

Sullivan County NH

Type of meeting: Board of Commissioners, Executive Session Meeting Minutes
Per RSA 91-A:3.II.a.&c. Personnel Issue / Negotiation Issue

Date/Time: Tuesday, February 05, 2008; 3:49 PM

Place: Newport – Remington Woodhull County Complex

Attendees: Commissioners Jeffrey Barrette – *Chair*, Ethel Jarvis - *Clerk*; Greg Chanis – *Interim County Manager*; and Sharon Johnson-Callum (minute taker).

Absent: Commissioner Bennie Nelson – *Vice Chair*.

3:49 Commissioner Barrette entertained a motion to enter Executive Session for a Personnel Issue, per RSA 91-A.3.II.a.& c. Commissioner Jarvis seconded the motion. There was no discussion. A roll call vote was made. The motion carried, unanimously. (Commissioner Nelson was not present for the vote).

Mr. Cunningham noted to Commissioner Jarvis his town posts draft minutes. Mr. Martin requested Commissioner Jarvis to continue sending the e-mails with drafts and he would post them to his website.

3:53 Steve Cunningham, Peter Martin and Aaron Aldridge left the room.

Health Insurance (This was placed in Executive Session as discussions pertained to possible changes that could affect future CBA negotiations)

Mr. Chanis noted the County is currently self-funded, health insurance contributions are pooled from the employee and the County, with the County paying the claims. Mr. Chanis recently contacted NH LCG [New Hampshire Local Government Center: the County's health care administrator], and they indicated:

- ◇ of their customers, 1 out of 3 municipalities are self funded, and the County is the smallest employer, next one up has 500 employees.
- ◇ The hallmark of a successful self funded plan:
 - Large employer, we are the smallest.
 - Maintain a reserve – historically, we held a separate [interest bearing] bank account specifically for health insurance deposits where claims were paid out of. This changed in FY06 per auditor recommendation [to the General Fund] and we no longer have a large reserve.

Mr. Chanis pointed out it is no longer executed the way a self funded plan is intended and options include: continue or switch to a fully funded plan - pay premiums in advance

The group reviewed [Appendix E]:

- an e-mail response from Melissa Briggs at NH LGC to Mr. Chanis regarding questions Mr. Chanis submitted should the County terminate the self-funded and go to a fully-funded plan,
- a [BudgetSense] report reflecting the "11012" health insurance lines in each department,
- the FY 09 budgeted health & dental insurance rates for bargaining and non bargaining employees, and
- the proposed cost of the same if switching to fully funded.

Mr. Chanis has not completed his research. What he thinks occurred, is that the self funded reserve ran at a deficit and the County transferred funds into the reserve, plus, over the last two (2) years the County has aggressively raised premiums to stop that transfer trend. The County used to bill out 1/12 of money budgeted, charge to each department each month for a predictable amount; auditors want us to reflect an actual cost, so the County now itemizes the bill and charges each department. He noted, currently, there is no correlation between budgeted and the amount paid in. Commissioner Barrette wants to see apples to apples, same number of employees, fill all employee positions, and do fully funded. Mr. Chanis pointed out the budgeted amount for fully funded, when compared to self-funded, is cheaper, but the actual cost is hard to predict, as they are unsure of the trend. Mr. Chanis noted he polled the Department Heads during the budget reviews and found all approve of going to a fully funded insurance program, as it would be fixed cost to budget. Mr. Chanis's concern is that the County does not operate the plan with a reserve and this is risky in terms of predictability, so they must artificially inflate rates. Mr. Chanis confirmed the amount CBA pays is based on a percentage. Mr. Chanis noted the con's of a fully funded program is that premiums are locked. Commissioner Barrette wants to know – figure out for # of people in plan, are you ahead of behind? Budget for unfilled positions. Mr. Chanis will subtract out of the budget unfilled positions. He pointed out there are two factors to consider, unfilled positions and a lag time as to when a newly hired employee is eligible for health insurance. At this point the group briefly reviewed the February 2008 Employee Position Listing Commissioner Jarvis provided. Mr. Chanis confirmed the Human Resource Director has advised they can send a LOI to the Union to say the County would be keeping the same health care plans, but changing the way health care is funded; then wait for their response. Mr. Chanis noted LCG performs final rate costing calculations in May, so what he produced shows Sept/Oct. He noted LCG can change the funding structure within a 60 day notice. He noted the County is responsible for "run out costs" – these are costs incurred when a person is seen by a doctor in June which might extend into the next fiscal year, e.g.: doctor prescribes aspirin for chest pain, which later develops into the person having a heart attach – in this situation, the claim would be based on previous funding method. He noted no decisions are required today. Mr. Chanis confirmed he'd touch base with Melanson Heath and Co., on the proper way to run a self funded reserve and will find out the working fund balance. Commissioner Barrette requested the health care funding option be placed on the agenda for their next meeting.

