

**Troy Township
Health Insurance Committee Meeting Notes
Monday, October 15, 2012
6:00pm**

Committee Chairman Brett Wheeler called the meeting to order at 6:00pm.

The Pledge of Allegiance was led by Jennifer Dylík.

In attendance were:

Supervisor Joseph D. Baltz	Trustee Brett Wheeler (Chairman)
Assessor Kim Anderson	Collector Kristin Ethridge
Administrator Jennifer Dylík (acting as Secretary)	

Let the record show that Trustee Larry Ryan and Trustee John Theobald are present as well.

All citizens in attendance have signed in.

Chairman Wheeler asked for any citizen comments. After asking twice, Chairman Wheeler asked Steve Orlando from the Candos Agency to review the insurance options.

Mr. Orlando summarized the July 1, 2012 change where the township moved from Blue Cross Blue Shield to Humana. At that time, BCBS offered a 6% decrease in our premium. Firm quotes were received from United Health Care and Humana. A savings of \$1,900 per month, or almost \$23,000 per year, was realized by moving to Humana.

Mr. Orlando is proposing a mid-year plan change, effective January 1, 2012 to coincide with the insurance companies tracking of deductibles from January 1st to December 31st. This change would involve staying with Humana but making a change to the deductible structure. The proposed change is to a Health Reimbursement Arrangement more commonly known as a HRA.

The HRA uses the same PPO network however the current traditional PPO is 80% coverage after a \$500.00 individual deductible and a maximum out of pocket expense. Also, there are co-pays for doctor visits, emergency room visits and prescriptions which the co-pay does not help to satisfy the deductible.

Mr. Orlando presented the HRA option which he anticipates will reduce the financial exposure for the employee and will reduce the premium expenses of the township. HUMANA has a CHOICE POS 08 COINS Plan which is 100% coverage after a \$3,000.00 deductible with the only co-pay being for prescriptions. With the savings that the township would realize in premiums, it could establish the HRA and promise to pay the first \$2,000.00 of an employee's \$3,000 deductible. Family coverage would have a \$6,000.00 deductible and the township would cover the first \$4,000.00 of that deductible.

Mr. Orlando distributed some side by side comparisons which are attached and included in these minutes.

A discussion was held regarding the plan specifics, various scenarios, administration through a third party (TPA) and the accounting functionality of an HRA.

Supervisor Baltz commented to the committee that one of the jobs he has taken most seriously as Supervisor is that of keeping good employees. One of the benefits of the employee is access to a health plan. Exploring the HRA as a cost savings measure enables the township to keep good employees with good benefits at a low contribution rate by the employee.

Supervisor Baltz confirmed for Collector Ethridge that yes, if the board approves this change this would be the plan that is available to all employees and elected officials.

Collector Ethridge expressed concern that the township should offer more than just this one plan and not just force the one HRA plan on employees.

Trustee Wheeler commented that if a secondary plan is offered it would complicate administration of the plans and would negate the savings that could be realized by the HRA plan.

Additional discussion was held with the committee agreeing that, as requested by Collector Ethridge, the township hold employee meetings to review the HRA plan and to measure the employee's interest in the plan before any further consideration is given to it by the committee.

Collector Ethridge voiced concerns about making any change to the health care plan because with the change to Humana in July, it was promised that all employees would be able to keep their primary care physicians and that was not the case. Administrator Dylik reminded that there was only one employee that was unable to keep their primary care physician and the township worked with that one employee and offered options to that one employee for which he/she would be able to keep their primary care physician.

Collector Ethridge asked if the employee does not use the \$2,000.00 committed by the township, what happens to that money. Supervisor Baltz noted that the savings is realized by the township.

Supervisor Baltz motioned; seconded by Collector Ethridge that Administrator Dylik schedule an employee meeting for the HRA plan to be explained and to explore the employee's interest in the HRA plan. Another committee meeting will be scheduled in November to discuss the results of the employee meeting.




