

THE BOARD OF COUNTY COMMISSIONERS HELD AN INFORMAL REGULAR SESSION ON WEDNESDAY, JULY 10, 2013, WITH COMMISSIONERS EDWIN H. HUMPHREY, DAVID H. UIBLE AND ROBERT L. PROUD IN ATTENDANCE.

ALSO IN ATTENDANCE WERE STEPHEN H. RABOLT, COUNTY ADMINISTRATOR, AND DEBORAH BRITTON, CLERMONT COUNTY COMMISSIONERS' OFFICE. ADDITIONAL ATTENDEES AT THE INFORMAL REGULAR SESSION ARE LISTED ON THE ATTACHED ATTENDANCE SHEET.

LET THE RECORD SHOW THAT THE JULY 10, 2013 INFORMAL REGULAR SESSION WAS VIDEOTAPED AND IS AVAILABLE FOR PUBLIC INSPECTION MONDAY THROUGH FRIDAY BETWEEN THE HOURS OF 8:00 A.M. TO 4:30 P.M. LOCAL TIME. IN ADDITION, THE INFORMAL REGULAR SESSION IS AVAILABLE FOR PUBLIC VIEWING THROUGH THE COUNTY GOVERNMENT WEBSITE AT <http://www.clermontcountyohio.gov/videos-worksession.aspx>.

THE FOLLOWING ISSUES WERE PRESENTED FOR DISCUSSION:

1. Issue - HORAN Associates, Inc. – Insurance and Healthcare Reform Overview Presentation...130524-005

Discussion – Judi Meyer, Sr. Vice President, Steve Ashe, Account Manager and Valerie Bogdan-Powers, Vice President of Group Operations with HORAN Associates, Inc.

Ms. Meyer with HORAN provided an introduction to the Board in regard to the County's insurance history, self-coverage insurance, as well as the County's current insurance offerings to employees.

HORAN provided discussion and a PowerPoint presentation about the County's background, claims experience, health care reform, basics of self-funded medical plans, in addition to conveying information about the 2014 Requests for Proposals.

Mr. Ashe provided an overview of the County claims experience as well as a three year summary. The County has a stop loss deductible of \$200K, Mr. Ashe also noted that in 2013 large claims have been high and the County has had three large claims that make up 38.5%, with the largest claim over \$1M. When removing the large claims, the remaining claims are actually very low. The largest claimant was due to an accident and the County could potentially receive money back on that claim through subrogation. Please see the presentation for additional details.

Mr. Ashe reviewed the intention of the upcoming Health Care Reform. The intention is to increase the number of Americans with health coverage, reform insurance industry practices and slow health care cost increases. Mr. Ashe further stated that to accomplish this there will be significant initial costs involved in the startup framework. One of the initial fees is the Patient Centered Outcomes Research Institute Fee (PCORI), through HORAN's evaluation the County's costs will \$2561 for 2013 (which is based off \$1/per member per year). In 2014 and 2015 the cost will be \$2/member per year. The current PCORI Funding is set through 2016.

The second fee is the Transitional Reinsurance Plan Fee (TRP) the County's cost is estimated to be \$63/member \$161,343 in 2013. This fee is only an estimation and there is currently no projected end date for the assessment of these fees. The TRP fee is expected to decrease annually as the National fund will build in the future.

Mr. Rabolt noted to the Board that these fees will have to be considered when looking at appropriations for future year funding.

Mr. Ashe noted that there are penalties associated with the Health Care Reform, known as Penalties Under Employer Mandate. There was an announcement made on July 2, 2012 stating that this mandate has been delayed until 2015.

Some discussion was provided as to the County's current self-funded insurance plan. The County currently has a third party administrator that provides administrative services. See slides 16-19 of the presentation for details of the current County plans with Humana.

Ms. Myer provided an overview of the 2014 Requests for Proposals (RFP) the Board has asked HORAN to administer on behalf of the County. Currently HORAN is reviewing submissions for the two RFP's to provide Medical and Prescription Drug Services and Onsite Clinic for the County in 2014.

Onsite Clinic options are intended to compliment the employees' regular physician. Execution can vary, onsite, near site, shared site, or provider site, the current RFP is being looked at in all variations.

Ms. Myer noted that the financial impacts need to be considered. The costs with Onsite Clinic services are paid at 100%. One option that is being offered is a cost sharing, separate of the medical plan. Medications can be dispensed at these clinics; decisions on the services offered are made by the employer. Ms. Myer further stated that the best practice in the market is for employers to offer annual physical, immunizations, flu shots, care for basic illnesses, and the dispensing of generic drugs.

Ms. Myer noted that consideration of network and current provider analysis will be critical during the evaluation phase of the RFP for Medical and Prescription Drug Services. Analyzing the advantages and disadvantages of national network versus narrow provider networks, which typically have a lower reimbursement level however also have fewer in network providers will need to be evaluated. Ms. Myer noted that Cincinnati Children's Hospital is always included in every network.

HORAN provided an estimated timeline for the RFP analysis and implementation. The next step in the process will be to meet with County Administration to review the draft proposals at the end of July and then present the Requests for Proposals to the Board on August 7, 2013. HORAN would like the Board to make the final decisions by September 15, 2013 for implementation January 1, 2014.

Open enrollment for County employees will be in October. The Onsite Clinics will be implemented sometime in the first part of next year, however they will probably not be up and running by January 1, 2014.

The Board inquired as to the involvement of the Health Care Advisory Committee and directed Administration to be sure they were involved at the proper time during the RFP evaluations.

Conclusion/Follow-Up Action Needed -

HORAN will present Requests for Proposal options to the Board at Informal Session on August 7, 2013.

Adjournment

Informal Regular Session was adjourned.

**BOARD OF COUNTY COMMISSIONERS
CLERMONT COUNTY, OHIO**

EDWIN H. HUMPHREY, PRESIDENT

DAVID H. UIBLE, VICE PRESIDENT

ROBERT L. PROUD, MEMBER

STEPHEN H. RABOLT, COUNTY ADMINISTRATOR

8/7/2013
DATE APPROVED