

Scioto Township Trustees
Special Meeting
February 20, 2010

Chas: We are having the Special Meeting to discuss the Insurance program.

Jim Organ is here to represent the Ohio Insurance Services Agency Inc. The 2010 Insurance has gone up 17.7%. We went over our plan and then an alternate carries with higher coverage and OPEC Funding. The OPEC has a \$150.00 one time funding cost which is a onetime set up fee and then a \$7.00 per employee per month.

With the new funding of HSA/HRA'S for townships it is advisable for the Township to contact the Prosecuting Attorney.

Chas: Asked Jim to get the Attorney General for him opinion.

Lynda Bennett: How much would it cost to add a dependent to Jim's insurance?

Jim: Don't have the costs with me.

Lynda B: Can Jim still use my insurance as his secondary?

Jim: Yes. As of July 1st you could add a dependent up to age 28 living with you.

Lynda B.: On Vision Plan can I buy into that at a separate rate?

Chas: Yes, you could.

Jim: You want go on Jim Bennett's plan?

Lynda: No, my cost is \$40.00 a week for family Insurance; I am not paying \$816.00.

Rodger: OPEC set up fee is \$150.00, is that monthly?

Jim? No, that's a onetime fee.

Rodger: The \$7.00 per employee is a monthly fee, so six (6) employees' times \$7.00 would be \$42.00 monthly, right?

Jim: Correct.

Rodger: So off the top we'd have \$8500.00 to \$17,000.00 to budget?

Jim: Probably never use it all.

Chas: We'd still have to have it available.

Jim: This doesn't include estimated exposure.

Chas: How long have you been doing OPEC?

Jim: Three (3) years.

Sandra: It expires March 1, 2010.

Jim Organ's time was concluded.

We now have Linda and Patrick Faulk to present their program on Medical Mutual of Ohio. They presented Medical Mutual of Ohio and recommended we go with that and install internally HRA. A health reimbursement account.

Sandra: Co-Insurance after deductibles, how much is the deductible?

Linda: There is no co-insurance.

Pat: Zero.

Sandra: 100% after the deductible?

Linda: That is correct.

Rodger: If we would go with one of your plans, how often do you re-evaluate your plan?

Linda: Rates are guaranteed for twelve months. We generally receive renewals 45 to 30 days prior. Then call each one of you individually for updated medical information and then shop it out as to who has the best product.

Sandra: Do you manage the HRA for us?

Linda: We could do that for you. Generally the HRA's we have we allow the employer to do that. We will certainly get involved in claims. Absolutely any time, but especially the first one you have and if you need help we are here to assist you. Only going to happen on hospitalization and employees would have to bring all these papers of Explanations of Benefits.

Chas: Let's touch a little bit on the insurance for Susan.

Linda: The Medicare supplement?

Chas: Yes.

Linda: Ok.

Chas: Need just a little better explanation for everybody's sake on that. Still keep her on the policy.

Pat: Susan, right now in addition to this insurance you have with the Township, do you have another supplement type plan?

Susan: Yes.

Pat: Ok do you know what it is, a D plan, and E plan or F plan? Do you know what it covers?

Susan: No off the top of my head I can't tell you what all it covers.

Pat: Here is a suggestion from me. I would recommend you staying on this plan right now and let me sit down with you one on one and showing me what you have and I will show you what stuff we have. I have with Mutual of Omaha supplement. I have one through Jen Worth to show you. The difference being, last year when you went to the Doctor, were you getting statements saying you owed a company?

Susan: No.

Pat: Nothing, Zero, ok. When you were going to the Doctor on your part B of Medicare being Doctors. A being hospitalization. The supplement should take care of 100% of what is left over from those two.

Susan: Right.

Pat: My question to you would be, what part of this medical insurance would you use? If any.

Susan: I believe it was all coming out of my Pyramid Insurance.

Linda: Your supplement?

Susan: Yes.

Linda: It probably was.

Pat: That's my question, looking at the future is that the more money we could save the Township with this premium and then I could look at your supplement you have and possibility if you want to keep the one you have now. How long have you had the supplement you have not? Since you were 65?

Susan: Probably.