Motion made by Supervisor Baltz ; seconded by Collector Ethridge to adjourn the committee meeting at 6:40pm.

Submitted by:
Jennifer Dylik
Secretary



7/1/2012

Troy Township

Carrier	 Blue Cross BlueShield of Illinois				 HUMANA <i>Guidance when you need it most</i>		 HUMANA <i>Guidance when you need it most</i>		
	Plan	73426 (PPO)	HMO B166	ChoicePOS	IL HMO 2 OPT 80	ChoicePOS	IL HMO 2 OPT 80		
Coinsurance	80/60%	100%	80/50%	100%	100/70%	100%			
Individual Deductible	\$500/1000	N/A	\$500/1500	N/A	\$3000/9000	N/A			
Family Deductible	\$1500/3000	N/A	\$1000/3000	N/A	\$6000/18,000	N/A			
Out of Pocket Limit**	\$2000/4000	\$1,500	\$2000/6000	\$1,500	\$0/4000	\$1,500			
Family Out of Pocket	\$6000/12,000	\$3,000	\$4000/12,000	\$3,000	\$0/8000	\$3,000			
Doctor Co-Pay	\$20/ded, 60%	\$10	\$25/ded, 50%	\$20	Ded, then 100%	\$20			
Well Care Co-Pay	100% In Network	100% In Network	100% In Network	100% In Network	100% In Network	100% In Network			
Prescription Drug	\$10/40/60	\$10/40/60	\$10/40/60	\$15/30/50	\$15/30/50	\$15/30/50			
Lifetime Maximum	No Lifetime Max	No Lifetime Max	No Lifetime Max	No Lifetime Max	No Lifetime Max	No Lifetime Max			
Network	BC/BS	BlueAdvantage HMO	ChoicePOS	Select	ChoicePOS	Select			
Web Address	www.bcbsil.com				www.humana.com		www.humana.com		
**Excludes Deductible									
Medical Rate:		<i>Current</i>	<i>Renewal</i>	<i>Current</i>	<i>Renewal</i>	Final Rates		Plan change for 1/1/13	
Joseph	F	\$2,008.19	\$2,032.19	N/A	N/A	\$1,456.90	N/A	\$982.05	N/A
Rosemary	E	N/A	N/A	\$613.45	\$529.29	N/A	\$470.81	N/A	\$470.81
John	E	\$745.85	\$643.49	N/A	N/A	\$469.96	N/A	\$316.78	N/A
Scott	E	\$745.85	\$643.49	N/A	N/A	\$469.96	N/A	\$316.78	N/A
Ric	E	\$745.85	\$643.49	N/A	N/A	\$469.96	N/A	\$316.78	N/A
Christopher	E	\$745.85	\$643.49	N/A	N/A	\$469.96	N/A	\$316.78	N/A
Tom	F	\$2,008.19	\$2,032.19	N/A	N/A	\$1,456.90	N/A	\$982.05	N/A
Total	0	\$6,999.78	\$6,638.34	\$613.45	\$529.29	\$4,793.64	\$470.81	\$3,231.22	\$470.81
Current		\$7,613.23							
Renewal		\$7,167.63				\$5,264.45		\$3,702.03	
Difference		-5.85%							

Coverage highlights are provided for easy-to-follow comparative purposes only and should not be relied on as absolute. For details of coverage provisions, limitations, conditions and exclusions, please refer to the health carriers plan design or your policy.



**Health Reimbursement Arrangement (HRA)
Cost/Savings Analysis for:
Troy Township**

	Mthly Premium	Annual Premium
Annual Premium Effective With Traditional PPO	\$4,793.64	\$57,523.68
Annual Premium Utilizing Humana Coins 08 \$3000	\$3,231.22	\$38,774.64
Annual Savings From Plan Design Change =		\$18,749.04

Employer Funding into HRA maximum = Amount of increased deductible x number of employees on the health plan (fill in the blanks below to determine the total amount)

Number of employees on Single Health Plan		5
Total Amount of Deductible that the employer is paying for in Single plan	67%	\$2,000.00
Total		\$10,000.00

