

STATE OF NORTH CAROLINA)
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COUNTY OF STOKES)
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OFFICE OF THE COMMISSIONERS
STOKES COUNTY GOVERNMENT
DANBURY, NORTH CAROLINA
APRIL 17, 2006

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a recessed meeting (recessed from the April 10th meeting) in the Commissioners' Chambers of the Ronald Wilson Reagan Memorial Building (Administrative Building) located in Danbury, North Carolina on Monday, April 17, 2006 at 5:30 pm with the following members present:

Chairman Leon Inman
Vice-Chairman Joe Turpin
Commissioner Sandy McHugh
Commissioner John Turpin
Commissioner Jimmy Walker

County Personnel in Attendance:
Clerk to the Board/Interim County Manager Darlene Bullins

Others in attendance:
Mr. Tom Cheswick - Mark III Brokerage Inc

Chairman Leon Inman called the recessed meeting to order.

Commissioner Walker delivered the invocation.

GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE

Chairman Inman opened the meeting by inviting the citizens in attendance to join the Board with the Pledge of Allegiance.

GENERAL GOVERNMENT - GOVERNING BODY - HEALTH INSURANCE PROPOSALS

Interim County Manager Darlene Bullins expressed appreciation to the Board for recessing the April 10th meeting in order to discuss health and dental proposals for the upcoming fiscal year 2006-07.

Interim Manager Bullins noted that the County had been a member of the North Carolina Association of County Commissioners' Pool for health benefits for the past three consecutive years - all three being with Blue Cross and Blue Shield.

Interim Manager Bullins also noted that the Association had chosen in February 2006 to change carriers from BCBS to CIGNA for health and dental coverage.

The County had also directed the Interim Manager to seek proposals regarding the possibility of the County using a Health Reimbursement Arrangement (HRA) which is an employer owned and funded reimbursement account established between an employer and an administrator. These arrangements are designed to lower employee and employer costs by creating a health care plan with higher deductibles and co-payments. The employer will only contribute a self-determined amount of incurred claims.

Interim Manager Bullins introduced Mr. Tom Cheswick, Mark III Brokerage Inc, who had been assisting the county in the bid process for health and dental for the fiscal year 2006-07 at no cost to the County.

Mr. Cheswick presented and discussed the following proposals:

Current NCACC/CIGNA Renewals:

- **Current plan coverage** - CIGNA = 5.1% increase
- **Current plan coverage** - BCBS = 16.9 increase
- **Current plan coverage** - Unicare = 13.4 increase with minor changes
- **United Health Care** - HRA = not competitive

- **Alternate Plan CIGNA** - 90/10% Plan/ \$750 deductible, \$40 Specialist co pay with \$1,000 out of pocket expense = 5.0% decrease

- **Alternate Plan BCBS** - 90/10% Plan \$40 Specialist co pay - \$500 deductible with a \$1,000 out of pocket expense = 9.5% increase
- **Alternate Plan CIGNA** - 80/20% Plan - \$1,000 deductible -\$15/\$35/\$50 prescription drug plan = 14% decrease
- **Alternate Plan BCBS** - 80/20% Plan -\$500 deductible, \$40 Specialist co pay =1.5% increase

With the current renewal options, and the limited number of providers offering HRA, Mr. Cheswick advised the County that the best option is to renew with the NCACC- CIGNA proposal with possibly changing the plan features for financial savings.

Mr. Cheswick also noted some problems with the administration of the United Health Care HRA and the fact that CIGNA does not offer an HRA, there would have to be a separate administrator with an additional cost if the County chose to proceed with an HRA Plan. Mr. Cheswick concluded that using an HRA could be very risky for the County if half or more individuals on the group plan had to use the reimbursement plan.

Mr. Cheswick noted the following:

- Fully insured carriers are becoming limited, CIGNA, BCBS, United Healthcare, etc
- Aetna, Wellpath, and The Principal were asked to quote, but declined due to network or non-competitiveness
- NCACC -quotes for CIGNA coverage were very aggressive
- CIGNA is a very good health insurance carrier
- BCBS trying to get counties from the Association this fiscal year
- Most counties do not have a 100% after deductible
- Plans are changing to either a higher deductible or 90/10% co-insurance plan
- Some plans are even changing to a 80/20% co-insurance plan
- Keeping the current plan increases the employee who has to cover dependents
- NCACC-CIGNA 5% increase for the current plan is a very aggressive quote

Mr. Cheswick reiterated the best option for the County was to stay with the Association - CIGNA and possibly reducing benefits slightly to reduce costs.

