

RICHLAND COUNTY COUNCIL

SOUTH CAROLINA

HEALTH INSURANCE AD HOC COMMITTEE

November 5, 2015
1:30 PM
4th Floor Conference Room

In accordance with the Freedom of Information Act, a copy of the agenda was sent to radio and TV stations, newspapers, persons requesting notification, and was posted on the bulletin board located in the lobby of the County Administration Building

CALL TO ORDER

Mr. Pearce called the meeting to order at approximately 1:30 PM

PURPOSE OF MEETING

Mr. Hanna stated the committee had requested that as soon as the budget process was over for FY15-16 to begin discussion regarding the upcoming insurance renewal options.

CIGNA has agreed to provide an official renewal proposal by late January.

CIGNA will be invited to participate in the 2016 Council Retreat.

Mr. Hanna stated CIGNA has been requested to provide the committee with where the County is, discuss the initiatives the County has utilized to try to manage claims, and provide ideas on how to better manage the claims.

Mr. Pearce stated the County has not fully recovered from the recession and now the County has been impacted by the flooding event in October, which could potentially disrupt the tax base in the County.

Mr. Pearce stated in the FY15-16 budget, Council opted to fully fund employee health insurance, which caused a significant deficit. In order to cover the deficit, Council then generated new tax revenue to cover the deficit. The problem with that is the matter will only increase exponentially now.

Mr. Pearce stated his goal is to insure that CIGNA and Committee has explored every possibility, so when it comes time to vote Council will know this is the best option available for the County.

INTRODUCTIONS

- A. CIGNA Officials
- B. Richland County Government Officials



Council Members Present

Greg Pearce, Chair
District Six

Torrey Rush
District Seven

Paul Livingston
District Four

Others Present:

Monique McDaniels
Tony McDonald
Roxanne Ancheta
Jamie Ayres
Dwight Hanna
Daniel Driggers

PRESENTATIONS BY CIGNA

Medical Plan Review

- The total plan spend for FY15 was \$18.8 million
- Average number of members is 2,894
- 15% over the norm for plan spend
- 43% of population is over the age of 40 (below norm)
- Network penetration – 95%
- Network discounts – 45% (norm is 54%)
- Generic utilization – 82%
- 39% of population suffer chronic conditions
- Chronic conditions contributes to 70% of costs
- 66% of population have been identified that need intervention
- 61% of the 66% of the population are engaged in intervention (i.e. coaching sessions)

Medical Review

- Average member age is 36
- Average employee age is 45
- 50% of the population is male
- Claim costs are significantly higher than other municipalities in the CIGNA network
- Some entities implement a surcharge for spousal coverage
- Catastrophic claims would be a claim that is \$50,000 or more
- Many of the conditions are preventable

Prescription Drug Review

- Employer paid \$122/month
- Costs are in line with other government groups
- ACA enacted 100% coverage of a lot of preventative medications
- Average of 16.9 prescriptions per person a year
- Alternative to changing co-pays would be step therapy plan design
- 9% of population is diabetic
- Educate employees regarding medication options
- Richland County's dynamics are similar to Charlotte

Health Advocacy Review

- Health Maintenance
- Health Detection
- Health Improvement Actions
- 1,882 employees eligible for Health Assessment
- 1,592 employees completed their Health Assessment
- More biometrics screenings wanted
- Weight/Cholesterol are the two highest health conditions
- 15% of population use prescription or recreational drugs

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- 39 Employees have utilized the 24-hour health information line
- 61% of population are engaged in 2 or more health maintenance actions or 1 or more health improvement actions
- 1,414 members are engaged in health coaching services
- 31% of the members are engaged in telephonic services

Health Reform Update

Cost Management Opportunities

- 160 of 2,800 employees currently see Palmetto Health primary care doctor
- 660 of 2,800 employees currently see Lexington Medical Center care doctor
- Possibility of setting up employee clinic on the Health Department side of the Administration building
- Online doctor visits could cut down on ER visits
- 84% of steerable ER visits were within 5 miles of an urgent care facility
- High ER rates = High Specialty Rates
- Impose co-pay for ER visits

2016-2017 Health Insurance Renewal Plans

- CIGNA retains 95% of their clients
- Changes will likely be necessary to make the program financially sustainable

QUESTIONS

NEXT STEPS

ADJOURNMENT

The meeting adjourned at approximately 3:37 PM