

Personnel and Insurance Committee Minutes

October 4, 2010 – 3:30 p.m.

Present: Chairman A. Johnson; Supervisors Daly, Lucia, Hargrave, Wood, Richardson, Rowland, Thompson, Collyer and Southworth; David Wickerham, County Administrator; Jack Kalinkewicz, Marci McNamara, Personnel; Ron Revers, Sewer District.

Chairman Johnson called the meeting to order and welcomed all in attendance.

On a motion made by Mr. Rowland, seconded by Mr. Wood the minutes of the August 4, 2010 meeting were approved unanimously.

Mr. Kalinkewicz gave a brief update on the workers compensation report for the month of October. He said overall for the year cases are down 56 cases and approximately \$283,000 under budget.

Mr. Johnson introduced Veronica Calderon-Hicks from Blue Cross/Blue Shield of Northeastern New York. Ms. Calderon-Hicks will be talking about the County's renewal that will be coming up.

Mrs. Calderon-Hicks said the Patient Protection and Affordable Care Act was signed into law by President Obama on March 23, 2010. The law puts in place a comprehensive health insurance reform that will roll out over four years and beyond, with most changes taking place by 2014. There are several components of the law that enforce changes to health care benefits to both group and individual plans.

Mrs. Calderon-Hicks outlined the following Coverage Mandates that will affect Saratoga County:

- Dependent coverage to age 26
- No lifetime benefit maximums
- Limits on annual maximums for “essential” benefits
- Limitations on cost sharing for preventative services – this will be an option for the county as to whether they want to pick it up this year or wait the four years
 - ◆ Insurers must cover certain in network preventative services without any member cost sharing, i.e., copays, coinsurance, and deductibles.
 - ◆ Blue Cross/Blue Shield will provide a list of all their covered preventive care services
- No pre-existing condition exclusion for children under the age of 19
- No prior authorizations or higher out of New York State cost share for emergency services
 - ◆ Insurers cannot require members to obtain a prior authorization for emergency services. NYS followed this provision prior to the health care reform law.

Mrs. Caldreon-Hicks said that most groups, such as Saratoga County, would have the option of becoming a Grandfathered Plan or Non Grandfathered Plan. If the county chooses the Grandfathered Plan it will have to be done by December. If you are a health plan, group or individual with coverage options that existed on or before 3/23/10 you are considered a grandfathered plan. Saratoga County is considered a Grandfathered plan, she said.

Grandfathered provisions allow members to keep their existing coverage if available upon renewal. The status is determined and measured upon renewal every year until a health plan loses grandfather status.

The following are mandates that apply to both grandfathered and non-grandfathered products

- No lifetime limits on essential benefits
- Restricted annual limits permitted before 2014
- No coverage rescissions (except fraud or misrepresentation)
- Coverage for adult children up to age 26
 - ◆ Grandfathered plans can exclude coverage for an adult child if the adult child is offered coverage through their own employer. Non Grandfathered plans are required to provide coverage to an adult child even if the adult child is offered coverage through their own employer
 - ◆ No pre-existing condition exclusion for enrollees under 19 years old

The following are mandates that only apply to non-grandfathered plans

- No cost share for immunizations and preventive care
- In and out of network cost sharing for emergency care must be equal
- Must provide internal appeals and external review process

The following changes will not impact a grandfathered status

- The addition of family members of an individual who is enrolled in a grandfathered plan
- The addition of new employees of an employer who is enrolled in a grandfathered plan
- Amendments required to conform to legal requirements
- A change in insurers during a collective bargaining agreement
- A change in premium

The following changes would eliminate the grandfather status

- A change in insurers
 - ◆ This would not apply to self-insured plans who switch plan administrators
- An increase in cost sharing percentages above the level in effect as of March 23, 2010
 - ◆ Increasing the DME coinsurance from 10% to 15%
- Increases in copays above the level in effect on March 23, 2010 by the greater of:
 - ◆ The sum of medical inflation plus 15%
 - ◆ \$5 plus medical inflation
- Increases in fixed dollar amount cost sharing (i.e. deductibles or out of pocket limits) above the level in effect on March 23, 2010 that exceed the sum of medical inflation plus 15%
- Changes in the contribution rate towards the cost of any tier of coverage, for any class of similarly situated individuals by more than five percent below the contribution rate on March 23, 2010.
 - ◆ Contribution rate is defined as the amount of contributions made compared to the total cost of coverage

Grandfathered plans must file an attestation to Blue Shield of Northeastern NY. Mrs. Calderon-Hicks said it would be helpful if the attestation was filed within 30 days prior to for operational purposes.

The following is an overview of the Health Care Reform

Early Retiree Reinsurance Program

- Effective for 2010 plan year
 - ◆ Retirees 55 and older without Medicare not actively working
- Claims information required
 - ◆ 80% of claims paid between \$15,000 and \$90,000
Only post June 1 claims included in reimbursement
- Cost saving programs required for application approval

Mr. Kalinkewicz said that as soon as he has the updated material he would forward the information on to the committee members for their review.

Mr. Johnson said October 1st began the beginning filing period for those county employees interested in the early retirement incentive.

Mr. Kalinkewicz distributed the current list of retirees. The next step will be for the Personnel department to reach out with questionnaires to those departments about the

positions. This will give information, which will be shared with the committee and recommendations will be made regarding those particular positions.

Mr. Kalinkewicz said, typically through vacancy review, it has been a thirty-day wait before filling any position, with the exception of Public Safety and Public Health.

Mr. Johnson appointed a subcommittee consisting of himself, Ms. Daly and Mr. Rowland. The committee will work with Personnel to look at the applications and jobs and see where possibly some positions could be eliminated or consolidated and look at the possible reorganization of some departments. The subcommittee will report on a monthly basis back to the Personnel and Insurance committee.

Mrs. McNamara distributed and explained the changes to the Policy and Procedures Manual to all committee members for their review and approval.

Mr. Wickerham said these are not really changes in policy or procedure. We are making the policy and procedures manual comply to polices. There are no new practices or policies that are going into effect, we are just memorializing them.

A motion was made by Mr. Hargrave, seconded by Mr. Rowland to approve the Policy and Procedures Manual updates as explained by Mrs. McNamara. Unanimous.

On a motion made by Ms. Daly, seconded by Mr. Rowland the meeting was adjourned.

Respectfully submitted,
Chris Sansom