Number of employees on Family Health Plan		2
Total Amount of Deductible that the employer is paying for in Family plan	67%	\$4,000.00
Total		\$8,000.00

Administrative Costs

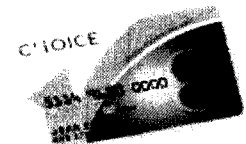
First Year Set Up		\$250.00
Initial Set-up (per employee) Administration Fee (\$5.00 x Number of Plan Participants)		\$30.00
Would you like to provide the Choice Care Card for participants (please enter yes or no)		yes
Annualized Monthly Administrative Fee (\$8.50 x Number of Participants x 12)		\$714.00

Annual Adjusted Employer Savings/(cost) Assuming 100% Utilization =	(\$244.96)
Annual Adjusted Employer Savings/(cost) Assuming 80% Utilization =	\$3,355.04
Annual Adjusted Employer Savings/(cost) Assuming 60% Utilization =	\$6,955.04
Annual Adjusted Employer Savings/(cost) Assuming 40% Utilization =	\$10,555.04
Annual Adjusted Employer Savings/(cost) Assuming 20% Utilization =	\$14,155.04
Annual Adjusted Employer Savings/(cost) Assuming 0% Utilization =	\$17,755.04

Note: The employer retains any unused HRA dollars not utilized by the employees.

Plan Operation:

The Employer makes available to each employee a specified amount. This amount could be the entire new deductible or a portion of the new deductible. Employees submit the Explanation of Benefits (EOB) to Choice Care for reimbursement, or to the Employer in the case that this plan is self-administered. Employees are then reimbursed the amount that is specified in the plan.



Illinois 80/50 Copay plan

Troy Township

		Plan pays for services from PARTICIPATING providers	Plan pays for services from NONPARTICIPATING providers
Office visit and urgent care copay			
		\$25 primary care/\$55 specialist/ Concentra urgent care/ \$75 non-Concentra urgent care	Not applicable
Deductible			
<ul style="list-style-type: none"> per calendar year copays do not apply 	Individual	\$500	\$1,500
	Family	\$1,000	\$3,000
Out-of-pocket maximum			
<ul style="list-style-type: none"> per calendar year deductibles and copays do not apply 	Individual	\$2,000	\$6,000
	Family	\$4,000	\$12,000
Preventive care			
<ul style="list-style-type: none"> preventive office visits preventive lab and X-ray Pap smear and mammogram prostate screening child immunizations to age 18 flu and pneumonia immunizations endoscopic services (including, but not limited to colonoscopy) 		100%	50% after deductible
Physician services			
<ul style="list-style-type: none"> office visits 		100% after office visit copay	50% after deductible
<ul style="list-style-type: none"> diagnostic lab and X-ray (performed in office and billed by physician) allergy testing 		100%	50% after deductible
<ul style="list-style-type: none"> injections (including allergy) 		100% after \$5 copay	50% after deductible
<ul style="list-style-type: none"> inpatient services outpatient services surgery 		80% after deductible	50% after deductible
<ul style="list-style-type: none"> emergency room visits 		100%	100%
Facility services			
<ul style="list-style-type: none"> inpatient services outpatient services outpatient diagnostic lab and X-ray outpatient surgery 		80% after deductible	50% after deductible
<ul style="list-style-type: none"> emergency services (copay waived if admitted) 		100% after \$250 copay	100% after \$250 copay
Other medical services			
<ul style="list-style-type: none"> retail clinic urgent care 		100% after primary care copay 100% after urgent care copay	50% after deductible 50% after deductible
<ul style="list-style-type: none"> spinal manipulations, adjustments, and modalities (combined limit to 20 visits per calendar year) 		100% after specialist copay	50% after deductible
<ul style="list-style-type: none"> physical, occupational, cognitive, speech and audiology therapy (combined limit to 80 visits per calendar year) advanced imaging (PET, MRI, MRA, CAT, SPECT) hospice home health care (limited to 100 visits per calendar year) skilled nursing facility (limited to 60 days per calendar year) 		80% after deductible	50% after deductible
<ul style="list-style-type: none"> ambulance maternity transplant services 		80% after deductible Same as any other illness Same as any other illness when services are received from a Humana Transplant Network provider	80% after participating deductible Same as any other illness Same as any other illness. Benefits payable will not exceed the non-network benefit limit of \$35,000 per covered organ transplant
Mental health and chemical dependency			
<ul style="list-style-type: none"> inpatient services (combined mental health and chemical dependency limit to 15 days per calendar year) 		80% after deductible	50% after deductible

