



Bayfield County Administrator

117 E 5th Street, PO Box 878, Washburn, WI 54891
Ph: 715-373-6181 Fx: 715-373-6153

Mark Abeles-Allison, *County Administrator*
Kristine Kavajecz, *Assistant*

BAYFIELD COUNTY PERSONNEL COMMITTEE MEETING

Brett Rondeau, Chair Tom Gordon, Vice Chair
Tom Snilsberg Dennis Pocerlich Harold Maki

Dear County Board Members:

This letter is written to inform you of a Bayfield County Personnel Committee Meeting scheduled for Wednesday, October 17, 2018 at 4:00pm, in the 7Emergency Operations Center (EOC), Bayfield County Annex, Washburn, Wisconsin.

Notice is hereby given that a majority of the Bayfield County Board may be present at the meeting to gather information about a subject over which they have decision-making responsibility. This constitutes a meeting of the Bayfield County Board pursuant to State ex rel. Badke v. Greendale Village Bd., 173 Wis. 2d 553, 494 N.W.2d 408(1993), and must be noticed as such, although the County Board will not take any formal action at this meeting.

AGENDA

1. Call to order
2. Public Comment
3. Discussion and Possible Action Regarding Approval of Minutes of September 6, 2018.
4. Discussion and Possible Action regarding 2019 Health Insurance Plan Design.
5. Discussion and possible action regarding Benefit Adjustments in 2019
6. Discussion and Possible Action regarding 2019 Wage Scale Index
7. Budget Discussion, staffing 2019
8. Reports:

- a. Regional Personnel Program
- b. Workers Comp Rating, 2019
- c. Personnel Financial Report
- d. Staffing Update

9. The committee may enter in and out of closed session pursuant to Wisconsin Statutes:

- a. §19.85(1)(c, e) to approve Closed Session Minutes of September 6, 2018
- b. §19.85(1)(c) to consider employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility, to review recent exit interviews.
- c. §19.85(1)(e) to deliberate or negotiate the purchase of public properties, investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The committee will deliberate negotiation strategy with regard to the Teamsters Local 346 and WPPA Local 216.

10. Adjourn

Should you have any questions in the meantime, please do not hesitate to contact my office.

Sincerely,

Mark Abeles-Allison

Mark Abeles-Allison
Bayfield County Administrator

MAA/kak

Enc.

Any person planning to attend a Bayfield County meeting that has a disability requiring special accommodations should contact 373-6100, 24-hours before the scheduled meeting, so appropriate arrangements can be made.

cc: Mr. Scott Fibert, Bayfield County Clerk
Bayfield County Board of Supervisors
The County Journal, via email
The Daily Press, via email

Personnel Committee Narrative, October 17, 2018

Item 4: Over the past six months the County has considered health insurance adjustments due to high utilization over the past 24 months. The proposed premium increase is 19.8%. Our goal has been to get the increase to less than 10% as budgeted.

Our employee health focus group met in late September to review the various options. The following materials in the packet were shared.

Given the situation and options the general consensus is to recommend the 9a / 10a option. This option:

- Increases max out of pocket by \$1000 / \$2000 for the single/family HMO plan.
- Increases max out of pocket by \$5600/\$11,200 for the single/family POS plan. (Note this out of pocket only applies out of network usage, at present, 94.5% of usage is in network).
- In addition copays would apply to all items.
- This would get the HMO plan down to a 11.95% increase and the POS to a 10.17% increase.
- This is our same provider. Premium cost share for those participating in the wellness program would increase by \$96 and \$260 respectively for the single/family plans.

We recommend plan 9a/9b.

Item 5. The County currently offers two insurance options for courthouse/annex employees. Employees can use either an in network / HMO plan or an out of network/ POS plan. The POS plan costs about 4% more. 95% of current county usage is in network.

Our goal is to get health insurance costs in 2019 below a 10% increase.

The above plan modifications will get us to about 12%.

I recommend that in 2019 the county limits county contribution to the HMO amount, 11% if on wellness program or 16% if not. This is projected to save 2%+

more to take us below the 10% increase. Employees will still be able to take the POS plan but they would pay the difference. At present 70 of the counties 123 employees are on the POS plan.

We are exploring another option that could assist employees by providing additional access to the “banked” employee HRA accounts. I will have more detail on that on Wednesday.

Item 6. The 2019 budget uses a .5% index of the county wage schedule. I would recommend the personnel committee approves this indexing. The purpose of the indexing of the wage scale is to ensure we remain competitive.

Item 7. The Executive Committee approved recommending the budget onto the board and for the holding of a public hearing on October 30. The following staffing recommendations are included in the budget.

