

Workshop

Insurance

Commission Board Room
Dixie County Courthouse
214 NE Hwy 351, Cross City, FL 32628
August 04, 2022 – 9:00 AM

The Board meetings are audio recorded. The public can hear and participate in the meeting via conference call by dialing 1(917)900-1022 and enter code 32628.

COMMISSIONERS

W. C. Mills, District 2, Vice Chairman
Mark Hatch, District 3
Jamie Storey, District 4, Chairman
James Valentine, District 5

STAFF

Duane Cannon, County Manager
Paul Gainey, Asst. County Manager
Martha McCaskill, Administrative Asst/Grant Coordinator
Chana Watson, County Attorney
Barbie Higginbotham, Clerk of Court
Verna Wilson, Chief Deputy Clerk
Della Rhymes, Asst. Chief Deputy Clerk
Jacki Johnson, Chief Financial Officer
Brenda Royal, Chief Financial Officer

CALL TO ORDER

The Insurance Workshop was called to order at 9:00 AM by Commissioner Storey.

INVOCATION AND PLEDGE TO THE AMERICAN FLAG

The Invocation was led by Commissioner Valentine and the Pledge to the American Flag was led by Commissioner Mills.

BRAD HOARD and ANDREW RAINS

Health Insurance

Mr. Brad Hoard appeared before the Board to give the presentation on the renewal of the 2022 County Employee Insurance plan.

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Mr. Hoard requested everyone review the letter from the underwriter.

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Mr. Hoard said this shows the comparison of the rates from last years' Blue Care HSA Compatible 126 plan that was approved by the Board to replace the HMO plan. He said this renewal rate is at an 8.4 percent increase. He said he thinks that he can get this number lowered.

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Mr. Hoard said this graph reflects the comparison of premiums and claims from 2013 through 2022. He said the 2020/2021 period had 1.6 million in premium and 2.0 million in claims. He said this caused a 12 percent rate increase and they had to negotiate with Blue Cross. He said they changed the plan and added the wellness fair. He said that the next year 2021/2022 the premium went down. He said in 2021 the average was 185 employees on insurance. He said the average this year is 170 employees. He said this is attributed to employees having other insurance coverage or having vacant positions on the books. He said that claims for 2021/2022 have decreased. He said the county has implemented some programs to help cut down on claims with wellness checks, etc. He said he negotiated with Blue Cross and got the renewal down from 8.4 percent to a 4 percent increase.

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Mr. Hoard said the county went from an 8.4 percent increase in premium which was a total of \$147,869.76 down to a 4 percent increase in premium which is a total of \$72,240.72. He said the county must continue with the wellness checks and keep the claims low. He said the wellness check program this year was a success with 55 of the 175 employees participating. He said they received a \$25.00 gift card to Walmart and snacks. He said that more participation is needed. He said this will benefit the employees and the county on the renewal rates.

Clerk Higginbotham asked if it was mandatory to participate in the wellness checks.

County Manager Duane Cannon replied no.

Commissioner Hatch said that the Commissioners did not go to this wellness check and should have participated.

Mr. Hoard said he thought the event was well received by the employees who did attend.

Commissioner Hatch asked about the county drug testing policy and if this can also be applied to reduce premiums.

Mr. Hoard said this cannot be used due to HIPPA and because it is more for Workman's Comp purposes.

Mr. Andrew Rains said the employees who attended got good information on that same day instead of having to wait for results to come back later.

Mr. Hoard added that within the next few weeks they will get some statistics based on this wellness check.

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Mr. Hoard discussed the differences, between the Health Savings Account (HAS) and the Flexible Spending Account (FSA) and the benefits to employees.

He said the Board deposits \$1,000.00 into the HSA for the employees to offset the premium on the insurance plan. He said this money is in an account that belongs to the employee. He said the county paid out \$171,000.00 this year to HSA.

Manager Cannon said that is correct and the number is based on how many insured employees the county has December each year. He said the costs has ranged from up to \$185,000.00 and down to \$168,000.00 over the past years. He said that \$180,000.00 is budgeted every year for this HSA expense.

Mr. Hoard said the FSA money is used the same way, to offset the insurance premium; however, the ownership of the account belongs to the county and not the employee. Therefore, any unused funds remain in the account under the ownership of the county. He said the county currently does this for non-county-insured employees. He said 80 percent utilization of the FSA would save \$40,000.00 and 60 percent utilization would save \$81,000.00. He said the county must then administer and reconcile this FSA every two weeks. He recommended hiring a third party to handle this for the county. He said this would cost \$4.50 per employee, per month or approximately \$10,400.00 annually. He said the drawback for the employee on the FSA would be they would use a credit card for purchases of goods or payments for services. He said this is a convenience and they must keep up with all the receipts and turn them in to the employer. If a non-qualified charge were to occur, the card and account could be suspended, and it would take time to get this reactivated.

