

**Minutes of Meeting**  
**Health Insurance – Alliant FY21 Budget Review**  
**May 27, 2020**  
**1:00 p.m.**

The Kootenai County Board of Commissioners: Chairman Chris Fillios, Commissioner Leslie Duncan and Commissioner Bill Brooks met to discuss the following agenda item. Also present were Clerk Jim Brannon, Finance Director Dena Darrow, Staff Accountant – Budget Michelle Chiaramonte, Treasurer Steve Matheson, Chief Deputy Assessor Joe Johns, Chief Deputy Coroner Lynette Acebedo, KCSO Undersheriff Dan Mattos, Human Resources (HR) Director Sylvia Proud, HR Generalist – Benefits & Compensation Dorothy Cross, BOCC Senior Business Analyst Nanci Plouffe and Deputy Clerk Tina Ginorio. Also present were Alliant Employee Benefits Representatives Scott Burkhardt, Koko Brockhoff and David Smith. Undersheriff Mattos and Mr. Smith were present via teleconference.

- A. Call to Order:** Chairman Chris Fillios called the meeting to order at 1:02 p.m.
- B. Changes to the Agenda (Action):** There were no changes to the agenda.
- C. Business (Action):**

**Scott Burkhardt and David Smith from Alliant Insurance Services will Present FY21 Health Insurance Options as Part of Ongoing Budget Deliberations**

Alliant Employee Benefits Representative David Smith reviewed the FY19 – FY20 performance as compared to the budgeted expenses to date. He noted that the County was seven months into the FY19 – 20 Budget Year and was a little bit under the budgeted amount at this point. He explained that some of the reduction was due to the switch last year to a contract with Regence in which the administrative fees went up slightly, but allowed access to pharmacy rebates starting in January 2020.

Mr. Smith moved on to projections for the FY20 – 21 renewal figures. He stated that, setting aside any possible plan design or rate changes that the County might decide on, the rough estimate of the overall increase in cost would be 4.1%. He listed the items which were projected to experience an increase:

<u>Cost Category</u>	<u>% Change</u>
7514-125 Administrative Fee	0%
8101 – Consultants	0%
8104 Administrative Services	8.7%
8274 Life & LTD (Long Term Disability) Insurance – Premiums	1.0%
8275 Insurance – Premiums/Fees	5.2%
8276 Health Insurance – Medical Claims	4.2%
8277 Health Insurance – Dental Claims	-0.7%
8278 Health Insurance – Vision Claims	-6.3%
8299 Other Miscellaneous Payments	-31.9%

Mr. Smith pointed out that the changes made to the plan last year had been successful and had resulted in saving more money than anticipated. He briefly reviewed the assumptions that the projections were based upon, such as not taking into account any increase in enrollment numbers.

Mr. Smith explained the observed impact of the COVID-19 pandemic: estimated testing expenses, impact of COVID medical treatment expenses, prescription drug treatment expenses and the offset of services which were delayed or avoided.

Alliant Employee Benefits Representative Scott Burkhardt described the improvements in service and the savings the County had received related to the change in Life/Disability/Voluntary products from Unum to Standard:

10% annual savings on Basic Life/LTD	\$15,000
47% annual savings on Plansource	<u>\$17,000</u>
Total	\$32,000

He added that there was no administrative rate increase under a two year rate guarantee for Delta Dental, VSP and Alliant.

Mr. Burkhardt remarked that they did not recommend any changes to plan design or employee contributions at this time.

Commissioner Duncan remarked that she would like to discuss the steps needed to implement an HSA (Health Savings Account) program if the County decided to move in that direction in the future, but said they did not need to go over that now.

Commissioner Bill Brooks commented that he had discussed a Preferred Provider Network option with people at Kootenai Health. He asked whether a plan of that sort could benefit the County.

Mr. Burkhardt introduced Alliant Employee Benefits Representative Koko Brockhoff who explained that Kootenai Health itself had gone to a directed network a couple of years ago, while she had been working there. She said they had some initial problems, but had worked many of them out. She stated they had retained a large network of providers, although they had excluded some hospitals in the area.

Mr. Burkhardt said that a limited network typically saves a customer 10 – 20% eventually. He cautioned that to get those savings the customer had to be willing to experience substantial disruption.

Mr. Smith confirmed that they had been examining data from Kootenai Health in different ways and would use their findings to help clients decide if such a program was right for them.

- D. Public Comment (Discussion):** This section is reserved for citizens wishing to address the Board regarding a County-related issue. Idaho Law prohibits Board action on items brought under this section except in an emergency circumstance. Comments related to future public hearings should be held for that public hearing.

Clerk Jim Brannon asked to state on the record that the savings switching on the voluntary products to Standard from Unum had been understated. He offered his opinion that Standard would be much better for his departments to work with.

Human Resources (HR) Director Sylvia Proud reminded those present that another meeting with Alliant was planned for July 2020.

- E. Adjournment (Action):** Chairman Fillios adjourned the meeting at 1:44 p.m.

Respectfully submitted,

JIM BRANNON, CLERK

CHRIS FILLIOS, CHAIRMAN

BY: \_\_\_\_\_  
Tina Ginorio, Deputy Clerk

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