Pat: So a lot of things have changed in the mean time.

Chas: You pay for that personally?

Susan: Yes, I pay Pyramid.

Chas: So the supplement you pay personally?

Susan: Yes.

Linda: So \$75.00 per month?

Pat: So the Township could eliminate that expense you are paying.

Susan: I am paying \$49.00 a month.

Linda: \$49.00?

Chas: That's pretty good.

Pat: I'd definitely like to look at that. Normal supplement at your age is between \$130.00 to \$150.00 depending on the plan you go with. It spells out pretty much. I think I left it on your desk the one day I was here. It spells out a – pay this, supplement pays this and you pay zero.

Chas: Supplement pay's, you have no out of pocket expense?

Susan: Nothing. I didn't pay anything last year. My Medicare pays unless I have a prescription that I have to have immediately and I may have to pay the \$8.00.

Pat: As I told you on the phone there is a part D in Medicare that is the drug coverage. You said you didn't need that because there was a penalty for signing up late. But coming off a group plan you are eligible immediately. That is an option.

Chas: If you would like Laura could sit in with you also and help you if you don't understand all the options. Reason I am looking at it Sandra and Rodger is that running some numbers. Right now we don't have to worry about getting her off that and putting her on the supplement. But if we do that we could save the Township \$200.00 plus a month. By pulling her out of the plan and paying for her supplement, ok. it's cheaper than keeping her on the plan. You have no out of pocket. You can keep your existing supplement if you want and we will still pay the \$49.00 or we could pick up the other supplement and still save the Township over \$200.00 and some dollars a month. We really need to look at it. It's a no brainer for me.

Linda: We wouldn't put you on some watered down insurance. We have Pat's mother on the plan.

Pat: When you go into a nursing home or an assisted living your supplement ends. There is no provision in any of these to take care of anything but medical expenses.

Laura: Probably, if you looked at a claims history last year there were probably no claims submitted to the group health plan for Susan. You are paying a premium every month for coverage that you aren't using at all because you have your coverage thru your supplement and you are paying that supplement. So you shouldn't pay that supplement, the Township should pay that premium. It's just kind of a switch of the funding.

Chas: Let's pay the supplement. Saves the Township money and she still gets the benefits and there's nothing lost.

Susan: When they started this, I had already told them I had a supplement.

Pat: Essentially you are being double covered. I suggest you go on Medicare D to cover the medicine.

Susan: Is there a penalty now to get on the plan?

Linda: There shouldn't be since you are on a group plan.

Chas: Even if there was the Township would pick the cost up. It would be cheaper by hundreds of dollars. No matter how you look at it, it's still saving of hundreds of dollars. You are getting better than what we all got.

Linda: You are because everybody else has co-pay.

Chas: You are 100%.

Lynda Bennett: The only thing showing on here is Medical, does it cover Dental and Vision?

Linda: We have not looked into that yet. Our primary focus was the medical. Vision we generally recommend VSP. In my opinion they are the best Vision carrier out there. Do you know who you have your vision through not?

Sandra: VSP and Delta Dental.

Linda: Like to look at premium for Delta Dental. Another thing you might want to look into would be Aflac. They have a great disability program. Might be something you would like to look at down the road.

Lynda B. So the Township doesn't offer any type disability insurance policy if they get hurt on the job?

Trustees: Worker's Compensation.

Lynda: Just Worker's Compensation? No other disability insurance if they have to be off a long period of time?

Chas: Worker's Compensation.

Lynda: Not if it is just an illness.

Chas: Exactly.

Lynda: What about Life Insurance? Is there a policy for that?

Chas: We have that now.

Linda: Twenty Thousand dollars with Medical Mutual per employee.

Lynda: Are those premiums still paid by the Township?

Susan: We pay those.

Chas: Any other questions?

Gary: WHAT! I can't believe Rodger doesn't want to play twenty questions.

Chas: It's a no brainer to get Susan off our insurance. Do you have any problem going on your supplement alone?

Susan: No, I have my supplement. I don't think I have ever used the Township's. Maybe I have used it for a prescription of \$8.00.

Laura: It's a win for you and it would take away that monthly premium you are paying on your supplement policy.