- Land Records: Retain GIS Tech as contract employee
- Land Conservation: Retain AIS (half time) as contract employee.
- Land Conservation: Hire Lakes specialist (half time) as contract employee.
- Clerk of Court: Add 200 hours to part time, county employee status
- Register of Deeds: Add 200 hours to part time, county employee status
- Maintenance: Add 150 hours to part time, county employee status.
- Extension: Request to add support staff, not included in the budget.

Item 8: Reports on a number of topics will be shared

- Regional/State Personnel topics of interest
- Workers Comp rating for 2019 is .96, up dramatically from .76 several years ago. Primary issue are some flood related expenses incurred by during law enforcement response.
- A personnel financial report will be included in the dropbox on Monday.
- Staffing updates, recent hires will be shared at the meeting.

**Minutes of the
Bayfield County Personnel Committee Meeting
4:00 PM, September 6, 2018
Emergency Operations Center (EOC), Bayfield County Annex, Washburn, WI**

Members Present: Dennis Pocernich, Tom Gordon, Tom Snilsberg, Brett Rondeau

Members Excused: Harold Maki

Others Present: County Administrator Mark Abeles-Allison, Kristine Kavajecz-Assistant, Bob StArnold-Marsh & McLennen Agency (via telephone), Kim Mattson-Accountant

Meeting called to order at 4:03pm by Chairman Rondeau

Public Comment: None Received

*Motion Pocernich, Gordon to approve minutes of the July 5, 2018 Personnel Committee meeting.
Motion carried.*

2019 Health Insurance Plan Design: Abeles-Allison explained that the county is averaging 120% experience rating. The county solicited proposals for coverage in 2019. Bob StArnold, the County's broker with Marsh & McLennan Agency reported that information was distributed to 7 insurance companies for proposals. Security Health Plan and Medica were the only companies that responded to the request for proposals due to the county's experience rating. The quote from Medica reflects a more narrow HMO network. The Medica plan would primarily include Essentia Health. The premium increase for this plan was quoted at a 16.54% rate increase. Security Health Plan has proposed a rate increase of 19.8% for the same (existing) plan in 2019. Security Health provided 16 additional plan design options. StArnold reported that if the county's goal is to maintain a 10% or lower rate increase, the deductible must be increased.

The county could consider several different options to contain costs:

- Plan design changes
- County to contribute at the HMO premium level with employees to pay the difference if selecting the POS plan.
- Increase employee share of premium.
- Decrease HRA contribution or roll-over amounts
- Access the Health Insurance reserve fund. This is not recommended because it would be a one-year stop-gap, but would not address ongoing costs.

It was noted that federal employees pay 28% of insurance premiums. Suggestion was made to gather input from employees on what is most important with regard to health insurance coverage.

Motion Gordon, Pocernich to authorize Abeles-Allison to work with the employee group and broker on plan modifications with Security Health Plan and to bring those recommendations back to the Personnel Committee in October. Motion Carried.

StArnold disconnected from the meeting at this time.

Benefit Adjustments in 2019: Suggestion was made to discuss dual modifications including an

increase in employee share of premium and benefit plan adjustment. Abeles-Allison reported that the Teamsters have offered to bring all county employees on to the Teamster Health Plan. This plan requires that all employees take the coverage. A cost analysis revealed that this would be a fairly equal cost to the Security Health Plan. Teamsters would also require that the county pay the \$45/month/employee teamster fee.

Travel Reimbursement Policy: The draft policy was reviewed.

Motion Gordon, Snilsberg to amend the Travel policy as presented effective September 6, 2018. Motion Carried.

2019 Wage for those employees at the 11th step of the wage scale: Abeles-Allison reviewed that there are currently 8 employees at step 11 for the second year or more. These employees currently receive the wage scale index (typically .5%). In 2018, the County authorized that those employees at Step 11 for the second year or more receive a stipend equal to the January 1 CPI, less the indexed amount. This was authorized for 2016 and 2017. In 2019, the January 1 CPI is 2.25%. If the indexed amount is .5%, that could result in a 1.75% stipend if authorized. There will be 8 employees at this level in 2019.

Motion Pocernich, Gordon to maintain the practice of issuing a stipend equivalent to the January 1 CPI less the indexed amount for those employees at Step 11 of the wage scale for the second year or more in 2019. Motion Carried.