Illinois HumanaChoicePOS 10 Copay 80/50 plan

	Plan pays for services from PARTICIPATING providers	Plan pays for services from NONPARTICIPATING providers
<ul style="list-style-type: none"> outpatient and office therapy sessions (combined mental health, chemical and alcohol dependency limit to 45 visits per calendar year) 	100% after specialist copay	50% after deductible
Alcohol dependency		
<ul style="list-style-type: none"> inpatient services 	Same as any other illness	Same as any other illness

For groups with 51 or more employees, no limits apply to inpatient and outpatient services, benefit is covered the same as any other illness.

Network

Humana ChoicePOS Network

Humana's ChoicePOS Network is a local network of physicians and hospitals in the Chicago metropolitan area, and also includes access to Humana's ChoiceCare® Network. The ChoiceCare Network is one of the largest, most cost-effective physician and hospital networks in the nation, including 530,000 providers and 4,000 hospitals across all 50 states.

Pharmacy

Detailed drug lists are available at Humana.com for each pharmacy plan and level.

Rx3: Prescription drugs are assigned to one of three levels with corresponding copayment amounts.

Retail (30-day supply)	Level 1	Level 2	Level 3	Mail order (up to 90-day supply)
	\$10	\$40	\$60	2.5 times the retail copayment

NOTE: If a nonparticipating pharmacy is used, the claim is covered at 70 percent after applicable copayment.

HUMANA.

Insured by Humana Insurance Company

This plan imposes a pre-existing condition exclusion. This is not a complete disclosure of plan qualifications and limitations. Before applying for coverage, please refer to the Regulatory Pre-enrollment Disclosure Guide for a description of plan provisions which may exclude, limit, reduce, modify or terminate your coverage. This guide is available at www.disclosure.humana.com or through your sales representative. Premiums and benefits vary based on the plan selected.

Illinois 100/70 Coinsurance plan

Troy Township

		Plan pays for services from PARTICIPATING providers	Plan pays for services from NONPARTICIPATING providers
Deductible	<ul style="list-style-type: none"> individual family 	\$3,000	\$9,000
<ul style="list-style-type: none"> per calendar year 		Two times the individual participating deductible	Two times the individual nonparticipating deductible
Out-of-pocket maximum	<ul style="list-style-type: none"> individual family 	\$0	\$4,000
<ul style="list-style-type: none"> per calendar year deductibles do not apply 		Two times the individual participating out-of-pocket max	Two times the individual nonparticipating out-of-pocket max
Preventive care	<ul style="list-style-type: none"> preventive office visits preventive lab and X-ray Pap smear and mammogram prostate screening child immunizations to age 18 flu and pneumonia immunizations 	100%	70% after deductible
	<ul style="list-style-type: none"> endoscopic services (including, but not limited to colonoscopy) 	100% after deductible	70% after deductible
Physician services	<ul style="list-style-type: none"> office visits diagnostic lab and X-ray allergy testing injections (including allergy) inpatient and outpatient services surgery 	100% after deductible	70% after deductible
	<ul style="list-style-type: none"> emergency room visits 	100% after deductible	100% after participating deductible
Facility services	<ul style="list-style-type: none"> inpatient and outpatient services outpatient advanced imaging (PET, MRI, MRA, CAT, SPECT) —hospital, freestanding facility and clinic 	100% after deductible	70% after deductible
	<ul style="list-style-type: none"> emergency services 	100% after deductible	100% after participating deductible
Other medical services	<ul style="list-style-type: none"> skilled nursing facility (up to 60 days per calendar year) hospice home health care (up to 100 visits per calendar year) physical, occupational, cognitive, speech and audiology therapy (combined limit up to 36000 visits per calendar year) urgent care spinal manipulations, adjustments and modalities (combined limit up to 20 visits per calendar year) durable medical equipment 	100% after deductible	70% after deductible
	<ul style="list-style-type: none"> ambulance 	100% after deductible	100% after participating deductible
	<ul style="list-style-type: none"> maternity 	Same as any other illness	Same as any other illness
	<ul style="list-style-type: none"> transplant services 	Same as any other illness when services are received from a Humana Transplant Network provider	Same as any other illness. Covered expenses are limited to a maximum benefit of \$35,000 per transplant
Mental health, chemical, and alcohol dependency	<ul style="list-style-type: none"> inpatient services (up to 10 days per calendar year) outpatient & office therapy sessions (up to 15 visits per calendar year) 	100% after deductible	70% after deductible

