

**NOTICE OF BOARD OF DIRECTORS MEETING**  
**LIMRiCC**  
**Meeting Minutes Tuesday, August 18, 2020**  
**via Videoconference in accordance with Section 6 of Governor Pritzker's Executive**  
**Order 2020-07 (COVID-19 Executive Order No. 5)**

1. Call to Order & Roll Call Jennie Mills called the meeting to order at 1:03 PM

PRESENT: Jennie Mills, Director of Shorewood-Troy Public Library/LIMRiCC President; Kevin Davis, Administrator of the Messenger Public Library/Vice President; Jim Kregor, Director of Finance and Human Resources of RAILS Library System/LIMRiCC Treasurer; Carol Kidd, Human Resource Manager of Des Plaines Public Library/LIMRiCC Secretary; Carolyn Coulter, Director of PrairieCat /LIMRiCC Trustee.

2. Introduction of Visitors / Public Comments

The following people were present for the Board Meeting: From the accounting firm of Lauterbach & Amen, LLP: Wes Levy and Margie Tannehill. Assurance Agency representative: Maryann Mileto, Scott Remmenga and Ashton Wagner.

3. Consent Agenda

RESOLVED, THAT THE LIMRiCC BOARD OF DIRECTORS  
APPROVE THE CONSENT AGENDA AS PRESENTED

- a. Approval of Agenda.
- b. Acceptance of the LIMRiCC Board Meeting Minutes from June 16, 2020.
- c. Ratification of payments made from June 17 – July 21, 2020 (Exhibit B.1 – B.3) Business Services \$10,670.93, PHIP \$547,567.35 and UCGA \$744.90.
- d. Approval of the payment of bills for July 22 – August 18, 2020 (Exhibit B.1 – B.3) Business Services \$10,670.48, PHIP \$696,633.94 and UCGA \$1,865.65.
- e. Approval of Balance Sheet and Detail of Expenditures for June and July 2020 (Exhibit C.1 – C.6).

Motion: A motion was made by Jim Kregor and seconded by Carol Kidd to approve the Consent Agenda items a-e listed above.

Roll call: All board members present voted to approve the Consent Agenda.

AYES - 5

NAYS - 0

ABSENT -0

4. Action Item #1 – Approval of Equifax contract.

The current Equifax contract signed back in 2011 was reviewed and renegotiated. Equifax presented a new contract, effective 8.1.2020. The annual increase was lowered from 5% to 2%, Equifax increased the annual claims amount from 162 to 325 and lowered the cost for each additional claim from \$19.10 to \$14.00. Hearing consultations remain at \$225.00.

Motion: A motion was made by Carolyn Coulter and seconded by Kevin Davis to approve the renegotiated contract with Equifax effective 8.1.2020.

Roll Call: All board members present voted to approve a new contract with Equifax effective 8.1.2020.

AYES – 5

NAYS – 0

ABSENT - 0

5. Action Item #2 – Approval of 1.1.2021 Benefits Renewals.

Historically BCBS has run well for LIMRiCC with the exception of 2016 when LIMRiCC was self-funded and needed to build reserves.

Medical and Life Insurance are set to renew in 2021. Vision and Dental Insurance are both under a rate guarantee. Assurance went out to market for medical, dental and life to Aetna and United Healthcare (UHC). Dental and life were marketed to BCBS to get a bundle discount with medical. BCBS provided competitive dental and life insurance plans. If both dental and life were moved to BCBS they would offer a \$2.00 pepm discount, saving \$17,000 in administration fees. Additionally, BCBS is offering a one-time technology credit of \$25,000 for both dental and life for a total of \$50,000. BCBS is further offering an additional \$50,000 credit for 2021 but coverage must remain with BCBS for a 3-year period or LIMRiCC would need to repay the credit. The projected cost for 2021 with BCBS, with no changes, are estimated at just over 8.5M. Adding in carrier credits, the projected cost comes to \$8.4M. The increase over current projected cost is \$866,715. An alternative would be to add BCBS dental and life insurance bringing the projected cost to \$8.5M. Including the bundled discount, the projected 1<sup>st</sup> year net cost would come to \$8.4M, bringing the increase over current projected cost to \$779,528.

