN (continued)

- **CHOOSE PLAN OPTIONS (continued):** changing health plan carriers and design at this morning's meeting with no disagreement. Committee agrees to Charbarneau sending out termination letter to GHT. Syndergaard says he would also need the signed letters to enroll the county with the new plan for 2021 as soon as possible. Smith voiced concerns about the county offering so many different health plan options, which adds additional payroll codes for her office, and feels the number should be reduced. Discussion held on the reasons for multiple plans, which gives employees flexibility to pick the plan that best meets their individual needs. Motion was previously passed to approve the three different health plans for 2021.

Charbarneau says the next topic for the Committee to decide is whether to offer a limited FSA to employees on the HSA plan. Charbarneau notes that the employee would have access to the full FSA funds they elect at the beginning of the year, which means employees can use all the funds, leave mid-year and not have all the funds withheld from their paycheck to reimburse the FSA already reimbursed. Syndergaard notes that employees can participate in both the HSA and Limited FSA and the same contribution limits apply. Hartman feels adding an additional benefit may confuse things; Hintz concurs. Syndergaard notes that generally he hasn't seen a lot of participation in the Limited FSA plans with his other groups. Motion by Charbarneau to not offer the Limited FSA in coordination with the High Deductible HSA plan. Second by Fried. Lueneburg notes that there tends to be many employees that have FSA carryover and asked how that would work for employees moving to the HSA plan. Schwarzenbart notes that HSA participants would need to convert any 2020 FSA carryover to a 2021 Limited FSA plan. Charbarneau notes that more employees than usual will have carryover for 2020 due to COVID-19 limiting normal medical services. Committee took vote on previous motion with all voting 'Nay'. Motion by Charbarneau to offer the Limited FSA plan to HSA enrollees in 2021. Second by Hintz. All Committee members present voting 'Aye'. Motion carried. Discussion held on whether to change the maximum for the Limited FSA from the current \$2,700; Committee agreed to keep the maximum amount the same for both the full and limited FSA plans.

In-depth discussion on tentative county contribution amounts of the 2021 HSA plan. Smith reviewed cost savings sheet, noting that in the event an employee moves from the High Deductible HRA to HSA plan, the county would save \$679.08 on single plans, \$1,259.52 on employee plus one plans and \$1,814.64 on family plans. Discussion held on county contribution rates for premiums. Syndergaard led discussion on county HSA contribution amounts and frequency of putting the funds into HSA accounts. Fried clarified that he believes the county's intentions are to put an annual match contribution into HSA accounts plus a first-year additional "seed" amount into HSA accounts for employees jumping into the plan at year one (2021). Hartman felt her understanding was that the county would offer a base HSA county contribution, then the additional match amount and first year seed amount. Charbarneau clarified that for the HRA, currently employees can only take amounts with once they terminate employment and have five years' service, but for an HSA plan, the employee gets to use the money regardless of employment status and their years of service. For the annual HSA contribution, Fried says he understands the \$500/\$1,000/\$1,500 HSA annual contribution, which the employee would normally get in HRA and he also understands putting another \$300/\$600/\$900 in a match HSA contribution each year due to the cost savings of an employee moving from the HRA to the HSA plan. However, Fried is not sure where the money will come from to fund a one-time HSA seeding contribution. Fried recommended lowering the employer premium share on the plans to help pay for the HSA seeding money. Hartman feels raising premiums in order to give additional HSA is somewhat disingenuous to employees when you are taking something away in order to look like you are giving something extra. Charbarneau notes that the cost savings listing could be even higher if an employee goes from a Traditional HRA to HSA plan plus the employee's loss of MERP funds. Therefore, it would make it very valuable for the county to seed some additional HSA funds in order to incentivize employees to

2021 HEALTH INSURANCE PLAN DESIGN (continued)

CHOOSE PLAN OPTIONS (continued): move to the HSA plan. Smith notes that the deductible is \$1,000 less per person on the High Deductible HSA versus High Deductible HRA plan. Motion by Charbarneau to implement HSA annual contribution of \$500 single, \$1,000 employee plus one and \$1,500 family plus match contribution of \$300 single, \$600 employee plus one, \$900 family. Second by Hintz. Vote taken with Smith voting ‘Nay’ and Charbarneau, Hintz, Fried, Hartman, Conlon and Bjorkman voting ‘Aye’. Motion carried.

