

**Minutes of Meeting**  
**Human Resources/ Mercer**  
**July 15, 2016**  
**10:00 a.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 Clerk Jim Brannon, Finance Director Dena Darrow, Senior Staff Accountants Keith Taylor and Kimberli Price, Undersheriff Dan Mattos, Treasurer Steve Matheson, Chief Deputy Treasurer Laurie Thomas, Assessor Mike McDowell, Human Resources (HR) Director Skye Reynolds, HR Generalist- Benefits & Compensation Dorothy Cross, Prosecuting Attorney Office Administrative Supervisor Patti Surplus, and Deputy Clerks Alicia Lynch and Randi Davis. Also present was Mercer Health & Benefits representatives Craig Culbertson and Mary Grier.

- A. Call to Order:** Chairman Dan Green called the meeting to order at 10:00 a.m.
- B. Changes to the Agenda:** There were no changes to the agenda.
- C. Old Business:** There was no old business discussed.
- D. New Business:**

**Fund 14/ Health Insurance Follow-up Meeting with Mercer Representatives**

Finance Director Dena Darrow presented a Health Care Funding/ Expense Summary depicting a four year trend analysis of the combined Medical, Dental, and Vision plans. She informed the Board that in Fiscal Year (FY) 2015 the County was over budget on the combined plans by \$985,182.36. She said as of June 2016, the County was over budget for FY2016 by \$1,115,277.54. Ms. Darrow explained that Fund 14's fund balance was depleted in 2015, with \$470,306 paid from the General Fund to cover the remainder; therefore the 2016's deficit would come entirely from the General Fund.

Mercer Health & Benefits representative Craig Culbertson presented a Third Party Administrator (TPA) analysis as requested by the Board. He informed the Commissioners that AmeriBen and Healthcare Management Administrators declined offering quotes because they would not compete with Regence for the County's business. He reported that Employee Benefit Management Services, Inc. and Trusted Plans Service Corporation returned quotes for consideration, and that United Medical Resources would be responding shortly. Mr. Culbertson suggested the County could save approximately \$96,364 to \$133,728 by selecting a different TPA.

Clerk Jim Brannon asked how long the TPA rates were guaranteed. Mr. Culbertson replied that the rate was a one-year guarantee, but he added that he was confident he could get multiple year guarantees.

HR Director Skye Reynolds commented that she had been disappointed that some companies had not provided an estimate of claim savings because they considered their pricing proprietary.

Commissioner Marc Eberlein said he did not believe the current plan was sustainable, and Mr. Culbertson agreed. Mr. Culbertson noted the County was not required to transition to a new TPA before the start of the next fiscal year, which was fortunate since there was not sufficient time to change TPAs before October 1<sup>st</sup>. He informed the Board that Mercer was in discussions with Regence regarding the County gaining more control over the pharmacy portion of the plan.

The attendees discussed a dual plan option and Health Savings Accounts (HSA) at length. Assessor Mike McDowell raised concerns regarding educating employees about HSAs before open enrollment. Ms. Reynolds echoed the Assessor's concerns, stating that a contract signed in early August gave HR a small window to inform the employees before open enrollment in September.

Mr. Culbertson reviewed the prior voluntary deduction discussion. He recommended the County use Unum Group as a consolidated structure and no longer allow pre-tax deductions for personal policies. Ms. Reynolds asked the Board if HR staff was permitted to return with a contract between the County and Unum. The Board agreed to move forward with Unum.

Treasurer Steve Matheson inquired whether the increase to insurance would be borne by the County or shared with employees. Senior Staff Accountant Keith Taylor explained that a modeling program had been provided to the Auditor staff and options would be presented to the Board. Chairman Green said the Board would discuss the item further at a Budget meeting.

Treasurer Matheson asked whether Mercer received a commission if the County entered into a contract with Unum. Mr. Culbertson confirmed that Mercer would receive a commission.

- 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 11:06 a.m.

Respectfully submitted,

JIM BRANNON, CLERK

DANIEL H. GREEN, CHAIRMAN

BY: \_\_\_\_\_  
Alicia Lynch, Deputy Clerk

\_\_\_\_\_