Commissioners Present: Roma Amundson, Chair
Larry Hudkins, Vice Chair
Bill Avery
Todd Wiltgen

Commissioners Absent: Deb Schorr

Others Present: Kerry Eagan, Chief Administrative Officer
Gwen Thorpe, Deputy Chief Administrative Officer
Dennis Meyer, Budget and Fiscal Officer
Dan Nolte, County Clerk
Cori Beattie, Deputy County Clerk
Ann Taylor, County Clerk’s Office

Advance public notice of the Board of Commissioners Staff Meeting was posted on the
County-City Building bulletin board and the Lancaster County, Nebraska, web site and
provided to the media on September 23, 2015.

The Vice Chair noted the location of the Open Meetings Act and opened the meeting at
8:32 a.m.

AGENDA ITEM

1 APPROVAL OF MINUTES OF THE SEPTEMBER 17, 2015 STAFF MEETING

MOTION: Wiltgen moved and Avery seconded approval of the minutes of the
September 17, 2015 Staff Meeting. Wiltgen, Avery and Hudkins voted
aye. Amundson and Schorr were absent from voting. Motion carried 3-0.

2 ADDITIONS TO THE AGENDA

None were stated.
MOTION: Wiltgen moved and Avery seconded to enter Executive Session at 8:33 a.m. for the purpose of protecting the public interest with regards to labor negotiations.

The Chair arrived at 8:34 a.m. and assumed direction of the meeting.

The Chair restated the motion for the record.

ROLL CALL: Avery, Hudkins, Wiltgen and Amundson voted aye. Schorr was absent from voting. Motion carried 4-0.

MOTION: Wiltgen moved and Hudkins seconded to exit Executive Session at 8:43 a.m. Hudkins, Wiltgen, Avery and Amundson voted aye. Schorr was absent from voting. Motion carried 4-0.

ADMINISTRATIVE OFFICER REPORT

A. 2016 Legislative Proposals

Kerry Eagan, Chief Administrative Officer, said he made some minor revisions at the suggestion of Commissioner Wiltgen. The legislative priorities now read as follows:

Standing Priority - Property Tax Relief

1) Monitor Adult and Juvenile Justice Reform
2) Address Lancaster County Obligations Under the 300,000 Population Threshold
3) Eliminate Responsibility of Counties to Pay Health and Human Services (HHS) Rent
4) Amend Mental Health Commitment Act to Include a Sex Offender Disorder as a Diagnosed Mental Illness/Funding for Community-Based Sex Offender Treatment
5) Support Reform of Medicaid Under the Affordable Care Act

There was consensus to schedule adoption of the 2016 Legislative Proposals on the September 29, 2015 County Board of Commissioners Meeting agenda.
There was also consensus to suggest the Nebraska Association of County Officials (NACO) take the lead on legislation to address nonpayment of sales tax on motor vehicles (see September 22, 2015 County Board of Commissioners Meeting minutes).

B. Management Team Agenda Items (October 8, 2015)

The following items were suggested: 1) Department presentation; 2) Combined Charitable Campaign and impact on Joint Budget Committee (JBC) funding and agencies; and 3) Roundtable Discussion.

C. Annual Joint Meeting with Lancaster County Agricultural Society (October 15, 2015, 7:30 p.m.)

Wiltgen indicated he will be unable to attend that meeting or the Lancaster County Fairgrounds Joint Public Agency (JPA) Meeting that is also scheduled on that date and said he will contact Amy Dickerson, Lancaster Event Center Managing Director, to see if the Lancaster County Agricultural Society would be willing to reschedule the meetings.

4 MEDICAL AND DENTAL INSURANCE RATES - Tracy Krause, Account Executive, AON Risk Solutions; Doug McDaniel, Lincoln-Lancaster County Human Resources Director; Bill Kostner, City Risk Manager; Paula Lueders, County Benefits Specialist

Tracy Krause, Account Executive, AON Risk Solutions, presented Lancaster County, 2016 Medical and Dental Renewal, Plan Year January 1, 2015 through December 31, 2015; Experience through July 31, 2015, noting the following (Exhibit A):

Medical and Prescription Drugs

Krause said 394 employees are enrolled in single coverage and 428 employees are enrolled in family coverage. The County currently pays Blue Cross and Blue Shield of Nebraska (BCBSNE) $44.21 per employee per month (PEPM) to administer the plan. BCBSNE has offered a flat renewal so if enrollment stays static, the County will pay BCBSNE $436,087 in 2016 to administer the claims.

