

**Minutes of the
Bayfield County Personnel Committee Meeting
4:00 PM, November 7, 2019
Emergency Operations Center (EOC), Bayfield County Annex, Washburn, WI**

Members Present: Dennis Pocerlich, Brett Rondeau, Tom Snilsberg, Tom Gordon, Harold Maki

Members Excused:

Others Present: County Administrator Mark Abeles-Allison, Kristine Kavajecz-Assistant, Fred Strand, Jeff Silbert, Jamie Gonzalez and John Alexander with ETF joined the meeting by phone. Non-committee member sign-in sheet attached. Dalton Collins, Martin Skaj and Zak Radzak represented the Teamster group.

Meeting called to order at 4:00pm by Chairman Rondeau

Public Comment: None received

Motion Gordon, Pocerlich to approve minutes of the October 3, 2019 Personnel Committee meeting. Motion Carried (5-0).

Health Insurance Options in 2020 and County Personnel Policy:

Abeles-Allison provided an overview of the current status of health insurance in the county. Several handouts were provided. Reasons for considering the State Health Plan:
Simplification of the Health Insurance Process
Lower Deductibles for Participants
More steady rate adjustments that will result from a larger pool.

SURCHARGE: Because of the county's significant utilization, an additional premium of \$280 per month per single plan and \$700 per month per family plan will be assessed in 2020. This will reduce by half in 2021 to \$140 single and \$350 Family. The surcharge will go away completely in 2022. As a result, employees and the county will actually see a premium reduction in 2021 and 2022 even when factoring in an estimated 5% base rate increase (the surcharge is static).

ASPECTS OF THE STATE PLAN:

- 1) Employees must pay a minimum of 12% of premiums.
- 2) All WRS eligible employees must be offered the opportunity to enroll. This will include part-time employees.
- 3) Employees that retire may continue on the state health plan.
- 4) If an employee passes away, their spouse and dependents may remain on the state health plan indefinitely (dependents until age 26).
- 5) Employers may also elect to participate in the Dental program
- 6) 70% minimum participation is required.
- 7) Employer must participate in the state health plan for a minimum of 3 years.
- 8) Single and Family Coverage is available (Employee +1 is considered family)

9) Average annual rate increase for the state plan has been between 3%-5%.

STATE LOCAL DEDUCTIBLE PLAN DESIGN:

- Medical Deductible is \$500 individual, \$1000 family.
- Once medical deductible is met, all other medical is covered 100% except for the Emergency Room co-pay and “durable medical equipment”. An employee would pay 20% of the cost of the durable medical equipment up to \$500 per person.
- \$60 co-pay for Emergency Room after deductible is met.
- Durable medical equipment would include items such as CPAP machines, insulin pumps, diabetic supplies, wheelchairs, etc...
- The participant would pay 20% of the cost of hearing aids, plus the balance once the insurance pays \$1000.
- Prescriptions are separate from medical. There is no deductible for prescriptions, only co-pays. The co-pays depend upon the Tier of drug. Each Tier has it’s own Maximum Out of Pocket

	Co-Pay	Max Out of Pocket
Tier 1 (Generic)	\$5	\$600/\$1,200 (Tier 1+2 total)
Tier 2	20% to \$50 max	\$600/\$1,200 (Tier 1+2 total)
Tier 3	40% to \$150 max*	\$6,850/\$13,700
Tier 4	\$50	\$1,200/\$2,400
Preventive	\$0	\$0

- Maximum Out of Pocket for medical and prescriptions combined is \$6,850 individual, \$13,700 family.
- State plan offers a wellness incentive of \$150 single/\$300 family per year for participation.
- The state plan includes the Federally mandated preventive services.

NETWORKS/PROVIDERS/PREMIUMS:

- The state plan offers 15 provider networks.
- The health insurance coverage/plan design is the same regardless of which network is chosen by the employee.
- There are 4 provider networks that the state has indicated provide the best access to care for Bayfield County.
- Employees would need to choose which network they desired to enroll in. Premiums vary based on the provider network chosen.