Union Negotiation Update

Mr. Chanis noted the Union negotiator has been on a two-month vacation and union representatives have not returned to the table to resume negotiations.

Smoking issue

Mr. Chanis confirmed the County Attorney does have this as part of the negotiation.

Legal matter

Mr. Chanis indicated a former employee filed a complaint with the State Human Rights Commission regarding an issue at the SCHC during the tenure with Heidi Smith and Scott Wojtkiewicz. NH Primex was alerted and they will respond by 2/29/08. A copy of the complaint and supporting documents were sent to the County Attorney. Commissioner Barrette requested Mr. Chanis to check with County Attorney since Mr. Wojtkiewicz was a Genesis employee.

4:38 Commissioner Barrette moved to come out of Executive Session. Commissioner Jarvis seconded the motion. There was no further discussion. A voice vote was taken. The motion carried, unanimously. (Commissioner Nelson was not present for the vote).

Respectfully submitted,



Ethel Jarvis, Clerk
Board of Commissioners

EJ/s.j-c.

Date signed: 2-21-08

Greg Chanis

From: Melisa Briggs [mbriggs@nhlgc.org]
Sent: Friday, February 01, 2008 4:40 PM
To: gchanis@sullivancountynh.gov
Cc: Dana Conrad
Subject: Self-Funded Contract Follow Up
Importance: High

Hi Greg,

As promised, I wanted to follow up with you regarding some of the specific questions you had if the County were to terminate the self-funded arrangement and change to fully-insured effective 7/1/08.

1. What are the options the County has for paying LGC HealthTrust for the run-out claims on or after 7/1/08? How will the Working Fund Deposit be handled during the run-out period?

The County may pay the actual run-out claims (and related fees) on an actual basis or on a fixed lump sum amount. In either case, all funds should be received within 6 months following the termination of the self-funded contract. The Working Fund Deposit will be credited to the run-out costs, such that the County will need to fund the difference between the run-out costs and the Working Fund Deposit. The County must decide whether to pay actual run-out costs or a fixed amount prior to July 1, 2008.

2. Will the County be billed administrative fees during the run-out period?

The County will have to pay administrative fees on the run-out claims, as these have not been previously funded. Stop-loss premiums may, or may not, be paid at the election of the County. As is true of run-out claims, the related administrative fees, and stop-loss fees if elected, should be paid within 6 months following the termination of the self-funded contract.

3. Can LGC HealthTrust provide an estimate of what the run-out claims might be along with any administrative costs to the County?

Estimated run-out claims are \$485,000. Related administrative fees are \$39,000. Related optional stop-loss fees (in order to extend the paid claims stop-loss protection through the run-out period, if paying the actual claims is elected) are \$54,000.

4. Will the County be assigned new medical group numbers if this funding change were to take place?

Yes; the County will be assigned new medical group numbers and new ID cards will be issued to all covered members prior to 7/1/08.

As we discussed previously, I wanted to confirm in writing for you that the fully-insured premiums provided do include all of the administrative fees and there are no other separate costs. It is important to note that the County will be responsible for the run-out claims cost and related fees (as illustrated above) in addition to the fully-insured premiums. I also asked the underwriter if we would recommend purchasing the stop-loss protection through the run-out period and I will follow up with you on this as soon as possible.

Lastly, I noticed that we did not provide you with the monthly fully-insured premium for Medicomp Three, which is the supplemental plan offered to retirees age 65 or older. The monthly guaranteed maximum rate is \$490.86.

Should you have any other questions or need further clarification, please let me know. Hope you have a nice weekend!