Interim County Manager Bullins presented the following options for the Board's consideration if NCACC- CIGNA is chosen for health benefits:

	Suggested Changes	Estimated County Cost Savings	Estimated County Premium for Employees
Plan #1	Change-\$750 deductible	-4.50%	\$ 298.17
Plan #2	Change- \$30/\$40 co pays	-5.00%	\$ 296.61
Plan #3	Change-\$750 deductible & \$250 Hosp. admission	-7.50%	\$ 288.80
Plan #4	Change-\$1000 deductible	-8.00%	\$ 287.24
Plan #5	Change-\$750 deductible & \$30/\$40 co- pays	-9.50%	\$ 282.56
Plan #6	Change-\$750 deductible & \$500 Hosp. admission	-9.50%	\$ 282.56

Interim County Manager Bullins explained the details regarding the suggested changes. Interim Manager Bullins noted that there could be some changes such as different providers, medications being on different tiers, etc. (minor changes). The Association is currently trying to determine the difference in the number of providers that BCBS has versus CIGNA. CIGNA will contact any provider that is not on their list. CIGNA also offers a discounted mail order prescription plan.

Interim Manager Bullins also noted that by signing with NCACC-CIGNA by May 15th, the County will receive a \$10,000 bonus and an additional \$13,200 savings by keeping health, worker's compensation, and liability insurances (\$4400 for each) with the Association.

Interim County Manager Bullins also noted that Budget Director Dennis Thompson recommended a break even or a decrease in premiums for the upcoming 2006-07 budget.

The Board discussed the presented options, current trends in health insurance, financial savings, and the current plan with Interim County Manager Bullins and Mr. Cheswick.

Commissioner Walker expressed concerns decreasing the benefits for employees this year without knowing if there is going to be funding for a COLA.

The Board directed the Interim County Manager to return final quotes for CIGNA with the \$750 deductible and \$30/\$40 co-pays for the Board's consideration at the April 24th meeting with the 3-tier and 4-tier plans.

DENTAL INSURANCE PROPOSALS

Mr. Cheswick presented the following proposals received for Stokes County dental coverage for 2006/07:

- **Ameritas**
Employee - \$22.60
Dependent - \$27.06
Family - \$67.20
- **CIGNA** -
Employee - \$21.12
Child - \$21.12
Family - \$50.70
- Assurant declined
- Guardian declined
- MetLife declined
- AIG declined
- JP Financial declined

Mr. Cheswick explained the following annual review from Ameritas:

- Premiums received by Ameritas from the County = \$98,384 (1-1-05/1-1-06)
- Claims paid by Ameritas = \$89,322 (1-1-05/1-1-06)
- Employees' premiums paid by county started October 2004
- Claims experience continues to run well above target

Mr. Cheswick explained the current policy, which has a \$250 carryover with

Ameritas:

- 38 individuals have an extra \$250 worth of benefits available = \$9,500
- 48 individuals have an extra \$500 worth of benefits available = \$24,000
- Total additional benefits = \$33,500

Mr. Cheswick noted that CIGNA is not as well known for their dental insurance and that the aggressive bids could not hold out for more than the first year.

Mr. Cheswick noted that after the first year of premiums being paid by the County (2005) it is not uncommon to experience large claims, possibly next year, there could be a decrease in premiums. Mr. Cheswick did note that being with Ameritas with Mark III, the County is actually in a block plan with other groups with Ameritas. Currently, the County has been with Ameritas for the past ten years.

The Board discussed the proposals from NCACC-CIGNA and Ameritas.

The Board directed Interim County Manager to return final quotes for the Ameritas and CIGNA for the Board's consideration at the April 24th meeting with the 3-tier and 4-tier plans.

There being no further business to come before the Board, Chairman Inman entertained a motion to adjourn the meeting.

Vice Chairman Joe Turpin moved to adjourn the meeting.

Commissioner McHugh seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

J. Leon Inman
Chairman