Budget Discussion, staffing 2019: Department Requests include:

- Increase of Maintenance staff person by 8 hours per week (from 50% to 70%).
- Register of Deeds has requested a 50% employee, no benefits. This person would primarily work on scanning.
- Clerk of Court has requested to increase a 50% staff person to 100%. This office reduced a full-time to a half time staff person a couple of years ago. This would be replacing that reduction.
- Land Records has requested that 2 current contract positions be converted to permanent county positions. The Survey Technician will be reducing his county work to 2 days per week and will be working for a private surveyor the other 3 days per week. His intent is to obtain his Survey license within the next year.

The committee discussed that the budget will determine whether any funds are available for additional staffing. The concern with increased insurance costs may dictate this.

Reports:

- a. Workers Comp Rating, 2019: There were a couple of larger claims in 2018. The mod factor has increased from .66 to .98.
- b. Personnel Financial Report: It was noted that the report compares the same number of payrolls from 2017 and 2018. It reflects an overall increase of 3.3% over this time in 2017.
- c. Staffing Update: Most summer interns have ended. A list of recent hires was included in the packet.

Move October meeting date to October 18 for WPPA negotiations

Mattson exited the meeting at this time.

Exchange of initial proposals with WPPA, Local 346.

Motion by Pocernich, Gordon to move item 9 after item 10 and to enter into closed session pursuant to Wisconsin Statutes: §19.85(1)(c, e) to approve Closed Session Minutes of July 5, 2018; §19.85(1)(c) to consider employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility, to review recent exit interviews; and §19.85(1)(e) to deliberate or negotiate the purchase of public properties, investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The committee will deliberate negotiation strategy with regard to the Teamsters Local 346, which recently recertified as a collective bargaining unit and WPPA Local 216. Motion Carried. Entered closed session at 5:09pm.

Motion Gordon, Pocernich to return to open session. Motion Carried. Returned to open session at 6:13pm

Meeting adjourned at 6:13pm.

Minutes respectfully submitted by Kristine Kavajecz

Health Insurance Focus Group

September 27, 2018

Mark Abeles-Allison, Deidre Zifko, Lynn Divine, Kim Mattson

Review Utilization: Handouts were provided showing network utilization was at 94.5% for participating providers, and 5.5% for non-participating providers. 78.07% of our members are not using the ER, and 85.4% of our members are utilizing generic medications.

Options: Reviewed the 20 options presented at the last meeting. Discussed in detail option 9a/10a. Handouts were presented showing premiums for employee portion and employer portion of HMO and POS plans. If no changes were made with option 9a/10a, the annual increase would be \$96.41 for single, \$202.49 increase for E+1, and \$260.34 for Family coverage with the POS. The HMO increases would be \$108.64, \$228.20 and \$293.40 annually for the employee. POS annual increase for the County would be \$114,137.29 and the HMO would be \$100,052.15. This is still over the County Goal of a 10% increase.

Out of pocket maximums for singles would be \$1,000 while E+1 and families would be \$2,000 while in network. If participating in POS, the maximum out of pocket will increase by \$5,600 for single coverage and \$11,200 for E+1 and Family.

Further discussed County paying the HMO level for all insurance, but still offering the POS. This shows an additional savings of \$31,437 annually which brings the increase to under the 10% goal.

Consensus of the committee members to suggest to the Board option 9a/10a, with the County paying the HMO level for all insurance, and no changes in the HRA.

No further meetings were scheduled.

Another important component of understanding your healthcare spend analysis is understanding contractual savings generated by the health plan. Table 4.8 represents your current period savings due to these agreements, compared to the prior period. From this table, you can see the breakout of billed charges, contractual agreements, employee out of pocket and coordination of benefits.

4.8: Savings Trends

Dollars	Prior	Current	Percent Change
Billed	\$3,740,966	\$4,308,931	15.2%
Contractual Savings	\$856,768	\$1,117,331	30.4%
Allowed Charges	\$2,884,198	\$3,191,600	10.7%
Employee Out of Pocket	\$451,095	\$406,545	-9.9%
COB	\$16,706	\$5,921	-64.6%
Total Paid	\$2,424,362	\$2,770,953	14.3%

Key savings ratios compared to benchmarks averages across all Security Health Plan groups are provided below.

4.9: Savings Compared to Benchmarks

Ratios	Prior	Current	Comparative Benchmark
Employee Costs as percent of allowed	15.6 %	12.7 %	10.7 %
COB as percent of allowed	0.6 %	0.2 %	0.5 %
Employer paid as percent of allowed	84.1 %	86.8 %	89.6 %

Table 4.10 displays allowed charges, reported discounts, employer paid amounts and employee paid (cost share) amounts by participating and nonparticipating providers in the network. A comparison of the current period to the prior period is also shown. By looking at provider spending patterns, you can determine your out-of-network usage and identify possible opportunities for employee education and potential future cost savings. Contractual Savings for Non-Participating providers reflects negotiated and wrap network savings. Employer paid reflects the amount paid by Security Health Plan for covered members of your employer group.