2/4/2008

Sullivan County

Health Insurance

From Date: 7/1/2007

To Date: 2/29/2008

Fiscal Year: 2007-2008

Include pre encumbrance

Print accounts with zero balance

Filter Encumbrance Detail by Date Range

Account Number	Description	07-08 GL Bud	Adjustments	Adj. Budget	Current	YTD	Balance	Encumbrance	Budget Bal	% Rem
10.400.11012	GROUP HEALTH INSURANCE	\$29,920.00	\$0.00	\$29,920.00	(\$26,653.40)	(\$26,653.40)	\$56,573.40	\$593.08	\$55,980.32	187.10%
10.403.11012	HEALTH INSURANCE	\$19,350.00	\$0.00	\$19,350.00	\$6,833.55	\$6,833.55	\$12,516.45	\$0.00	\$12,516.45	64.88%
10.405.11012	GROUP HEALTH INSURANCE	\$8,063.00	\$0.00	\$8,063.00	(\$377.68)	(\$377.68)	\$8,440.68	\$109.84	\$8,330.84	103.32%
10.406.11012	GROUP HEALTH INSURANCE	\$14,960.00	\$0.00	\$14,960.00	(\$313.35)	(\$313.35)	\$15,273.35	\$219.65	\$15,053.70	100.63%
10.410.11012	GROUP HEALTH INSURANCE	\$55,584.00	\$0.00	\$55,584.00	\$9,954.57	\$9,954.57	\$45,629.43	\$955.52	\$44,673.91	80.37%
10.411.11012	GROUP HEALTH INSURANCE	\$8,062.00	\$0.00	\$8,062.00	\$4,000.42	\$4,000.42	\$4,061.58	\$109.84	\$3,951.74	49.02%
10.440.11012	GROUP HEALTH INSURANCE	\$90,590.00	(\$19,350.00)	\$71,240.00	\$7,624.86	\$7,624.86	\$63,615.14	\$922.57	\$62,692.57	88.00%
10.460.11012	GROUP HEALTH INSURANCE	\$8,062.00	\$0.00	\$8,062.00	\$840.88	\$840.88	\$7,221.12	\$109.84	\$7,111.28	88.21%
10.475.11012	GROUP HEALTH INSURANCE	\$14,960.00	\$0.00	\$14,960.00	\$2,518.97	\$2,518.97	\$12,441.03	\$219.65	\$12,221.38	81.69%
10.490.11012	GROUP HEALTH INSURANCE	\$15,678.00	\$0.00	\$15,678.00	\$1,401.12	\$1,401.12	\$14,276.88	\$219.68	\$14,057.20	89.66%
10.600.11012	GROUP HEALTH INSURANCE	\$494,524.00	(\$50,000.00)	\$444,524.00	\$77,254.94	\$77,254.94	\$367,269.06	\$6,316.94	\$360,952.12	81.20%
22.420.11012	GROUP HEALTH INSURANCE	\$57,331.00	\$0.00	\$57,331.00	\$9,725.34	\$9,725.34	\$47,605.66	\$735.87	\$46,869.79	81.75%
24.946.11012	GROUP HEALTH INSURANCE	\$0.00	\$0.00	\$0.00	(\$656.00)	(\$656.00)	\$656.00	\$0.00	\$656.00	0.00%
30.520.11012	GROUP HEALTH INSURANCE	\$34,310.00	\$0.00	\$34,310.00	\$3,582.97	\$3,582.97	\$30,727.03	\$468.74	\$30,258.29	88.19%
30.550.11012	GROUP HEALTH INSURANCE	\$116,816.00	(\$10,000.00)	\$106,816.00	\$39,379.36	\$39,379.36	\$67,436.64	\$1,328.95	\$66,107.69	61.89%
30.555.11012	GROUP HEALTH INSURANCE	\$15,229.00	(\$7,500.00)	\$7,729.00	\$0.00	\$0.00	\$7,729.00	\$0.00	\$7,729.00	100.00%
40.492.11012	GROUP HEALTH INSURANCE	\$23,022.00	(\$1,074.00)	\$21,948.00	(\$4,889.59)	(\$4,889.59)	\$26,837.59	\$269.28	\$26,568.31	121.05%
40.500.11012	GROUP HEALTH INSURANCE	\$14,960.00	\$9,675.00	\$24,635.00	\$14,673.18	\$14,673.18	\$9,961.82	\$219.65	\$9,742.17	39.55%
40.530.11012	GROUP HEALTH INSURANCE	\$312,545.00	(\$31,000.00)	\$281,545.00	\$85,117.02	\$85,117.02	\$196,427.98	\$3,163.16	\$193,264.82	68.64%
40.540.11012	GROUP HEALTH INSURANCE	\$1,254,928.00	(\$140,000.00)	\$1,114,928.00	\$300,147.85	\$300,147.85	\$814,780.15	\$13,719.50	\$801,060.65	71.85%
40.560.11012	GROUP HEALTH INSURANCE	\$77,579.00	(\$10,000.00)	\$67,579.00	\$18,654.38	\$18,654.38	\$48,924.62	\$549.20	\$48,375.42	71.58%
40.570.11012	GROUP HEALTH INSURANCE	\$168,237.00	(\$15,000.00)	\$153,237.00	\$32,644.75	\$32,644.75	\$120,592.25	\$1,943.99	\$118,648.26	77.43%
40.593.11012	GROUP HEALTH INSURANCE	\$87,418.00	(\$13,113.00)	\$74,305.00	\$11,774.71	\$11,774.71	\$62,530.29	\$1,065.36	\$61,464.93	82.72%
40.594.11012	GROUP HEALTH INSURANCE	\$14,959.00	\$0.00	\$14,959.00	(\$3,704.43)	(\$3,704.43)	\$18,663.43	\$199.46	\$18,463.97	123.43%
50.410.11012	GROUP HEALTH INSURANCE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,000.00	(\$8,000.00)	0.00%
Grand Total:		\$2,937,087.00	(\$287,362.00)	\$2,649,725.00	\$589,534.42	\$589,534.42	\$2,060,190.58	\$41,439.77	\$2,018,750.81	68.73%

