Lamar County Board of Commissioners
Special Called Meeting
Administration Building
May 2nd, 2023
8:00 a.m.

The meeting was called to order at approximately 8:16 a.m. on May 2nd, 2023. Present for the meeting were Chairman Traylor, Commissioner Fletcher, Commissioner Lovett, Commissioner Gilles, County Administrator Townsend, and County Clerk Davidson.

NFP-Renewal and Marketing Analysis

Jonathan Shaw with NFP attended the meeting via Zoom and presented to the board an insurance renewal plan for Lamar County. Mr. Shaw said that the loss ratio was the primary driver of the renewal. He stated that Lamar County returned to the ACCG pool in 2022 and chose Anthem as its carrier. The worse claims for Lamar County were in September of 2022, which led to an increase in the renewal received. The initial renewal from Anthem was 29 percent, a $324,306.00 increase, but the revised renewal plan increase shows a 27 percent, a $301,940.00 increase. The quote received from Aetna shows a 21 percent increase of $232,531.00. A big part of NFP's responsibility for Lamar County is to obtain competitive proposals, and one of the things that they look at is a historical change in carriers and how long you have been with a carrier. Lamar County was with Anthem for several years, switched to Cigna, and then returned to Anthem last year. The only way to reduce the bottom line is to shift responsibility to the members by having higher deductibles and copays. This will be a balancing act to keep the employee deductions as stable as possible because recruitment to keep people is at an all-time high, and benefits are being looked at in the hiring process arena.

Mr. Shaw showed that Lamar County had a 116 percent claims loss through December. This means that for every dollar Lamar County paid in premiums, Anthem paid $1.16 in claims. Their target loss ratio is around 25 percent. If you go to partially self-funded insurance, the big part of the cost is the administration of the claims, so they like to see around a 75 to 85 percent loss ratio. Being fully insured benefits the County, but you need around 500 to 1000 people before you move into a self-insured program. Mr. Shaw said that the biggest component that the ACCG pool is missing out on is the prescription drug rebates. A hidden cost is built into the prescriptions, and when you are fully insured, it is a profit center for Anthem. They are making money off of their formulary. Lamar County should be seeing $100,000.00 in prescription drug rebates based on the employee size of the County. When you are partially self-funded, you take on the first $100,000.00 of liability for every single claimant, which quickly raises the cost. Mr. Shaw said that they need to take an intense look at changing the delivery system of getting insurance, called Reference-Based Pricing (RBP). The insurance business needs to be more sustainable, and Lamar County cannot continue to have 30 percent increases and $5,000.00 deductibles. This strategy uses Medicare pricing to determine what is paid for medical services and cuts out the insurance companies. This is a drastic change, and it puts friction on the staff and the employees for at least the first 18 months of the program. You no longer have a network or out-of-network concept. Mr. Shaw said that after the renewal season, they need to look at the analysis and what RBP could look like. However, the Association of County Commissioners of Georgia (ACCG) is trying to create a true association plan. Anthem owns each policy and your data, and they are not willingly handing the data over to ACCG and through the brokers.

Mr. Shaw stated that RBP and partially self-funded go hand in hand. He said, as an example, the claims numbers would reduce by about 30 percent, and hospital charges, discounts, and Medicare would be very low. NFP would pay them 120 percent of the Medicare rate, taking it to 300 percent. You would pay four times the Medicare rate and still pay less than you would to the best insurance market. At this time, you will not be fully insured. Mr. Shaw said there is a lot of greed in the insurance business and a huge variance in pricing and discounts.

Commissioner Gilles said that she worked in the medical field, and Anthem was notorious for processing claims six months later. She said that she was looking at a known employee that is no longer with the County where she had a high rate of medical claims between a specific date and wanted to know if her claims were included on the claims loss ratio graph. She asked if this data was from September, or were they resubmitted claims? Mr. Shaw said they roll back to the month the claim was incurred. The graph does not show the date it was paid. The claimant on the graph is HIPPA protected. There could be more claims in December once they get the new data that was incurred.

Vice-Chair Thrash inquired about mixing and matching with partially self-funding and reference-based pricing. Mr. Shaw explained this would be with a small Third Party Administrator (TPA). They would work with a rented national network; Cigna, Aetna, Secure Health. There would be different deductibles for various hospitals. Reference-based processing could put the employee at risk. A huge component of this is using companies like ClaimDOC, a service you utilize with reference-based pricing. Mr. Shaw said that you want it to be something other than a co-fiduciary. The co-fiduciary guarantees their work by saying that they cannot settle the employee's claim maintaining that it is the employee's responsibility. There are some horror stories with reference-based pricing. He said that one story is in Monroe County where an employee has a $280,000.00 charge to Northside Hospital.