Chas: What do we pay a month on our Delta Dental?

Susan: Last month it was \$208.53 I think.

Chas: What about VSP?

Susan: That's yearly and that is almost \$900.00.

Chas: That's yearly?

Susan: Yes.

Chas: With the number I ran we are at \$279.00 saving a month through Pat and Linda's group.

Rodger: Say it's \$200.00. You'd have to take it off both plans, it wouldn't be fair.

Chas: I say if we get an answer from the Prosecuting Attorney saying we can do a HRA ourselves without, I think, I maybe wrong but I think the Attorney General's case may have been someone that may have really ---they may have went from plan D to plan A and really go---what do you call that?

Rodger: Increase of benefits.

Chas: An in house raise and we are not doing that.

Rodger: You're talking interm raise.

Chas: If we went with Pat & Linda's the only thing changing is the medical care benefits.

Sandra: Drug card.

Chas: Drug card and you are going from \$8.00 to \$10.00 a \$2.00 increase, and \$15.00 to \$30.00. So it's not that big a deal. So in any case it's not even a raise at the end. That's what we are trying to do is lower our cost. I feel fortunate we can even do this because of the jobs and costs. The County right now, they have increased their portion of pay on their insurance. They had to go back to the employees and told they them had to pay more. We aren't asking you guys to pay anything. We are also trying to help Susie out even more and save the Township some more money.

Rodger: I've just run some numbers here and bear with me here a little bit here, under Jim Organ's Company their monthly premium is \$3,732.00 a month. I didn't add in the \$150.00 set up fee for OPEC and they are asking \$42.00 a month to administrator that program and then we have to find at least \$8500.00 to start. Potential the program could cost us up to \$62,280.00 which is more, not much more than we paid for insurance this year. Uh, if we only paid \$8500.00 out of the HRA type system we are still at \$57,784.00.

Chas: That's leaving Susie on the plan, too?

Rodger: That's leaving Susie on the plan but that's also you know, if we took Susie off the plan we are you know, if we take the \$200.00 off the total cost you are only decreasing that by \$2,400.00.

Chas: Right, I think we have to consider that the option right now.

Rodger: Just take the \$2,400.00 off the options I just gave you. If we paid nothing out of that HRA type system we are still at \$45,288.00. If we uh, stay strictly with the plan and no HRA it's \$44,784.00 per year. Now under uh, you know, they are \$8.00 cheaper, uh, uh, the potential is know. I don't know that this uh, system uh of Organ's got is actually going to save us any money. I think the potential is there to hurt us. We have to dedicate funds up to that \$17,000.00 potential each year since we don't know.

Laura: Don't you have that under both plans?

Rodger: Yea, we have to do that under both plans, but uh you know, it would of, we uh you know, could we afford to dedicate that much?

Sandra: With the \$17,000.00 we'd have a carryover also.

Rodger: Right.

Chas: I think you have to set aside the maximum.

Rodger: We would have to set that aside in our budget and we got to have it here. Yes, it would roll over but it has to be available.

Laura: Your other option is to increase your responsibility of your deductible from \$1,000.00 to \$1,500.00. Then it is only \$1,500.00 that goes in the HRA. This reduces the exposure in half.

Rodger: Now, question I am going to ask here, it's to Susie. How bad would it be for you to administer a reimbursement account assuming we can do this?

Susan: Just have to get it set up on the computer.

Laura: Do you work on Excel?

Rodger: Would you have a problem?

Laura: Do you work in Excel? Do you do Excel spread sheets?

Susan: No.

Laura: That's probably one of your easiest says to set up an excel spread sheet.

Chas: Sandra, you do Excel sheets don't you?

Sandra: Yes.

Chas: Not to point fingers, but I think if somebody is going to use it, it would probably be you. First of all before anybody else.

Sandra: Oh, yes.

Chas: Maybe it would be something you'd like to handle.

Sandra: With the prescription, with Jim Organ, the 90 day mail order is \$16.00 and it's going to be 90 day mail order is going to be \$30.00. That's the main thing I saw as a difference on was the drug card.