Krause discussed stop loss coverage noting the County carries a specific deductible of $200,000, which includes medical and pharmacy. The County paid a premium of $66.62 for that protection in 2015. BCBSNE has requested a 10% increase for 2016 so the premium will be $73.28. The total annual premium for 2016 will be $722,834 for stop loss coverage.

Hudkins asked whether the increase is due to losses. Krause said the County is running well this year but has never increased the deductible to leverage exposure so BCBSNE
absorbs the medical inflation costs. She felt the 10% increase is a fair renewal, noting the trend on stop loss is between 15% to 20%. **NOTE:** Medical trend is 8% and pharmacy trend is 11%.

In response to a question from Eagan, Krause said the $200,000 specific stop loss deductible is based on calendar year and the lifetime plan maximum benefit is unlimited.

Wiltgen asked whether it is customary to pay the same medical administration fee for single or family coverage. Krause said it is, explaining the fee is per covered employee.

Krause gave an overview of the projected total cost summary, noting annual fixed costs and annual expected costs. She said total expected costs (fixed and claims) is divided by average enrollment to determine expected costs PEPM. That number is used to generate the premium equivalents which is cost shared with employees enrolled in the plan. Krause said the first six months of claims in 2015 were trended forward to determine anticipated costs for 2015 (4% better than initially projected). She said the estimated renewal factors in a rolling 12 months of data. Total expected costs for 2016 (fixed and claims) are estimated to be $12,699,280. That figure is divided by an estimated enrollment of 822 to determine the total expected cost PEPM of $1,287.44. Krause said the County is currently funding to a PEPM of $1,255.92 so AON recommends the County increase premiums by 2.4% to cover the projection of medical and claims administration. Doug McDaniel, Lincoln-Lancaster County Human Resources Director, said the County could increase that amount to build a reserve without a major impact to employees. He also felt consideration should be given to having unrepresented employees contribute to their single coverage premium.

Eagan asked whether the County should consider increasing the $200,000 stop loss amount. Krause said the County would be taking on additional risk for every covered person, adding the County already has a higher than recommended level of exposure. She said the City’s stop loss exposure is set at $175,000 and is a larger group.

Hudkins questioned whether the 822 enrollment number is accurate. McDaniel said the County had 835 employees as of August, 2015. Wiltgen noted not all employees participate in the medical plan. McDaniel said utilization is key and said changes have been made to the plan design to shift some of the costs back to employees. Krause added that is part of the reason for the reduced claims costs. McDaniel also pointed out that CHI Health, which includes the Saint Elizabeth Regional Medical Center, is now back in network which could affect costs.

In response to a question from Wiltgen, Dennis Meyer, Budget and Fiscal Officer, said the new rates will take effect January 1, 2016 so the cost savings will not be realized until midyear.
Krause noted the "Cadillac Tax" a 40% non-deductible excise tax on employer-sponsored health coverage that provides high-cost benefits, is scheduled to take effect in 2018. She said preliminary calculations show Lancaster County will be subject to that tax because of its plan design. Krause said the calculation is still “fluid” and said there are a number of variables, including flexible spending accounts. She said she can bring a projection back to the Board.

Dental

Krause said there are 337 employees enrolled in single coverage and 462 employees enrolled in family coverage. She said the dental administration rate is $4.47 and said the County pays Ameritas $42,858 on an annual basis to administer claims. Ameritas has not requested an increase for 2016. Total expected costs (fixed and claims) are estimated to cost $547,762 in 2016. Krause said current PEPM funding is at $62.58 which is more than the $57.13 it is estimated is needed so no increase to the dental premiums is recommended.

Bill Kostner, City Risk Manager, said they are planning for open enrollment and asked for an indication of whether the proposed rates are acceptable.

Amundson felt it would be beneficial to have more information on how much of a reserve would be gained by certain percentage amounts. Krause said AON can model how much different premium equivalents would bring in but would be unable to determine the reserves because it wouldn't know where the claims will be.