Budget Rem = 6837
 FY Rem = 4000
 Surplus = 2873

2873
 \$ 843,914
 Liability (183,750)
 Jan
 Est. - \$ 660,164
 YTD Surplus

End of Report

**SULLIVAN COUNTY
FY ' 09
HEALTH & DENTAL INSURANCE RATES**

BARGAINING UNIT EMPLOYEES

MTB 5	RATE	County's		Employee's		Northeast		County's		Employee's		Per	
		Cost	Cost	Cost	Per Payroll	Delta	RATE	Cost	Cost	Cost	Payroll		
Single	\$ 807.35	\$ 662.03	\$ 145.32	\$ 72.66	Single	\$ 34.58	\$ 29.40	\$ 5.18	\$ 2.59				
2 Person	\$ 1,614.72	\$ 1,328.91	\$ 285.81	\$ 142.90	2 Person	\$ 65.40	\$ 54.60	\$ 10.80	\$ 5.40				
Family	\$ 2,179.86	\$ 1,724.51	\$ 455.35	\$ 227.67	Family	\$ 111.32	\$ 86.74	\$ 24.58	\$ 12.29				
2 Employed					2 Employed								
2 Person	\$ 1,614.72	\$ 1,471.82	\$ 142.90	\$ 71.45	2 Person	\$ 65.40	\$ 60.00	\$ 5.40	\$ 2.70				
Family	\$ 2,179.86	\$ 1,952.19	\$ 227.67	\$ 113.84	Family	\$ 111.32	\$ 99.03	\$ 12.30	\$ 6.15				

NON BARGAINING UNIT EMPLOYEES

MTB 5	RATE	County's		Employee's		Northeast Delta		County's		Employee's		Per	
		Cost	Cost	Cost	Per Payroll	RATE	Cost	Cost	Cost	Payroll			
Single	\$ 807.35	\$ 726.62	\$ 80.74	\$ 40.37	Single	\$ 34.58	\$ 34.58	\$ -	\$ -				
2 Person	\$ 1,614.72	\$ 1,348.29	\$ 266.43	\$ 133.21	2 Person	\$ 65.40	\$ 56.14	\$ 9.26	\$ 4.63				
Family	\$ 2,179.86	\$ 1,743.89	\$ 435.97	\$ 217.99	Family	\$ 111.32	\$ 88.30	\$ 23.02	\$ 11.51				
2 Employed					2 Employed								
2 Person	\$ 1,614.72	\$ 1,481.51	\$ 133.21	\$ 66.61	2 Person	\$ 65.40	\$ 60.76	\$ 4.64	\$ 2.32				
Family	\$ 2,179.86	\$ 1,961.87	\$ 217.99	\$ 108.99	Family	\$ 111.32	\$ 99.82	\$ 11.50	\$ 5.75				