Rodger: If we can do this HRA, that would get reimbursed you know, the difference.

Laura: No, not the co-pay.

Rodger: Not the drug co-pay? We can't do that?

Laura & Sandra: No.

Chas: I think we are good enough to keep what we have now and not ask anyone to take anymore out of pocket no more than a \$1,000.00. With a higher deductible, lower our rates; take a little ding on our drug card. I think that is where we need to stand. Save the Township more money. We can allocate some more in the bank.

Sandra: I definitely think we should go with the HRA or OPEC. I think we should go with higher deductibles, absolutely.

Chas: Yes, and get Susie off that and put her on just a plain supplement. We are in agreement there. We need to find out some legality issues and then we need to choose and we need to choose quickly.

Rodger: We need Chris Betts to get us an answer on that real quick.

Chas: Then we can decide.

Sandra: We can E-mail Chris Betts now and that way he will have it on his desk first thing Monday morning.

Chas: Does he answer pretty quickly?

Sandra: I can follow up with a phone call to him that morning asking if he'd read his E-mail, Yes, he is pretty good at getting back to us. We can also get the case law that Jim was talking about.

Chas: Hopefully, he will get that to me to look at and actually Chris could look at that too.

Sandra: Just forward that to me on my E-mail then I can give that to Chris on Monday.

Laura: I'm wondering if Pat and Linda's program, the difference is the drug card, that's a little higher and puts more responsibility for more pay on the Trustees side if that doesn't help—

Chas: Individual?

Laura: Right, individual, it that helps the argument about rate.

Chas: The in house rates?

Laura: The one paragraph where it said that the HRA, the change didn't increase the benefits, because going with Pat you are really decreasing the benefits a little bit on the drug card and that might help with that positioning on being able to do a HRA because of that.

Susan: What about Vision and Dental, are we going to keep it with Jim Organ?

Chas: Keep it right now and let's concentrate on health that's our biggest thing now.

Susan: Just get the health and let them come back later with quotes on Vision and Dental. Our Vision is paid for this year.

Chas: Regardless they both have VSP and it would stay that way.

Sandra: Delta Dental has been a good program. The thing with Delta Dental we have a \$1000.00 cap a year. But that is pretty standard.

Lynda B: The other thing is too, even though I have insurance I get my prescriptions at Kroger's for \$4.00. They even offered it, they will tell you that your insurance will pay \$10.00 but we will give it to you for \$4.00. They give me two (2) months verses one (1) month for that. As long as you go to a Doctor and you get a prescription where they will do two (2) or three (3) months they will fill it at that price.

Laura: The changes over time have made us become better consumers.

Lynda B: If I can save that money if it's \$35.00 for a prescription and I can get it for \$4.00, or go generic as much as possible.

Sandra: The thing with me, they consider an antibiotic one week as a prescription. So I get them by the month but they charge me four (4) times. So it's easier.

Lynda B: Someone does them for free. Is it Giant Eagle? Offer free antibiotics.

Sandra: Certain ones.

Lynda B.: Yea, you can get them free.

Sandra: But I change every couple months.

Lynda B.: CVS is now offering a nurse, I think it is.

Sandra: A nurse practitioner.

Lynda B.: Get a free prescription for different things. We need to pay attention to the different savings when you have to pay out of pocket.

Sandra: Trust me, I do shop.

Rodger: Most of the major chains have \$4.00 prescriptions. The latest one I heard was a \$2.00 prescription for something or another.

Lynda B.: Haven't heard of the \$2.00.

Rodger: I don't know if any drug card out there that is that good.

Lynda B.: Insurance is a big deal.

Rodger: Question right now is where are we going to leave this today? Are we just going to say we need ruling on the HRA from Chris Betts and make a decision ----

Chas: My opinion is if we get the answer, that's why we are checking with Chris Betts. I think we could go with Linda and Pat's program.

Rodger: Or do we make a motion to go for one or the other and go for the one if the HRA is uh, worthwhile uh, if legal, if not we go with the other.

Chas: That's what I just said.

Rodger: Do we make a motion?

Chas: Motion to do what?

Laura: Can I ask a question?

Sandra: Absolutely.

