

BOARD OF COUNTY COMMISSIONERS
UNION COUNTY, FLORIDA
INSURANCE WORKSHOP
JULY 19, 2021

NOTE: If any person decides to appeal any decision made with respect to any matter considered at this meeting or hearing, he or she will need a record for the proceedings and may need to ensure that a verbatim record is made.

PRESIDING: James Tallman, Chair

RECORDING: Kellie Hendricks Rhoades, Clerk of Courts & Comptroller

ATTENDING: Commissioner Lacey Cannon; Commissioner Channing Dobbs; Commissioner Ryan Perez; James Williams, County Coordinator; Dianne Hannon, Board Secretary; Russ Wade, County Attorney; Pamela Woodington, Finance Director

MEETING CALLED TO ORDER

Chair Tallman called the meeting to order at 5:58 pm. Commissioner Dobbs offered the invocation and led Pledge of Allegiance.

INSURANCE PRESENTATIONS

Chair Tallman asked Tyson Johnson of Gallagher Insurance to present his proposal. Mr. Johnson reviewed the benefits program, including the medical plan, along with dental, vision and life supplements. He indicated that the medical plan includes an indemnity benefit to help with high-cost procedures, which is continued from when Gallagher came on board with the County four years ago. He also discussed the HRA and HSA account benefits and that there is a buy-up option for employees who need more coverage.

Mr. Tyson indicated that the 2019 renewal had no increase, and in the insurance industry, it is common to see large increases in years two and three, and even beyond. He indicated that this year's initial renewal was a 28% increase, but he negotiated with Florida Blue to reduce the increase to 12%, which is the only increase in four years, and that Florida Blue offered an additional 2% lower increase if the County switched to Florida Combined Life for Dental coverage. Mr. Tyson indicated that all other plans had no changes in premiums. If the County holds all contributions to the HRA constant, the overall increase is about 7.5%. He said that he was offered the opportunity by Mr. Williams to give a best and final offer by 1:00 on Friday, and he was able to further negotiate with Florida Blue for the additional two percent without the original condition of switching dental coverage. He was asked if Florida Blue would provide a rate cap for the next renewal, and they have instead offered a "premium holiday" in which the County would not be billed for one month's premiums, which would equate to about 8.3%. Mr. Johnson expressed concern about the network of the most-utilized providers, and gave a comparison of costs, which included unspent HRA funds that reverted back to the County, which were \$52,000 in 2018 and \$35,000 in 2019. Mr. Johnson concluded by saying that he understood that the purpose of the RFP was to make sure the County's insurance is competitive, and he believes that this process shows that Florida Blue is still the best option for Union County.

Commissioner Cannon stated that he understood that Mr. Johnson acquire the competition's bid through a public records request, and then lowered his rate to the other quote, and he would not like to do business with him. Mr. Johnson responded that that was not the case.

Chair Tallman the recognized Mr. Paul Saunders to present his proposal. Mr. Saunders introduced his team, and started by stating that Aetna is offering an 11% rate cap for the next year's renewal if the County chose to go with Aetna, which he saw as a great benefit. He also provided information on the mechanics of renewal calculations from insurance companies. He was initially concerned that the County was not making the same HRA contribution to employees with dependent coverages, but that concerned has been alleviated now that he understands that the benefit is simply being applied differently. He stated that there seems to be employees taking the plan just to

receive the HRA contribution, and thus recommends removing the HRA portion. He stated that Aetna has much better prescription coverage, and that the Indemnity plan has Auto-Submission, which will help, as he believes the current plan is difficult to file claims. Aetna will allow the County to be self-funded in the second year.

Mary Brown, Library Director, expressed concerns from her staff. The first is the removal of the HRA contribution, as her staff use their cards regularly; and the second is the increase of out of pocket costs for Tier 1 medications.

Tim Allen, Emergency Management Director, asked Mr. Saunders if there are any differences to surgeries that are covered, and Mr. Saunders answered that all are typically covered in the same manner.

Additional discussion ensued regarding options for employees to make a larger premium payment to receive an HRA contribution or waive the Hospital Indemnity Plan.

Adopted by vote of the Board of County Commissioners on August 16, 2021.