Ms. Angie Crowley, Human Resources Administrator, said that some employees who are not in good standing with the bank may have their HSA frozen and cannot receive the money through that account. She said that would not affect their use of this money in the FSA.

Mr. Rains asked about pro-rated amounts.

Manager Cannon said the Board policy states that, for example, if the individual is employed in December of 2021 then the employee gets the full amount in January of 2022.

Commissioner Hatch pointed out the hourly rate changing from \$10.00 to \$11.00 and then on to \$12.00 will affect the need cut costs. He said he would like a training session and compare the pros and cons of both accounts.

Mr. Hoard said the county is already handling both HSA and FSA accounts for different employees.

Commissioner Storey said the Dixie County School Board offers the FSA and credit card for their employees.

Mr. Rains said everyone must keep good records with the FSA. He said the Board must prove where the money has been spent based on the receipts from the employees.

Commissioner Hatch asked if they would be legal to test the two accounts.

Manager Cannon said that the county has budgeted to cover another year under the HSA.

Mr. Hoard said if we were to test and compare the two accounts now, as a pilot program, you won't see results until April of 2024.

Clerk Higginbotham said the county would save money to hire someone to administer this FSA compared to keeping the HSA in the long run.

Ms. Crowley asked Commissioner Hatch about his concern over the hourly rate of pay.

Commissioner Hatch said that employees have used this \$1,000.00 in the past to offset the hourly wage.

Commissioner Storey said the HSA was created to offset the medical expenses not to be used as a bonus.

Manager Cannon said the insurance out-of-pocket deductible is \$1,500.00.

Ms. Jacki Johnson, Chief Financial Officer, said that the \$1,000.00 HSA translates to or equals \$.48 per hour, on top of the \$1.44 that was given last year, and another \$1.00 this year.

Commissioner Hatch said most employees are working for the insurance benefits only. He said younger employees need to support their families.

Mr. Hoard said the decision to choose insurance will be implemented on January 01, 2023.

Ms. Johnson recommended an administrator for the insurance FSA to cover the liability of the county. She said the person need to be very knowledgeable.

Mr. Hoard says this system requires receipts being itemized.

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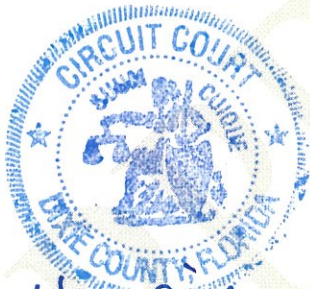
Mr. Hoard informed the Board that they offer other products under one vendor. For example, cancer policy, accident policy, disability policy, etc. He said this is the individual choice of the employees. He presented some numbers for an accident policy plan at an annual premium of \$176.00 through the Standard company. He said this contains a \$200.00 wellness reimbursement requirement. He said that employee participation in a company wellness program would meet the eligibility criteria. He said these quotes and benefits from the Standard company do require that Mr. Hoard be the vendor for these policies. He said that Ms. Crowley with HR will add and terminate employees online.

PUBLIC COMMENTS AND CONCERNS

There were no comments or concerns expressed from the public at this time.

ADJOURN

Commissioner Mills made the motion to adjourn at 9:45 AM. Commissioner Hatch seconded. Board approved.



ATTEST:

BOARD OF COUNTY COMMISSIONERS
DIXIE COUNTY, FLORIDA

Jamie Storey

Jamie Storey, Chairman

Barbie Higginbotham

Barbie Higginbotham, Clerk-Auditor

PLEASE BE ADVISED that if a person decides to appeal any decision made by the Board with respect to any matter considered at such meeting or hearings, he/ she will need a record of the proceedings, and for such purpose, he/ she will need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

“Persons with disabilities requesting reasonable accommodations to participate in this proceeding should contact (352) 486-4931 (Voice & TDD) or via Florida Relay Service at (800) 955-8771.”

The Board meets the first Thursday of each month at 10:00 AM and the third Thursday of each month at 6:00 PM. Individuals that would like to be placed on the agenda should call Barbie Higginbotham, Clerk of Court, by 4:00 PM on the Friday Preceding the Board meeting, at (352) 498-1200.