Hudkins asked how much the City’s premiums increased. Kostner indicated it was 7%.

**MOTION:** Hudkins moved and Wiltgen seconded to accept the projections but set the medical insurance premium increase at 5%.

Wiltgen said he would be more supportive of a 3% increase.

Kostner felt the Board shouldn’t second-guess the consultant’s recommendation. Avery concurred. Hudkins said he believes the Board should look beyond one year.

The maker of the motion withdrew his motion.

**MOTION:** Wiltgen moved to budget for a 3% increase in the medical insurance premium.

The motion died for the lack of a second.
MOTION: Hudkins moved to approve a 4% increase in the medical insurance premium.

The motion died for the lack of a second.

MOTION: Avery moved and Hudkins seconded to approve a 2.4% increase in the medical insurance premium. Avery, Hudkins, Wiltgen and Amundson voted aye. Schorr was absent from voting. Motion carried 4-0.

Krause said she will come back in October and give an update on claims experience through the end of September.

5 TERMINATION OF AGREEMENT WITH NEBRASKA SAFETY COUNCIL FOR OPERATION OF SAFETY TRAINING OPTION PROGRAM (STOP) - Kim Etherton, Community Corrections Director; Kristy Bauer and David Derbin, Deputy County Attorney

Kristy Bauer, Deputy County Attorney, said the agreement with the Nebraska Safety Council to assist with the operation of the Safety Training Option Program (STOP) for participants eligible to participate in the Lancaster County Traffic Diversion Program expires on December 31, 2015.

Kim Etherton, Community Corrections Director, said Lancaster County implemented online classes in October, 2014 and it took off quickly. She said 65% of the individuals currently participating in STOP take the classes online, reducing the number that attend classes taught by an instructor. It has also substantially reduced what the County is able to cover in its agreement with the Nebraska Safety Council. The agreement specifies that Nebraska Safety Council instructors shall teach a minimum of 3,900 STOP students during the contract period (October 1, 2014 to December 31, 2015) but has only had around 2,200 students enroll. Etherton said it is difficult to predict how many individuals will be eligible or sign up for STOP so the agreement was based on an average over the past three years. She said STOP registrations have been down this year so the Nebraska Safety Council’s services are no longer needed to the extent that was projected.

Bauer said there is a 30-day termination provision for either party and recommended the County proceed with termination. The effective date will be October 31, 2015.

MOTION: Wiltgen moved and Avery seconded to authorize the Chair to sign a notice of termination of the agreement.
In response to a question from Avery, Etherton said Community Corrections also offers STOP classes and said it had always been the intent to move towards having Community Corrections be the only provider of classes.

**ROLL CALL:** Hudkins, Wiltgen, Avery and Amundson voted aye. Schorr was absent from voting. Motion carried 4-0.

6 CONSENT ITEMS

There were no consent items.

7 ADMINISTRATIVE OFFICER REPORT

A. 2016 Legislative Proposals  
B. Management Team Agenda Items (October 8, 2015)  
C. Annual Joint Meeting with Lancaster County Agricultural Society  
   (October 15, 2015, 7:30 p.m.)

Items A-C were moved forward on the agenda.

D. Appointment of Commissioner Wiltgen to the County Attorney Standards Advisory Council  
   Informational only.

E. Appointment of Ms. Vanessa Humaran to the Keno Human Services Prevention Fund Advisory Group  

The Board scheduled the appointment on the September 29, 2015 County Board of Commissioners Meeting agenda.

8 PENDING

There were no pending items.

9 DISCUSSION OF BOARD MEMBER MEETINGS

A. Lancaster County Fairgrounds Joint Public Agency (JPA) - Wiltgen  
   Wiltgen said the meeting was routine in nature.
10 EMERGENCY ITEMS AND OTHER BUSINESS

There were no emergency items or other business.

11 ADJOURNMENT

MOTION: Wiltgen moved and Hudkins seconded to adjourn the meeting at 9:53 a.m. Wiltgen, Avery, Hudkins and Amundson voted aye. Schorr was absent from voting. Motion carried 4-0.

Dan Nolte
Lancaster County Clerk