

HUMAN RESOURCES DEPARTMENT
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Date: October 10, 2017

To: Mahesh Sharma, County Administrator

From: Mary J. Thee, Human Resources Director/Asst. County Administrator

Subject: Insurance Recommendations

Health/Pharmaceutical

We are in year 2 of a three year agreement for our third party administrative services with United Health Care.

Stop Loss Coverage

We do not have a final price on our Specific Stop Loss and Aggregate Stop Loss coverage. We will present this at a future Board meeting.

Dental

We have received our renewal information for a three year Administrative Services Agreement with Delta Dental of Iowa. The administrative rate increase is \$.25 per member per month and locks in the rate for 3 years. This equates to approximately \$1,500 annually.

Vision

We are in year 2 of a two year agreement with Avesis for a fully-funded vision plan. This was bid last year.

Health Care Rates

The County has reviewed our health care rates with our actuarial, Silverstone Group. Our claims have improved this year but we still had a few large claims that impact the overall fund. Their recommendation is for an 8% increase for health, which results in a 7.4% for employee premiums. This is slightly less than last year. They do not recommend an increase for dental. As the vision plan is fully funded and we're in the second year of the contract there is no increase.

These changes result in an employee family premium increase of \$14.94 a month.

The majority of the unionized employees are scheduled to pay a single premium rate beginning July 1, 2018. As such we are recommending a change to Policy P attached here to that would make the premium rate effective for non-represented employees also.

The supporting documentation is attached.

Cc: David Farmer, Director of Budget and Administrative Services
Jeff Scarpinato, Holmes Murphy
Hiliary McKay, Benefits Coordinator

P. INSURANCE AND DEFERRED COMPENSATION

GENERAL POLICY

It is the policy of Scott County to offer medical, prescription drug, dental, vision, life insurance coverage and deferred compensation options to its benefit-eligible employees.

SCOPE

This policy is applicable to the following:

All employees responsible to the Scott County Board of Supervisors;

All employees responsible to a County elected office holder with the exception of the elected office holder themselves and Deputies;

All elected office holders and/or Deputies provided the appropriate elected office holder and the Board of Supervisors have certified its applicability;

All employees not directly responsible to either the Board of Supervisors or an elected office holder and whose governing body and the Board of Supervisors have certified its applicability.

Whenever the provisions of this policy are in conflict with the Code of Iowa, or with a collectively-bargained agreement between the County and a certified bargaining unit, the provisions of the collectively-bargained agreement and/or the Code of Iowa will prevail.

HEALTH BENEFIT ELIGIBILITY

To be eligible for group health and/or life insurance benefits, an employee must occupy a regular full-time position or a regular part-time position scheduled to work at least one thousand, five hundred and sixty (1,560) hours per year. Non-represented regular part-time employees hired before July 1, 2010 and scheduled to work at least one thousand and forty (1,040) hours per year continue to be eligible for coverage. Coverage for employees expected to work full-time is normally effective the first day of the month following appointment to a benefit-eligible position.

The County will use the safe harbor measurements permitted under the Affordable Care Act for variable hour part-time (not anticipated to work thirty (30) or more hours a week) and seasonal employees to determine employee eligibility for group health coverage. The standard measuring period and stability periods are established at twelve (12) months. The County will review at the conclusion of the initial measuring period if the employee worked one thousand, five hundred and sixty (1,560) hour or more to

determine eligibility, and if so consider the employee full-time and eligible for group health coverage through the stability period (regardless of hours worked). The administrative period for enrollment following the initial measuring period is thirty (30) days. If the employee worked less than one thousand, five hundred and sixty (1,560) hours during the initial measuring period then the employee will not be treated as eligible for group health benefits during the stability period. When calculating hours for non-exempt employees under FLSA, the County will include hours worked plus hours where payment was made for vacation/PTO, holiday, sick/medical leave, jury duty, military leave or other paid leave of absence.

GROUP HEALTH BENEFITS

Coverage available under the County's group health plan include: hospital and medical benefits; prescription drug benefits. Additionally the County provides group coverage for dental benefits and vision benefits. A detailed description of benefits, including deductible, premiums and coinsurance requirements, is available through the Human Resources Department.

The County will pay the monthly single premiums for benefits included under the group health, dental and vision plan, and will pay a portion of the dependent premiums for those employees electing dependent coverage. Beginning July 1, 2018 employees will contribute a portion of the single monthly premiums. The specific amount to be contributed by the County for ~~dependent~~ coverage will be established each year by the Board of Supervisors and become effective January 1st. Where there are two married employees employed by the County, they may take either one family plan or two single plans and pay premiums accordingly.