4.10: Network Utilization

	Prior		Current	
	Dollars	% Total	Dollars	% Total
Participating Provider				
Allowed Charges	\$2,704,098	93.8%	\$3,015,796	94.5%
Contractual Savings	\$796,030	92.9%	\$1,063,974	95.2%
Employer Paid	\$2,270,097	93.6%	\$2,621,246	94.6%
Employee Paid	\$424,748	94.2%	\$380,448	93.6%
Non-Participating Provider				
Allowed Charges	\$180,100	6.2%	\$175,804	5.5%
Contractual Savings	\$60,738	7.1%	\$53,357	4.8%
Employer Paid	\$154,265	6.4%	\$149,707	5.4%
Employee Paid	\$26,346	5.8%	\$26,096	6.4%

In table 4.12 we have grouped claim paid amounts into cost ranges. Organizing claims by claim ranges allows you to see how many members are accounting for most of the claim costs. It gives insight to those who did not utilize the plan and those who did. It also provides additional data points to consider when you are evaluating plan design changes.

4.12: Current Period Claim Cost Ranges based on Total Paid Amount

Claim Cost Buckets	Member Count	Total Allowed	Total Paid	Paid/Allowed	Inpatient Paid	Outpatient Paid	Professional Paid	Pharmacy Paid	Other Paid
\$0	60	\$7,674	\$0	0%	\$0	\$0	\$0	\$0	\$0
\$1-250	45	\$29,267	\$7,095	24%	\$0	\$439	\$5,933	\$723	\$0
\$251-500	56	\$49,855	\$22,131	44%	\$0	\$489	\$21,310	\$332	\$0
\$501-1,000	69	\$87,369	\$47,343	54%	\$0	\$455	\$39,317	\$3,235	\$4,336
\$1,001-1,500	28	\$62,108	\$33,689	54%	\$0	\$2,146	\$23,416	\$6,209	\$1,918
\$1,501-2,000	15	\$41,282	\$25,241	61%	\$0	\$3,284	\$17,356	\$2,693	\$1,908
\$2,001-2,500	7	\$34,771	\$15,313	44%	\$0	\$3,155	\$7,679	\$3,732	\$746
\$2,501-3,000	1	\$4,794	\$2,897	60%	\$0	\$0	\$2,701	\$156	\$40
\$3,001-4,000	14	\$82,184	\$49,309	60%	\$0	\$17,904	\$22,948	\$7,506	\$951
\$4,001-5,000	10	\$64,922	\$44,184	68%	\$1,957	\$12,392	\$22,232	\$5,130	\$2,473
\$5,001-7,500	13	\$120,719	\$76,758	64%	\$3,841	\$37,934	\$25,753	\$4,318	\$4,913
\$7,501-10,000	8	\$88,909	\$67,937	76%	\$0	\$37,536	\$20,042	\$9,811	\$548
\$10,001-15,000	15	\$227,032	\$185,374	82%	\$1,316	\$95,907	\$49,553	\$32,997	\$5,601
\$15,001-20,000	7	\$139,918	\$119,060	85%	\$10,955	\$54,302	\$42,580	\$9,892	\$1,332
\$20,001-25,000	4	\$108,385	\$92,729	86%	\$6,723	\$50,450	\$34,297	\$1,259	\$0
\$25,001-50,000	11	\$419,937	\$394,785	94%	\$65,272	\$178,981	\$127,003	\$20,730	\$2,800
\$50,001-75,000	2	\$128,628	\$122,554	95%	\$45,755	\$49,973	\$23,916	\$229	\$2,681
\$75,001-100,000	2	\$195,153	\$185,380	95%	\$47,588	\$78,142	\$45,134	\$14,213	\$303
\$100,001-150,000	1	\$123,860	\$120,728	97%	\$52,439	\$11,528	\$20,015	\$34,315	\$2,431
\$150,001-500,000	5	\$1,174,834	\$1,158,448	99%	\$276,815	\$220,771	\$457,658	\$191,980	\$11,223
\$500,000+	0	\$0	\$0	0%	\$0	\$0	\$0	\$0	\$0
Total	373	\$3,191,600	\$2,770,953	87%	\$512,660	\$855,785	\$1,008,843	\$349,462	\$44,204