Committee held discussion on potential “seeding” funds to provide to HSA account enrollees for 2021 only. Smith says the county will need to go to the \$150,000 placed in the contingency fund for the “seed” funds and to fund the Erdmann Nearsite Clinic. Hartmann feels the county will be saving money by employees moving to the HSA plan so the county should be able to get the HSA annual, matching and seed contribution from the cost savings of moving to the HSA plan. Charbarneau recommends \$300/\$600/\$900 for “seeding” funds, which would remove the remainder of the county’s cost savings for the year and give it to employees enrolling in the HSA plan. Fried says he would be more comfortable with \$500/\$750/\$1,000 for “seeding” funds and feels that there could be bigger cost savings to draw from then listed for employees that move from the Traditional plan to HSA plan. In-depth discussion held. Motion by Hintz to approve the “seeding” HSA funds of \$300 single, \$600 employee plus one and \$900 family for the 2021 HSA plan only, with no mention of future year seed funds at this time. Second by Charbarneau. Hintz asked how Committee members feel about that motion. Hartman feels the numbers suggested by Fried would be more appropriate given the cost savings. Discussion held. Hintz makes amended motion to approve the seeding HSA funds of \$500 single, \$750 employee plus one and \$1,000 family for the 2021 HSA plan only. Charbarneau seconds the amended motion. Fried feels the Committee still needs to fine-tune the administration of the HSA funds, including how often the HSA funds are paid and whether a single bank or multiple banks are used. Fried suggested monthly payments of HSA funds. Smith feels that will be extra work for her department if they needed to do monthly rather than quarterly deposits with institutions. Hartmann notes that regardless of how often the county pays their portion of the HSA contributions, the employee HSA contributions would be withheld biweekly and would need to be paid into the institution biweekly so the county might as well pay their HSA contributions biweekly too. Smith feels this will be more work for her office and suggests quarterly with the first payment to be at the end of the 1st quarter for both the annual, match and seed contributions. Fried feels the seed HSA funds should be placed into the account immediately on January 1st. Bjorkman agreed with Fried, stating in the event a large medical bill is incurred early in the year by an employee on the HSA plan and there are no HSA funds to pay it, the county risks employees moving from the HSA back to the HRA plans in future years. Hintz amended his previous motion to add putting “seed” funds in HSA accounts at the beginning of the plan year and annual and match HSA contributions in accounts quarterly. Charbarneau seconded the amended motion. Vote taken with Smith voting ‘Nay’ and Charbarneau, Hintz, Fried, Hartman, Conlon and Bjorkman voting ‘Aye’. Motion carried. Smith asked and Syndergaard clarified that when a county goes with one bank, often the bank will come in to the employer and help set up accounts. Smith feels the county does business with Associated Bank right now and using the same bank would be the best route. Charbarneau asked and Syndergaard clarified that in the event an employee leaves county employment, they would be able to move their HSA account to a different bank. Further discussion held. Fried voiced concerns on only using Associated Bank since banks greatly vary on fees and services, so it would be beneficial to allow employees to use their bank of preference; Hintz concurs. Hartman volunteered to research HSA accounts for the Committee and work with Charbarneau on her findings. Syndergaard recommends that in the event the county uses only one bank, it would be beneficial to negotiate with that bank to designate a primary HSA account contact and for the bank to provide education.

2021 HEALTH INSURANCE PLAN DESIGN (continued)

- **EMPLOYEE PREMIUM SHARE:** Fried notes that Syndergaard's previous assessment of the county health plan found that the county's health premium contributions are rich. Fried also discussed the proposed 2021 COLA (Cost of Living Adjustment) approved by the LRES Committee today, noting that COLA and step increases are given to help cover increased costs, including increases to health plan premiums. Fried says based on those points, he feels it would be very fair to ask the employees to increase their portion of the premium. Syndergaard feels increasing employee contribution rates of premiums will be viewed negatively by employees and may cause recruitment/retention issues, but based on market analysis, the county would have the flexibility to do so based on what other employers do. Syndergaard says if we want to steer employees to the HSA plan, we would want to increase the premiums on one of the HRA plans to both fund costs and steer employees to the best cost plan. Hartman feels the comment about Oneida County's premium contributions being rich is hard to say, not knowing other factors such as premiums and plan designs of other counties. Syndergaard agrees and also feels that the county's plan design is less rich than other county's but the county contribution rate is richer than other plans so overall they balance each other out. Syndergaard also feels we need to look at our compensation rates in compared to other counties and if our compensation is less than other comparable counties, then the county needs to have a better health plan to offset. Hintz feels this Committee is making tremendous changes and often, raising premiums is a cause of contention, so adding additional changes may not be a best idea at this time. Fried feels the county has significant costs for their premium, HRA, MERP and now HSA contributions. Fried suggests reducing the employees' premium contribution for the HSA plan but increase the employees' contribution for the HRA plans, which can help make the HSA more affordable and can also help make the employees more invested in their health plan choices. Charbarneau says last year when they attempted to change employee contribution rates, employees were very upset. Charbarneau agrees with Hintz that maybe holding off this year on any contribution changes may be a good idea and the Committee can revisit the matter in future plan years if additional cost savings need to be found to offset premium rate increases. Further discussion with Committee agreeing to table the matter for the time being. Smith agrees with increasing the HRA premium contribution rates to move employees to the HSA plan, and suggested changing the county High Deductible HRA plan from a 95% to a 93% contribution rate and moving the savings over to the HSA premiums. Motion by Smith to change the High Deductible HRA plan to a 93% employer contribution and 7% employee contribution rate. Second by Hartman. All Committee members present voting 'Aye'. Motion carried.