GROUP LIFE BENEFITS

Benefit-eligible employees in positions classified under 350 Hay points are eligible to receive term life and AD & D insurance coverage equal to \$20,000. Benefit-eligible employees in positions classified at 350 Hay points or above are eligible to receive term life and AD & D insurance coverage equal to one hundred percent of their annual salary as of September 1st of each year. Department Heads, Elected Officials, and Deputy Office Holders are eligible to receive term life and AD & D insurance coverage equal to two hundred percent of their annual salary as of September 1st of each year.

The County will pay the monthly premium for the term life and AD & D coverage described above.

TERMINATION OF GROUP COVERAGE

Life insurance coverage under the County's group plan will end on the employee's date of employment termination.

Health, dental and vision coverage under the County's group plan will normally terminate at the end of the month in which the employee terminates employment with the County. However, an employee may be eligible to extend coverage under the group plan as required by state or federal law. An employee shall be considered a retiree for purposes of continued insurance coverage until age 65 if one of the following occurs: 1) the employee qualifies for full retirement benefits through IPERS with service from the County, another employer, or purchased service quarters; 2) the employee is age 55 or more and has at least 20 years of service with the County; or 3) the employee is a Sheriff's deputy, is age 50 or more and has 22 or more years of service. Premiums for extended coverage after employment shall be paid by the employee at 102% of the actual cost. Information on the extension of group coverage and/or conversion to an individual medical insurance policy is available through the Human Resources Department

LONG TERM DISABILITY

Benefit eligible employees (excluding deputy sheriff, sergeant, lieutenants, captain, major and sheriff) are provided with a long term disability insurance policy with the premium paid entirely by the County. The amount of coverage is sixty-six and two thirds percent (66 2/3%) of the employee's annual salary, following a determination of eligibility and a 90 day waiting period. Specific details are found in the insurance plan document.

DEFERRED COMPENSATION PLAN

Employees shall have the option of deferring a portion of their compensation for the purpose of building retirement security in a tax-sheltered investment plan in accordance with state and federal law. Payroll deductions can only be made for Deferred Compensation Plan Providers who have completed Deferred Compensation Plan Administrator Agreement and have a minimum of 10 employees requesting enrollment in the plan. All Deferred Compensation Plan Providers must satisfy the requirements of Section 457 of the Internal Revenue Code and the Administrator Agreement to maintain eligibility as a provider.

For non-represented employees the County will match their contribution at \$.50 for each dollar the employee contributes during that calendar year, up to a maximum of \$500.00. The matching contribution will be paid no later than the second paycheck in January of the following calendar year or upon termination of employment, whichever occurs first. The employee is responsible for monitoring and not exceeding the maximum allowable annual contribution in accordance with Section 457 of the Internal Revenue Code.

Information regarding payroll deduction for deferred compensation and selection of Providers, distribution, change or designation of beneficiaries is available through the Human Resources Department. The County does not solicit, nor endorse any Deferred

Compensation Plan Provider.

FLEXIBLE BENEFITS PLAN (SECTION 125)

Pursuant to Section 125 of the Internal Revenue Code, the County offers employees the option of using a portion of their before tax compensation for one or more of the following flexible benefit plans:

1. Premium Only Plan - Provides for the reduction of compensation by the employee contribution for health and life insurance premiums before taxes.
2. Dependent Care Reimbursement Account - Employees fund the flexible spending account by regular payroll deductions prior to tax pursuant to federal law. Dependent care expenses are then reimbursed up to the amount of the annual election.

Unused annual elected amounts are forfeited.

3. Health Care Reimbursement Account - Employees determine an annual election amount permitted by federal law, to be put into a flexible spending account for non-covered health-related expenses. The elected amount is deducted from compensation prior to tax and expenses are then reimbursed up to the amount of the employee's annual election.

An employee may roll over up to \$500.00 into the next calendar year pursuant to the IRS regulations and plan design.

Employees electing to participate in one or more of the plans may have expenses for group health premiums, dependent care, or out-of-pocket health care costs deducted from compensation prior to taxes. Detailed information and enrollment forms regarding these flexible benefit plans are available through the Human Resources Department.

HEALTH INSURANCE BILL AUDIT PROGRAM

A participant can receive cash payments by auditing his/her own hospital, medical and/or dental bills. The participant should check each bill for unrecognizable charges such as laboratory tests and procedures that were not received or therapy charges that do not reflect the treatment received. Scott County will share the savings with the participant. The procedures outlined below should be followed.