Illinois 100/70 Coinsurance plan

Network

Humana ChoicePOS Network

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Pharmacy

Detailed drug lists are available at Humana.com for each pharmacy plan and level.

Rx3

Retail (30-day supply)	Level 1	Level 2	Level 3
	\$15	\$30	\$50
Mail order (up to 90-day supply)	2.5 times the retail copayment		

NOTE: If a nonparticipating pharmacy is used, the claim will be covered at 70% after applicable copayment.

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Troy Township

Traditional PPO compared with Humana Coins (H.R.A.)

Very High Utilization

	80% \$500 Humana PPO	100% \$3000 Humana HRA PPO
Office Visit	\$25	\$61
Specialist Visit	\$55	\$104
ER Visit	\$250	\$982
Quarterly Diagnostic Test	\$200	\$200
Brand Non-Formulary Rx	\$60	\$50
2- Brand Formulary Rx	\$40	\$30
3- Generic Rx	\$10	\$15
Outpatient Procedure	\$3,900	\$3,900
January Rx, OV, Test	\$395	\$155
February Rx, SV	\$225	\$155
March Rx and ER	\$420	\$155
April Rx, OV, Test	\$395	\$155
May Rx, SV	\$225	\$155
June Rx, Procedure	\$1,030	\$1,155
July Rx, OV, Test	\$235	\$155
August Rx, SV	\$225	\$155
September Rx, SV	\$225	\$155
October Rx, OV, Test	\$235	\$155
November Rx, SV	\$225	\$155
December Rx, OV	\$195	\$155
Total	\$4,030	\$2,860
Deductible Remaining	\$0	\$0
Out of Pocket Remaining	\$1,160	\$0
H.R.A. funds remaining	N/A	\$0
Total Exposure	\$5,190	\$2,860

Troy Township

Traditional PPO compared with Humana Coins (H.R.A.)

Above Average Utilization

	80% \$500 Humana PPO	100% \$3000 Humana HRA PPO
Office Visit	\$25	\$61
Specialist Visit	\$55	\$104
ER Visit	\$250	\$982
Diagnostic Test	\$200	\$200
Brand Formulary Rx	\$40	\$30
Generic Rx	\$10	\$15
January Rx and OV	\$75	\$45
February Rx	\$50	\$45
March Rx and ER	\$300	\$45
April Rx and SV	\$105	\$45
May Rx and Test	\$250	\$45
June Rx	\$50	\$45
July Rx	\$50	\$45
August Rx and OV	\$75	\$45
September Rx and SV	\$105	\$45
October Rx	\$50	\$45
November Rx	\$50	\$45
December Rx and OV	\$75	\$45
Total	\$1,235	\$540
Deductible Remaining	\$300	\$1,427
Out of Pocket Remaining	\$2,000	\$0
H.R.A. funds remaining	N/A	\$427
Total Exposure	\$3,535	\$1,540