

**Minutes of Special Meeting  
Human Resources  
February 24, 2016  
2:30 p.m.**

The Kootenai County Board of Commissioners: Chairman Dan Green, Commissioner Marc Eberlein, and Commissioner David Stewart met to discuss the following agenda item. Also present were Sheriff Ben Wolfinger, Treasurer Steve Matheson, Chief Deputy Treasurer Laurie Thomas, Assessor Mike McDowell, Clerk Jim Brannon, Chief Deputy Clerk Pat Raffee, Senior Staff Accountant Keith Taylor, Human Resources (HR) Director Skye Reynolds, HR Generalist – Benefits & Compensation Dorothy Cross, and Deputy Clerk Cecilia Sweet. Also present were Mercer Principal/Senior Employee Benefits Consultant Craig Culbertson, Account Manager Mary Grier, Financial Consultant Laurie Silva, and citizens Carla and Verland Woempner.

- A. Call to Order:** Chairman Dan Green called the meeting to order at 2:30 p.m.
- B. Introductions:** There were no introductions.
- C. Changes to the Agenda:** There were no changes to the agenda.
- D. New Business:**

**Discussion with Craig Culbertson of Mercer Health & Benefits regarding:**

**Benefits Update**

HR Director Skye Reynolds said the presentation was a mid-year update on the County's Health Insurance Plan with an overview of the budgetary impact. She noted the County's contract with Mercer would expire on June 30, 2016. She added other topics to be discussed would be Mercer's future recommendations and opportunities to reduce costs.

Mercer Principal/Senior Employee Benefits Consultant Craig Culbertson presented the Mercer 2016 Stewardship Report for Kootenai County. Mr. Culbertson provided these accomplishments for 2015/2016:

- Stop Loss
  - \$84,835 premium savings to County
  - \$1,243,468 reduction in plan liability exposure
  - County participation in Mercer's Coalition Profit Sharing
  - Mr. Culbertson said Mercer caught a Regence duplicate claim error during their stop loss review.
- Dental & Vision
  - Separated dental and vision from medical products with no carrier disruption
  - Allowed employee independent benefits' elections
  - Brought the County's plan in compliance with Affordable Care Act (ACA) provisions

- Flexible Spending Account
  - Vetted and implemented new administrator
  - Improved service, reporting capabilities, and technology
  - Reduced cost by \$3,000 annually, with a three year rate guarantee
- New Wellness Plan Provider
  - Marketed, vetted and implemented new wellness vendor
  - Reduced cost and increased scope of services with ComPsych
- Contribution Analysis & Restructuring
  - Recommended more benefit tiers, allowing better alignment for employee needs based on covered family size

Mr. Culbertson pointed out several pages of benchmarks. These contrasted Kootenai County's medical, dental, vision, and other benefits with those of other counties nationwide, counties in the Pacific Northwest, and both public and private sector employers of similar size to Kootenai County. In nearly every instance, Kootenai County's benefits were in line with or above the market.

Mr. Culbertson reported Mercer's goals for Kootenai County in 2016/2017:

- Reduce Medical Administrative Costs
- Reduce prescription drug cost, improve reporting & capture rebates
- Review voluntary benefits for legal compliance & reduced payroll complexity

#### **2016 Mercer/Benefits Renewal**

Mercer Financial Consultant Laurie Silva advised that this year's medical claims were running above the County's projected budget. She added the gross loss ratio from November 2015 - January 2016 was 7.3% above budget, primarily due to a very large claim in November.

Chairman Green asked on what time period Mercer gave budgetary projections, and Ms. Silva said 24 months' claims were reviewed, the most recent 12 months carried the most weight, and administration costs were added last.

Mr. Culbertson said the nationwide Benchmark Summary Report showed the cost growth was moderate at 3.8% in 2015 with a projection of 4.3% for 2016. He said that compared with the other national Benchmarks, the County was well in line or above the market average in benefits for employees.

Commissioner Eberlein asked how maintaining Mercer's services would benefit the County. Mr. Culbertson said Mercer would maintain their current administrative charges that they had demonstrated great value and expertise so far, and intended to maintain that service quality.

- E. **Public Comment:** 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. There were no public comments.

Chairman Green adjourned the meeting at 3:28 p.m.

Respectfully submitted,

JIM BRANNON, CLERK

DANIEL H. GREEN, CHAIRMAN

BY: \_\_\_\_\_  
Cecilia M. Sweet, Deputy Clerk

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