Laura: On Jim Organ's plan was it mandatory they administer the OPEC program?

Sandra: No, I don't think.

Rodger: Yes, OPEC, yes.

Chas: Yes, they have to administer.

Laura: The HRA?

Chas: That's self insured.

Laura: OPEC, that's automatic and they administer not something you can carve out.

Chas: It is if we want to.

Sandra: I thought it was something we could do if we wanted to.

Chas & Rodger: Not according to Jim.

Chas: If we find out from Chris Betts that we can do that then we can eliminate that from Jim's plan.

Laura: That's if Jim would accept it. Jim's company may choose not to because he might think it is still a risk.

Chas: But we could do it internally. But still have his \$3,000.00-\$9,000.00 plan.

Laura: Yes, ok.

Rodger: If we do this ok, the motion would have to set regardless, Jim if we go with the OPEC. If we go back here the motion would have to include his little statement here---

Chas: A resolution?

Rodger: Yea, on this OPEC.

Chas: What are you trying to say what's the motion?

Rodger: The motion?

Laura: The motion has to include that resolution that he provided you. I guess the other question as to whether or not financially you could set that much money aside.

Rodger: The other part of that is to address that the motion would have to include this if we went with Ohio Insurance Services and then we would also know how much we would be putting in this. The funding for the HRA part of that OPEC. Regardless of how we do it we will have to come up with how much are we going to put in that fund.

Chas: Why are we putting this in a motion?

Rodger: Well,-----

Chas: I made the motion that if Chris Betts comes back and says you guys can do the HRA ourselves; I suggested we go with Pat & Linda Faulk.

Sandra: Ok.

Chas: That is the motion if Chris Betts says we can.

Rodger: We can address the HRA at the next meeting.

Chas: I don't know, we are going to have to address it sooner than that if we want to make it by March 1st.

Sandra: Right.

Chas: We have to make a decision and get something on board with somebody before March 1st.

Rodger: Right, well the funding for the HRA would have to be in at that point.

Sandra: We could say we are going to set up a HRA, but not specify how much the funds are going to be until---

Chas: I think we can administer those ourselves.

Sandra: I think we should be able to. But we have to include that maximum exposure.

Rodger: Right.

Chas: Does that make sense?

Rodger: That's what I'm trying to tell you guys, we are going to set that up after we find out.

Chas: Yes, we know we have to set up the maximum exposure. Let's set the fund at 25% of the maximum exposure. 25% if we find we need more we can always change it. We are doing these ourselves.

Rodger: We appropriate it just ---ok that works for me.

Sandra: The years we have carry over we don't have to appropriate as much.

Rodger: It is a line item.

Chas: A motion we set.

Rodger: Give Susie your motion.

Chas: I make a motion that if we find out from Chris Betts that we can administer the HRA ourselves that we go with Pat and Linda's group on the health insurance program, the \$3,000.00 - \$9, 000.00 with no more out of pocket than \$1,000.00 - \$3,000.00 for each employee and Township pick up the rest of the deductible and we set aside as maximum exposure of \$17,000.00 and some odd dollars for that HRA with a 25% of that maximum set aside immediately in an account to reimburse any funds.

Rodger: I will second that. Vote: unanimous.

Sandra: Now if we can't do the HRA what are we going to do?

Chas: Then we need to look at possibly going with the OPEC to save our funds.

Sandra: Ok, but we are not putting that into a motion today?

Chas: No.

Laura: Or go back to the \$1,000.00 plan with no OPEC funding.

Chas: Yes, I think we still save money by doing that OPEC.

Laura: I don't know.

Chas: Well, That is if we do our OPEC.

Sandra: I always hit my deductible, I'm sorry, I can't help it.

Rodger: You got to plan for everything coming out, and if you don't plan that way, same way with bidding a job, you got to figure it down to the line, I have to have this much plus uh, plus this for employees and then profit. So if we don't do that you got to look at that worse case sencerio. Hopefully we never get to that.

Chas: We'll wait and see what we come up with.

Rodger: Uh, motion to adjourn.

Sandra: I second. Vote: unanimous.

Meeting adjourned at 10.04 a.m.