The board reviewed several options with the insurance, including a Health Reimbursement Arrangement (HRA). Mr. Shaw stated that the amount that the board needs to concentrate on is $302,000.00 total cost. If they make changes to the base plan only, there is a higher deductible, a higher copay, a shift in the prescription drug deductible, and a $5.00 reduction to the tier three medications. This provides about $42,000.00 of savings, so instead of paying $302,000.00, the County would be paying $258,000.00, but the tradeoff would be with the deductible. The higher the deductible affects the employee the most. So, with an HRA, the County agrees to reimburse a portion of the deductible if an employee has to use the higher deductible. This will affect about 15 percent of the employees in the County. The employee with a base plan currently has a $2,500.00 deductible, and the new plan (Alternate 1) shows the new deductible at $5,000.00. The County's premium can be decreased by increasing the deductible on the plan. The board reviewed Alternate 2 with a $5,000.00 deductible and a $300/600 prescription drug cost. If the board chooses the Alternate 1 or Alternate 2 plans, the HRA would not be necessary for the Buy-Up plan because the employee pays an additional amount to have a lower deductible. The Alternate 1 and Alternate 2 plans would cost $1,5000.00 and would cost the employee around $77.00 to $66.00 per pay period. The Alternate 3 plan comes with increased deductibles and copays. Alternate 5 and Alternate 6 plans are designed for people who do not go to the doctor and only want major medical protection. There would only be four office visits offered to the employee at the $35.00 copay after the deductible is met. The millennials, specifically in Atlanta, prefer the Virtual First Option, and these employees like telemedicine and virtual doctors. There are better fits for Lamar County employees than this one, as Atlanta hospitals are the only providers that offer this option.

Commissioner Lovett discussed the Prescription Benefit Management (PBM) option for prescriptions. Mr. Shaw stated that this is used with partially self-funded or reference-based pricing insurance. These companies access coupons where you can get medicine internationally and from Canada instead of China (where most drugs in the United States come from). This is not an option for Lamar County. Commissioner Lovett inquired about the timeframe for the County to decide reference-based pricing. Mr. Shaw said that conversations should start in August 2023 and be determined by November 2023. This would also require intensive work on NFP.

Vice-Chair Thrash inquired about the budget. County Administrator Townsend said that he did a 10 percent increase for six months. He said that he had an employee that did not take insurance, and they left and were replaced with an employee that needed insurance. Currently, he has about five people that need insurance. However, he is still in the good for approximately $100,000.00 for about six months. He is considering changing each Department's group insurance line item into the HR Department with an extra contingency line item.

Commissioner Lovett noted that moving from a $5,000.00 to a $2,500.00 deductible will cost the County about $65,000.00 in liability, and having an HRA would offset everything that the County would save. Commissioner Gilles said that when you mess with employees' insurance and increase their deductibles, they end up not going to the doctor, and you end up with higher claims. Chairman Traylor said that they had a Wellness Program that encouraged the employees to go to the doctor to avoid heart attacks and high blood pressure. So, now the employees are going to the doctor more often. Commissioner Lovett stated that he is leaning towards choosing the Alternate 1 plan. Mr. Shaw said that he, Human Resource (HR) Director Kilchriss, and County Administrator Townsend also agree with choosing the Alternate 1 plan. HR Director Kilchriss said that she liked the Alternate 2 plan, which has a $100.00 prescription plan and a $5,000.00 deductible and is a 22 percent increase. Mr. Shaw said that if the County goes with the HRA, it will decrease the employee's deductible by $2,500.00, which is an enhancement to the employee's major medical. County Administrator Townsend pointed out that the Alternate 1 plan was not an option he and HR Director Kilchriss had reviewed. Mr. Shaw said that this option is the same, except the prescription plan is $100.00 less for each tier and comes with a 23.1 percent increase. The cost for the Buy-Up Plan with a $1,500.00 deductible will increase the employee's costs from $44.00 to $66.00. Mr. Shaw said that the HRA could only be attached to the deductible.

Vice-Chair Thrash said it only makes sense to do the HRA if they choose an Alternate plan with a higher deductible. The Buy-Up Plan will not benefit from the HRA because they are paying a $1,500.00 deductible, a lower copay of $25.00 to $50.00 instead of $30.00 to $60.00. Commissioner Lovett pointed out that the difference between Alternate Plan 1 and Alternate Plan 2 is around $2,800.00. The board continued to review various Alternate Plans, each varying increases in out-of-pocket expense and lower co-insurances, and the County funding the HRA. Alternate 4 and Alternate 5 do not offer a Buy-Up plan, and about 20 percent of the employees choose the Buy-Up Plan with a $1,500.00 deductible. Commissioner Lovett stated he was considering Alternate Plan 2 with a Buy-Up Plan. HR Director Kilchriss stated that the cost to the employee for the Buy-Up Plan would be around $71.50, and the Alternate 1 plan will cost the County $66.00 per pay period. Commissioner Lovett stated that the insurance cost for the employee is $953.85 and will cost $24,800.10 for 26 pay periods choosing the Alternate 1 plan.