MTB 10 IPED

Single	\$ 735.48	\$ 661.93	\$ 73.55	\$ 36.77
2 Person	\$ 1,470.97	\$ 1,228.26	\$ 242.71	\$ 121.36
Family	\$ 1,985.80	\$ 1,588.64	\$ 397.16	\$ 198.58
2 Employed				
2 Person	\$ 1,470.97	\$ 1,349.61	\$ 121.36	\$ 60.68
Family	\$ 1,985.80	\$ 1,787.22	\$ 198.58	\$ 99.29

Retiree

Medicomp 3													
Single	541.52	0	541.52	0	Single	29.27	0	29.27	0				

**SULLIVAN COUNTY
FY '09
HEALTH & DENTAL INSURANCE RATES**

BARGAINING UNIT EMPLOYEES

MTB 5	RATE	County's		Employee's		Northeast		County's		Employee's		Per	
			Cost	Cost	Per Payroll	Delta	RATE	Cost	Cost	Cost	Payroll		
Single	\$ 731.83	\$ 600.10	\$ 131.73	\$ 65.86	Single	\$ 34.58	\$ 29.40	\$ 5.18	\$ 2.59				
2 Person	\$ 1,463.67	\$ 1,204.60	\$ 259.07	\$ 129.54	2 Person	\$ 65.40	\$ 54.60	\$ 10.80	\$ 5.40				
Family	\$ 1,975.95	\$ 1,563.20	\$ 412.75	\$ 206.38	Family	\$ 111.32	\$ 86.74	\$ 24.58	\$ 12.29				
2 Employed					2 Employed								
2 Person	\$ 1,463.67	\$ 1,334.13	\$ 129.54	\$ 64.77	2 Person	\$ 65.40	\$ 60.00	\$ 5.40	\$ 2.70				
Family	\$ 1,975.95	\$ 1,769.57	\$ 206.38	\$ 103.19	Family	\$ 111.32	\$ 99.03	\$ 12.30	\$ 6.15				

NON BARGAINING UNIT EMPLOYEES

MTB 5	RATE	County's		Employee's		Northeast Delta		County's		Employee's		Per	
			Cost	Cost	Per Payroll		RATE	Cost	Cost	Cost	Payroll		
Single	\$ 731.83	\$ 658.65	\$ 73.18	\$ 36.59	Single	\$ 34.58	\$ 34.58	\$ -	\$ -				
2 Person	\$ 1,463.67	\$ 1,222.16	\$ 241.51	\$ 120.75	2 Person	\$ 65.40	\$ 56.14	\$ 9.26	\$ 4.63				
Family	\$ 1,975.95	\$ 1,580.76	\$ 395.19	\$ 197.60	Family	\$ 111.32	\$ 88.30	\$ 23.02	\$ 11.51				
2 Employed					2 Employed								
2 Person	\$ 1,463.67	\$ 1,342.92	\$ 120.75	\$ 60.38	2 Person	\$ 65.40	\$ 60.76	\$ 4.64	\$ 2.32				
Family	\$ 1,975.95	\$ 1,778.36	\$ 197.60	\$ 98.80	Family	\$ 111.32	\$ 99.82	\$ 11.50	\$ 5.75				

MTB 10 IPED

Single	\$ 666.68	\$ 600.01	\$ 66.67	\$ 33.33
2 Person	\$ 1,333.37	\$ 1,113.36	\$ 220.01	\$ 110.00
Family	\$ 1,800.04	\$ 1,440.03	\$ 360.01	\$ 180.00
2 Employed				
2 Person	\$ 1,333.37	\$ 1,223.37	\$ 110.00	\$ 55.00
Family	\$ 1,800.04	\$ 1,620.04	\$ 180.00	\$ 90.00

Retiree

Medicomp 3													
Single	541.52	0	541.52	0	Single	29.27	0	29.27	0				