Before the participant leaves the hospital, physician's or dentist's office, or upon receipt of the itemized bill, the participant should carefully review the charges, looking for errors such as the following:

- an incorrect number of days was billed for a period of hospital confinement;

- an incorrect number of days in an intensive care unit was billed;
- the participant was billed for tests not performed;
- an incorrect number of hours of physical therapy was billed;
- the participant was inaccurately billed for drugs; and/or
- on the day the participant left the hospital, he/she was charged for take-home drugs that were not received.

If the participant questions any charges and believes they are incorrect, he/she should contact the dentist, physician or hospital's billing office. The participant should ask for an explanation of any charges he/she does not understand.

Hospital, medical and dental bills eligible for this program are those for the employee and his/her covered dependents incurred after January 1, 2011 and covered by the County's Plan. This Plan must pay before coordinating benefits with other group health insurance plans also providing benefits.

As an incentive to carefully review healthcare bills, Scott County will pay the participant 25% of the saving of \$100.00 or more to this Plan for overcharges or for charges he/she has eliminated from any hospital, medical or dental bill for treatment, services or supplies not received to a maximum incentive payment of \$250.00 per confinement, illness or injury.

Obvious errors (e.g., \$1,000 for an office visit) will not be eligible for this program.

It will be the participant's responsibility, within 90 days of discharge or treatment to contact the hospital's or provider's billing department to report the error and obtain a corrected billing and to forward the original and corrected billing with corrected items circled to the Human Resources Department.

Upon review of the corrected billing, Scott County will notify the participant of the amount of payment for which he/she is eligible.

Employees should note that reimbursements of this nature are considered income for tax purposes.

HEALTHY LIFESTYLES PROGRAM

All non-represented employees and spouses on the health plan will be provided the opportunity biennially to submit to a blood test at the Employers cost to determine any risk factors for metabolic syndrome. Employees with 3 or more risk factors will be offered the opportunity to participate in the Healthy Lifestyles Program at no cost to the employee. The Healthy Lifestyles program includes the employee choosing to participate in Naturally Slim classes; Weight Watchers or a diet/exercise program preapproved by their physician and HR. The cost of the program cannot exceed the Naturally Slim class. An employee will be permitted to opt out of the blood test and program, if the employee presents to the Human Resources Director proof from a physician that a blood test has been performed within the preceding 12 months and the physician is consulting with the individual about any risk factors related to metabolic syndrome. The waiver is due on the last day of scheduled onsite testing. Employees

will be permitted to view Naturally Slim videos during work hours. Employees are not compensated for anytime spent outside of normal work hours on personnel health. Those employees with 2 risk factors are encouraged to participate in the Naturally Slim classes, in which the Employer shall pay 25% of the class costs plus blood tests. Other employees may voluntarily participate in the Naturally Slim classes at their own expense. Genesis Occupational Health will confidentially report to the Human Resources Director those employees eligible to attend at which cost level. The employer will make reasonable accommodations for employees so as to not violate the employee's civil rights.

Employees identified by Genesis Occupational Health with 3 or more risk factors that decline to participate in the Healthy Lifestyles program or employees who decline to submit to a blood test shall pay a revised co-payment for any physician medical service as follows:

<u>Current co-pay</u>	<u>Revised co-pay</u>
\$0	\$0
\$20	\$25
\$50	\$55
\$75	\$90
\$100	\$115

Additionally these employees will pay \$25 per month Healthy Lifestyles Premium. Employees who fail to reduce one (1) risk factor when retested shall be moved to the above increased co-pays and Healthy Lifestyles premium in July. The Human Resources Director will report any premium changes to Payroll and the effective date.

If the spouse participates the monthly cost of the family plan premium shall be reduced by ten dollars (\$10.00). If an employee's spouse fails to participate in the program, including the same requirements of an employee the family premium and co-pays shall be affected in the same manner as if the employee failed to participate in the program. If a spouse has three or more risk factors they will be required to complete the above Healthy Lifestyles program as is required by the employee. An employee's spouse will be permitted to opt out of the blood test and program, if the employee's spouse presents to the Human Resources Director proof from a physician that a blood test has been performed within the preceding 12 months and the physician is consulting with the individual about any risk factors related to metabolic syndrome.

Employees or spouses may request the opportunity to retest the following fall if they believe they have reduced a risk factor. If a risk factor has been reduced the increased premiums would cease in January the following year.

Beginning July 1, 2015, Non-represented employees are eligible to participate in the Y@Work program through the Quad Cities YMCA. The County will pay twenty dollars (\$20.00) a month to the Quad Cities YMCA toward a membership for the employee, two adults or family. The employee must attend at least twenty four (24) times a quarter in order for the County to continue its monthly contribution. The employee is responsible

| Draft for discussion purposes

for any additional financial obligations to the Quad Cities YMCA.