Commissioner Lovett made a motion to approve the Alternate 1 Plan without HRA. Commissioner Gilles seconded the motion. Vice-Chair Thrash said she wanted to take more time to review the insurance option. Mr. Shaw recommended including Life and Disability with Anthem, which would give another point off of the Health Insurance rates. He said that there are no changes to the Dental and Vision. Chairman Traylor called for a recess from approximately 9:45 a.m. until 11:30 a.m.

The board resumed the meeting at 11:47 with Fox Crossing Phase 3B as the topic.

Fox Crossing-Phase 3B

The Planning and Community Development Director Buice (Ms. Buice) stated that she received a letter from the Environmental Protection Division (EPD). It was determined that all conditions of Consent Order EPD-WP-9282 had been met. There is also a letter from Falcon Design and Engineering certifying that the Erosion and Sedimentation Control Plans stand by what was engineered. She also has a letter from a 3rd party engineer stating that what was laid out on paper is what is installed in the ground. Commissioner Lovett stated that Zeke Harvey had no objection to passing the Fox Crossing Phase 3B. Ms. Buice stated that she has bonds for the roads for $500,000.00 and another $100,000.00 for anything that may be done for erosion or stormwater infrastructure. These are good for two years.

Commissioner Lovett made a motion to adopt Resolution 2023-01 approving the major subdivision Fox Crossing Phase 3B Land Lots 103 and 122 of the 6th District. Vice-Chair Thrash seconded the motion.

Commissioner Lovett made a motion to adopt Resolution 2023-02 approving the major subdivision Fox Crossing Phase 3B for acceptance of roads Land Lots 103 and 122 of the 6th District. Vice-Chair Thrash seconded the motion.

Commissioner Lovett made a motion to adopt Resolution 2023-03 approving the major subdivision Fox Crossing Phase 3B for acceptance of the storm drainage system in Land Lots 103 and 122 of the 6th District. Vice-Chair Thrash seconded the motion.

NFP-Renewal and Marketing Analysis

Commissioner Thrash stated that the board discussed the various alternatives during recess and decided to go with the Alternate 1 plan for the 2023-24 insurance renewal. Alternate 1 plan has a $5,000.00 deductible and a $30/60 copay for Office/Specialist physicians. The Buy-Up plan is an option for the employees with a deductible of $1,500.00 and a $25/$50.00 copay for Office/Specialist physicians. The Buy-up plan will cost the employee approximately $66.00 per pay period.

Previously on the table was a motion from Commissioner Lovett to approve the Alternate 1 Plan without HRA, with Commissioner Gilles seconding the motion. Commissioner Lovett amended his motion to include Life and Disability with Anthem, which would give another point off of the Health Insurance rates. Commissioner Gilles seconded the motion. The motion passed unanimously.

Mr. Shaw stated that the biggest concept of a wellness program is incentivizing employees to get their annual physicals. Payroll strategies were set up so employees paid less for health insurance since they already had the wellness structure in place. He said they require their employees to have their preventive care done to receive the wellness credit they offer. Chairman Traylor said that when he worked at the hospital, there was someone that had an incident on a forklift and found out it had high blood pressure, and then they found out another had a blood sugar drop. He said that when he went to get the routine physical, he found out he had a thyroid issue. Chairman Traylor said that because of these events, he feels that a Wellness Program benefits employees.

Mr. Shaw noted that this requires an investment from Lamar County, but it is beneficial to employees to know their numbers regarding health care. Under the Alternate 1 Plan, the routine physical and preventative health physician visits and shots are covered 100 percent.

Round Table

Commissioner Gilles said that with the tough decisions about health insurance, the Board of Commissioners checked off a goal, and health care keeps employees.

Chairman Traylor said he appreciated the interaction at the ACCG conference. He said that Jeff Christie made a point to acknowledge that to him. He said some of the other Commissioners wished that their turnout could have been better. Chairman Traylor said that as they leverage things with ACCG, that support speaks volumes. He hopes everyone learned something in their classes, and his goal is to get all of the Specialty Track awards. Chairman Traylor thanked County Administrator Townsend and County Clerk Davidson for all the work that went into the conference and for ensuring they had what they needed. Commissioner Lovett and County Clerk Davidson attended the 1st Amendment Audit class with Attorney Ken Jarrard. Commissioner Lovett said that when people come in with cameras, let them in and act as if they are not there. Vice-Chair Thrash said that the key is not being rude to them and acting as if they are not there. She stated that as long as signs are posted "Employees Only," everything should be fine. Commissioner Lovett said that every success story was where there was no confrontation.

Adjournment

Commissioner Gilles made a motion to adjourn the Special Called Meeting at approximately 12:40 p.m. Commissioner Lovett seconded the motion. The motion passed unanimously.

THE LAMAR COUNTY BOARD OF COMMISSIONERS

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Ryran Traylor, Chairman

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Nancy Thrash, Vice-Chair

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Jarrod Fletcher, Commissioner

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Jason Lovett, Commissioner

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Ashley Gilles, Commissioner

Attest: ______________________________ Carlette Davidson, County Clerk