TOTAL MONTHLY PREMIUM	GHC Eau Claire	Health Partners Health Plan	WEA Trust West-Chippewa Valley	WEA Trust West- Mayo Clinic System	Local Access Plan
Single	\$1,056.82	\$1,159.68	\$1,269.44	\$1,177.64	\$1,477.62
Family	\$2,608.54	\$2,865.68	\$3,140.08	\$2,910.58	\$3,660.54
Medicare Single	\$391.06	\$483.96	\$453.96	\$420.96	
Medicare Couple	\$759.78	\$945.58	\$885.58	\$819.58	
Medicare Split	\$1,145.54	\$1,341.30	\$1,421.06	\$1,296.26	

- The GHC of Eau Claire network includes local medical providers such as MMC, Essentia, St Lukes, Mainstreet Clinic, Chequamegon Clinic as well as Marshfield Clinic offices. It does not include Mayo Clinic.
- GHC of Eau Claire is the network that the county would base their premium contribution on.
- Employees may also choose the Local Access Plan. This provides nationwide access (like the current POS plan).

NOTABLES/STATISTICS

- A review of the top 20 prescriptions used by Bayfield County participants over the past 12 months reveals that there are no Tier 3 drugs on the list.
- There were 380 lives insured during the past 12 months.
- A review of medical costs (including prescription costs) indicates that 15% of participants incurred \$0 medical/prescription costs in the preceding 12 months.
- A review of medical costs (including prescription costs) indicates that 81% of participants incurred \$4,000 or less in medical/prescription costs in the preceding 12 months.
- Approximately 85% of participants incurred \$6,850 or less in medical/prescription costs in the preceding 12 months.

HRA/FSA

- With the low deductible of the State Local Deductible Health Plan, an HRA would no longer be necessary. This would greatly simplify the health insurance process for employees.
- Elimination of the HRA would offset a large portion of the higher premium + surcharge for the State Local Deductible Plan.
- HRA roll-over funds will remain in employee accounts.
- The county has authorized employees to access up to \$2,000 in roll-over HRA funds for eligible dental and vision expenses.
- The FSA would still be offered. IRS regulations allow employees to contribute up to \$2,700 per year to an FSA for eligible expenses.

- 10)
- 11) In 2019 employees were notified that they could receive a premium incentive of up to 5% in 2020 if the employee (and spouse when applicable) completed the 3 wellness components.
- 12) An additional incentive of up to 1% was offered for meeting or working toward improved wellness outcomes.
- 13) Employee share of premiums in 2019 were 16% base.
- 14) Because the state requires a minimum 12% employee contribution, the base employee share of premium in 2020 will be 18%. With the wellness incentive it is reduced to 13% and if the bonus incentive for outcomes is reached, the employee share would be reduced to 12%.
- 15) The state also offers a wellness incentive program of \$150 single and \$300 family, which is given in the form of a gift card.

Projections for county cost reflect a projected 3-year savings. Employer and Employee Share of Premiums were reviewed.

The County Board approved a resolution authorizing the Personnel Committee to decide whether to go with the State Health Plan. The Committee will also need to set the employee share of premiums for 2020. If changes are made, the Personnel Manual will need to be modified to reflect the changes. The Committee will need to establish premium contributions for Part-Time Employees.

A small employee focus group has reviewed and investigated the state plan and gathered feedback from state employees in the area. Information has been distributed to employees with links to the state health plan details for review. Strand and Pocernich both reported their satisfaction as participants of the state plan.

Retirees are eligible to remain on the state health plan with premiums deducted from their annuity.

Motion Pocernich, Gordon to enter into agreement with the State of Wisconsin Employee Trust Fund using the State Local Deductible Plan with the GHC of Eau Claire as the premium base. Motion Carried (5-0).

Motion Gordon, Snilsberg to set employee contributions at 18% base, 5% wellness incentive plus 1% outcomes incentive, bringing the employee share of premium to 12% for 2020. Motion Carried. (5-0)

Abeles-Allison noted that the WPPA union agreement has an 11% premium share provision for 2020 that will be discussed in closed session.

Part-Time Employee Health Insurance Policy: If an employee works 50% or more, the employer must pay a minimum of 50% of the premium. The employer may pay a lower percent of the premium for employees working less than 50%.