ADMINISTRATIVE PROCEDURES

1. The Human Resources Department is responsible for administering the County's group health, dental, vision, life, deferred compensation and Section 125 flexible benefit plans.
2. The County retains full authority to change the plan of benefits described in this policy, to self-insure all or any portion of said benefits, and to select the insurance carrier or claims administrator.

HUMAN RESOURCES DEPARTMENT

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Davenport, Iowa 52801-1030

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www.scottcountyiowa.com



Date: October 10, 2017
To: Mahesh Sharma, County Administrator
From: Mary J. Thee, Human Resources Director/Asst. County Administrator
Subject: Approval of Health Insurance Premium Rates for CY18

The final rates for the Medical, Dental and Vision benefits are as follows:

United Healthcare Plan (TPA) (Self Funded as of 1-1-10)	CY17 Rates	CY18 Rates	Employee Rate
	\$ 543.31 Single \$1,476.86 Family	\$ 586.77 Single \$1,595.01 Family	\$ 29.34 Single ¹ \$201.64 Family

¹ Single premium rate for Non-rep, AFSCME, DSA & PPME is not effective until 7-1-18

Delta Dental (TPA) (Self funded as of 7-1-10)	CY17 Rates	CY17 Rates	Employee Rate
	\$30.36 Single \$90.96 Family	\$30.36 Single \$90.96 Family	\$ 1.52 Single ^{1 2} \$12.12 Family ²

² Employee's opting to take the Dental supplemental plan shall pay an additional \$5.00/month for single or family coverage.

Avesis Vision (Contracted since 7-1-10)	CY17 Rates	CY18 Rates	Employee Rate
	\$7.35 Single \$16.92 Family	\$7.35 Single \$16.92 Family	\$0.36 Single ¹ \$1.90 Family



Scott County
 Group
 Rating Period 1/1/18 through 12/31/20
 Financial Exhibit

Delta Dental PPOSM

Experience Period Claims Paid 6/1/16 through 5/31/17

Claims Paid 6/1/16 through 5/31/17	\$379,708
Adjustment of Claims to Incurred Basis	\$11,744
Incurred Claims	\$391,452
Trend in Claims	\$25,092
Projected Claims Based on Current Experience	\$416,544
Claims and Enrollment Fluctuation Adjustment	(\$22,111)
Projected Annual Claims Based on Current Enrollment	\$394,433

Fixed Fees

Operating Costs	\$5.24	\$30,874
Broker Fee	\$0.00	\$0

Subtotal Fixed Fees \$5.24 \$30,874

Projected Annual Expense \$425,307

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

RESOLUTION

SCOTT COUNTY BOARD OF SUPERVISORS

October 19, 2017

APPROVAL OF FAMILY HEALTH CARE PREMIUM RATES FOR SCOTT COUNTY
EMPLOYEES IN CALENDAR YEAR 2018

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. The following schedule of single health care premium rates for Scott County employees in calendar year 2018 is hereby approved:

Health/Pharmaceutical	\$ 29.34 / mo
Dental	\$ 1.52 / mo
Avesis Vision	\$ 0.36 / mo

Section 2. The following schedule of family health care premium rates for Scott County employees in calendar year 2018 is hereby approved:

Health/Pharmaceutical	\$ 201.64 / mo
Dental	\$ 12.12 / mo
Avesis Vision	\$ 1.91 / mo

Section 3. Employee's opting to take the Dental supplemental plan shall pay an additional \$5.00/month for single or family coverage.

Section 4. This resolution shall take effect on January 1, 2018, except Section 1 which shall take effect on July 1, 2018.

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

R E S O L U T I O N

SCOTT COUNTY BOARD OF SUPERVISORS

October 19, 2017

APPROVAL OF THREE YEAR AGREEMENT WITH DELTA DENTAL FOR THIRD
PARTY ADMINISTRATOR SERVICES

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. That the proposal from Delta Dental for three years for third party administration services is hereby accepted and approved.

Section 2. That the Human Resources Director hereby authorized to sign the dental insurance contracts for services on behalf of the Board.

Section 3. This resolution shall take effect immediately.

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

R E S O L U T I O N

SCOTT COUNTY BOARD OF SUPERVISORS

October 19, 2017

APPROVING CHANGES TO GENERAL POLICY P "INSURANCE AND DEFERRED
COMPENSATION"

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. General Policy P "Insurance and Deferred Compensation" revises the policy to add single premiums for non-represented employees July 1, 2018.

Section 2. This resolution shall take effect immediately.