195
1,000's

10
100,000's

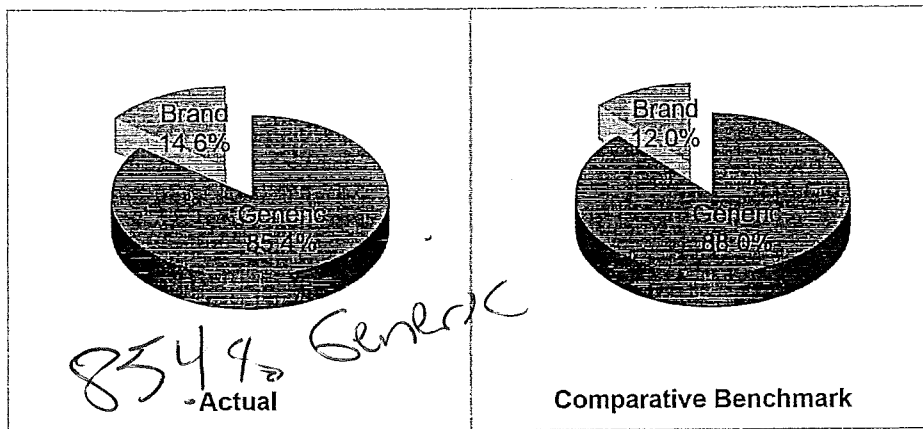
18
100,000's

V. Pharmacy Detail

Prescription drug costs are usually a large portion of an employer's overall healthcare spend. In this section we focus on pharmacy costs for National Drug Classification (NDC) drugs. Drugs administered in an inpatient, outpatient, or office setting are discussed in the Medical Economics section.

In figure 5.1, you will see a comparison of your brand and generic utilization. If your generic usage is less than 75% then you should review your pharmacy benefit design. Even though the member contributes more dollars per script for brand name pharmaceuticals, brand name drugs drive a higher health care spend.

5.1: Current Year Pharmacy Brand Generic Utilization Summary



In table 5.2 we show your total pharmacy costs, total scripts and allowed per script. We have also provided the distribution of pharmacy costs by source. You can see from this table that the amount per script is significantly higher for your single source brand name drugs. Shifting utilization to generics will decrease your total pharmacy spend.

5.2: Pharmacy Utilization and Costs by Source

Prescription Source	Scripts	% Total	Allowed	% Total	Scripts per 1,000	Allowed per Script	% Out-of-Pocket	Paid	% Total
GENERIC	2,245	85.4%	\$66,639	16.7%	6,743.4	\$30	39.3%	\$40,416	11.6%
MSB	55	2.1%	\$10,646	2.7%	165.2	\$194	29.4%	\$6,580	1.9%
OTC	81	3.1%	\$8,782	2.2%	243.3	\$108	0.9%	\$8,701	2.5%
SSB	247	9.4%	\$313,582	78.5%	741.9	\$1,270	6.3%	\$293,764	84.1%
Other		0.0%		0.0%					0.0%
Total	2,628	100.0%	\$399,649	100.0%	7,893.9	\$152	12.3%	\$349,462	100.0%

* MSB: Multi Source Brand, OTC: Over the Counter, SSB: Single Source Brand

Another component of medical management is identifying where your population is receiving services. In table 7.4 you see an estimate of how many members are going to the ER for non-emergent services. This table is based on analytics layered into the MedInsight system using the New York University (NYU) avoidable ER methodology. The New York University (NYU) algorithm of potentially avoidable ER visits evaluates members who visited the emergency department and categorizes the visit into three primary categories: Non-Emergent, Primary Care Treatable, and Preventable/Avoidable. If you have a high number of avoidable ER visits, you should review your ER and urgent care copays. You would like to shift these services into an office or urgent care setting where the cost of the services is typically less.

7.4: Avoidable ER Visits

Avoidable ER Visits - New York University (NYU) Methodology	Current Avoidable ER Visits	Current ER Visits	ER Visits % Avoidable		
			Prior	Current	Comparative
NYU_EM_PA_N/A - Emergent Visits - Preventable/Avoidable (Estimate).	5	97	3%	5%	5%
NYU_EM_PT_N/A - Emergent Visits - Primary Care Treatable (Estimate).	25	97	15%	26%	20%
NYU_NON_EM_N/A - Non Emergent Visits (Estimate).	19	97	28%	20%	21%
Total	49	97	47%	51%	46%

In figure 7.5 you can see what percent of your population is utilizing the ER and what percent of your population is not utilizing the ER. Your utilization percentages should be similar to the comparative benchmark.

7.5: ER Utilization Benchmark