Syndergaard introduced Bill Schwarzenbart who will be assisting in the county plan, open enrollment and putting together of documents and education materials.

- **NEARSITE CLINIC:** Charbarneau notes that employees moving to the HSA plan will no longer be eligible for the Erdmann Nearsite Clinic direct pay model based on HSA federal guidelines. In addition, charges from the Erdmann Nearsite Clinic can't be applied to the HSA deductible due to Erdmann being out of network. Charbarneau notes that HSA participants would be able to pay cash for services they incur with the Erdmann Clinic, would be able to be reimbursed from their HSA account for those services, and services are usually discounted around 40% of other provider's costs. Charbarneau discussed the benefits and drawbacks of going with a membership model versus direct pay model for the Erdmann Nearsite Clinic for HRA participants. Charbarneau feels overall, the direct pay model may be the best way to go. For 2020, the Erdmann Nearsite Clinic utilization was about \$144,000 annualized and Syndergaard feels this will go way down for 2021 (around \$80,000-\$90,000) based on how many people elect the HSA plan. Syndergaard confirms that billing any claims for the Erdmann Nearsite Clinic once out of network for either HRA or HSA plans will not go to deductibles, coinsurance and copay totals. Discussion held on how to fund the Erdmann Nearsite Clinic for HRA plan members moving forward based on funds budgeted for 2021. Fried voiced concerns on what benefit the county

2021 HEALTH INSURANCE PLAN DESIGN (continued)

- **NEARSITE CLINIC (continued):** holds by keeping the Erdmann Nearsite Clinic for HRA plan members; Charbarneau says it takes the claims out of the plan history that effect the premiums. Further discussion held on wellness visit coverage at the Nearsite Clinic versus regular in-network providers. Fried reiterated his concerns about keeping the Nearsite Clinic and feels it will keep people from moving to the HSA plan due to losing the Nearsite Clinic coverage if kept in place. Lueneburg recommended a copay for non-wellness visits at the Erdmann Nearsite Clinic in order to take some of the cost burden off the county and give HRA participants some “skin in the game” when deciding to go to the Erdmann Nearsite Clinic at county cost. Hartman feels putting a copay on Erdmann Nearsite Clinic services will deter employees from using the clinic versus going to a regular provider, which could cost the plan more in the end. Syndergaard notes that the claims steered away from the plan by an employee going to the Erdmann Nearsite Clinic will not make a significant impact on the county’s premium and claim history. Syndergaard feels the copay is a good idea and can look into if the Erdmann Clinic will collect the copays at time of service to save the county needing to bill the copay to employees off Erdmann’s direct pay invoice. Further discussion held about implementing a contract with the Erdmann Nearsite Clinic that would limit the direct pay amounts to \$90,000 for 2021. Syndergaard will check into implementing a \$20 copay for non-wellness visits with the Erdmann Nearsite Clinic and will gather data on number of visits at the Erdmann Nearsite Clinic per year.
- **TELEDOC/MD-LIVE PROGRAM:** Charbarneau says the new plan will offer a telemedicine option called MD Live, which will have a copay of \$10 for HRA plan members and be a straight cost of \$59 per visit for HSA plan members. MD Live does offer medical and behavioral health options.
- **WELLNESS/HEALTH EHHANCEMENT:** Charbarneau says health enhancement funds paid for by Group Health Trust in the current and previous years will no longer be available with the plan change. Funds covered fitness incentives, employee in-service and other programs, with a maximum annual reimbursement to the county of \$12,500, in addition to a \$1,000 wellness grant provided to the Sheriff’s Office, and gift card incentives paid to employees who used the Erdmann Nearsite Clinic for wellness exams. Smith confirms that the health plan savings have already been used up for HSA and the Erdmann Nearsite Clinic. Motion by Fried to remove the wellness component for 2021 since it is no longer being funded by the insurance company. Second by Charbarneau. Lueneburg suggests holding off on determining any health enhancement funds for 2021 until open enrollment is complete and the county can see what remaining savings may exist from the plan changes. Charbarneau agrees with Lueneburg’s ideas. Motion rescinded by Fried and Charbarneau. Smith feels the unknown costs of the Erdmann Nearsite Clinic will make it hard to know what cost savings are remaining.

NEXT STEPS FOR THE COMMITTEE

The Committee agrees to one final meeting to finalize the HSA plan administration and if the Erdmann Nearsite Clinic can administer a copay. Brief discussion on the consultant commission, which will run \$42,000 for the year, regardless if enrollments on the plan increase throughout the year.

FUTURE MEETING DATES

Monday, November 2, 2020 at 1:00 p.m.

FUTURE AGENDA TOPICS

HSA banking institution
Priority Partners/Erdmann Nearsite Clinic

PUBLIC COMMENTS

No public comments made.

ADJOURNMENT

Hintz announced the adjournment of the AHC Committee meeting at 1:42 p.m.

/s/Dave Hintz
Dave Hintz, Chairman

11-02-2020
Date

/s/Jenni Lueneburg
Jenni Lueneburg, Committee Secretary

11-02-2020
Date