HRA Discussion; Rollover utilization / access: Employees are currently authorized to utilize up to \$2000 of roll-over funds for dental and vision expenses. The committee discussed that they have the authority to modify the terms of the HRA to allow employees to use the roll-over funds

for other items

Budget Amendment Recommendation to Executive: *Motion Gordon, Maki to recommend that the Executive Committee consider authorizing a budget amendment allowing the use of up to \$120,000 from the health reserve fund for the additional health insurance premiums in 2020. Motion Carried (5-0)*

Motion Pocernich, Snilsberg to enter into closed session pursuant to Wisconsin Statutes: §19.85(1)(c,e) to consider employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility: and deliberating or negotiating the purchase of public property, vesting of public funds or conducting other specified business whenever competitive or bargain reasons require a closed session.

- i. Approve Closed Session Minutes of October 3, 2019*
- ii. Teamster Negotiations*
- iii. WPPA Side Letter regarding Health Insurance*
- iv. Employee Wage Classifications Discussion*

Abeles-Allison, Kavajecz and all county board members were allowed to remain in the closed session. All others exited at this time. Motion Carried (5-0). Entered closed session at 4:55pm.

Motion Gordon, Pocernich to return to open session. Motion Carried (5-0). Returned to open session at 5:00pm

Teamster Representatives re-entered the meeting at this time. Introductions were made around the room. Dalton Collins, Zak Radzak, Marty Skaj represented the Teamsters.

Teamsters made a request for the maximum CPI-U of 2.07%.

Radzak stated that Highway Departments are having difficulty recruiting staff. The Teamsters are also requesting that the county consider a wage schedule adjustment. Collins reminded the committee that they approved a 1% wage schedule adjustment for general employees and he requests that the same be extended to highway department staff.

Teamster representatives exited the meeting at this time to caucus.

Motion Pocernich, Gordon to enter closed session pursuant to Wisconsin Statutes: §19.85(1)(c,e) to consider employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility: and deliberating or negotiating the purchase of public property, vesting of public funds or conducting other specified business whenever competitive or bargain reasons require a closed session for the purpose of Teamster Negotiations. Motion Carried (5-0) Entered closed session at 5:05pm.

Motion Gordon, Snilsberg to return to open session. Motion Carried.(5-0) Entered open session at 5:16pm

Teamster Health HRA 2020: Recommendation was made by Abeles-Allison that no changes be made to the Teamster HRA contribution for 2020. No action necessary.

Motion Gordon, Maki to enter closed session pursuant to Wisconsin Statutes:

§19.85(1)(c,e) to consider employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility: and deliberating or negotiating the purchase of public property, vesting of public funds or conducting other specified business whenever competitive or bargain reasons require a closed session for the purpose of discussing employee wage classification and a WPPA Side Letter regarding Health Insurance. Motion Carried (5-0) Entered closed session at 5:19pm. Abeles-Allison, Kavajecz and all county board members were allowed to remain in the closed session.

Motion Gordon, Maki to return to open session. Motion Carried. Returned to open session at 5:27pm

Wages/stipend for employees at the 11th step of the wage schedule for the second year or more. Abeles-Allison explained that in the past, the committee has authorized that employees at the 11th step of the wage schedule for the second year or more receive the difference between the COLA (1.5% in 2020) and the CPI-U (2.07% as of 1/1/2020) as a stipend.

Motion Gordon, Snilsberg to approve the payment of a stipend to those employees that have been at the 11th step of the wage schedule for 2 years or more. The stipend as of 1/1/2020 shall be .57%. Motion Carried (5-0)

Human Resources Services and Staffing Levels: The committee discussed that they would prefer to see the County Administrator's office part-time staff be increased to 20 hours per week in addition to the dedicated Human Resource position as proposed.

Motion Gordon, Pocernich, to create a full-time Exempt Human Resource Manager position and increase the part-time clerical staff position in the County Administrator's office to 20 hours per week with details as recommended in the Committee packet. Motion Carried (5-0)

The remaining items were reviewed by committee members on their own.

Reports

- a) Personnel Financial
- b) Staffing Update

Meeting adjourned at 5:39pm.

Minutes respectfully submitted by Kristine Kavajecz