Aetna provided a competitive medical, dental and life quote. Aetna agreed to provide \$1.00 pepm discount on administration if dental is moved for an estimated annual savings of \$8,400. Aetna is giving a \$50,000 implementation credit for the 1<sup>st</sup> year that would help with carrier feed cost. Also, an additional \$50,000 wellness credit would be given for years 2 and 3. The projected cost is \$7.7M. Bundled discounts would bring the 1<sup>st</sup> year net cost to \$7.6M. The increase over current projected cost is \$19,976. The expected cost (claim and fixed) is -.30%

less than BCBS projected cost. Aetna Rx rebates are paid quarterly with the first year estimated at \$400,000. Aetna HMO does not require a primary care physician referral. However, there is no out of network benefit. The HMO is self-insured and would require the employer to file the PCORI 720 Form annually. Aetna HMO does not require minimum hours for participation. This would open up the HMO option for all libraries. Telemedicine is included for all members, including HMO, at \$0 cost. CVS Mini-Clinics are included at \$0 cost and available to all plan options. Aetna will provide a wellness credit of \$50,000 for years 2 and 3. Aetna has a penalty of \$250 for emergency/ambulance/urgent care visits that are non-emergent care. Network disruption shows a 96.78% match to current utilization. Aetna would allow new members to join the pool.

UHC provided a competitive medical and dental quote but declined life. Life would remain with Unicare. If medical and dental are bundled together there is \$1.00 pepm credit to the administration fee with an estimated annual savings of \$8,400. UHC would provide a 1-time \$100,000 technology credit with a 3-year contract. If LIMRiCC were to terminate coverage prior to the 3 years, the credit would need to be returned in percentages. The projected cost is just over \$7.9M. Including bundled discounts, the 1<sup>st</sup> year net cost would come to \$7.9M. The increase over current projected cost would be \$230,000. The expected cost (claim and fixed) are 2.79% higher than BCBS current projected cost. Telemedicine is included at \$0 cost to all plan options. There is \$0 office visit copay for children 19 and younger. The HMO does require a referral. HMO is self-insured and would require the employer to file the PCORI 720 Form annually. There is no requirement of minimum hours for HMO participation. Network disruption shows 95.90% match to current BCBS utilization. UHC would allow new memberships.

If the medical carrier is changed to either Aetna or UHC, there is a fee of \$160,00 that must be paid to BCBS for Run Out Administration. This would cover any claims incurred prior to the termination of the BCBS contract that are submitted after 1.1.2021. This cost is included in the above Year 1 Net Cost.

LIMRiCC's current life insurance benefit with Unicare is \$20,000. If moved to either BCBS or (UHC) Hartford Life, the benefit would increase to \$30,000 at the same monthly cost of \$3.60 per month with a 3-year rate guarantee. Aetna and The Hartford were able to keep the same cost currently paid for voluntary life insurance. Employee Assistance Programs are available with all 3 health care options.

If choosing to stay with BCBS, Assurance recommends increasing the medical, at 4% for HMO and 17.23% for PPO. If moving to Aetna an increase of 7% and UHC at 9%. It is recommended that dental rates remain the same with either option.

Delta Dental, LIMRiCC's current provider, has a rate guarantee for another 2 years. BCBS is offering a competitive rate and shows 85.5% utilization. BCBS would reduce the medical administration fee of \$1.00 pepm if dental is bundled with medical. Aetna is also offering a competitive rate. The in-network utilization shows 93.9%. Aetna would offer a reduction in medical administration fee of \$1.00 pepm if dental is bundled with medical. UHC is offering a competitive plan. The in-network utilization shows 85.37%. UHC does not have a DHMO but is offering a PPO with a low out of network benefit which is more costly compared to

current DHMO rates. There is a reduction in medical administration fee of \$1.00 pepm if dental is bundled with medical.

The BCBS initial renewal has a suggested premium increase of 4% to the HMO and 17.23% to PPO plans. This would increase premiums 3.3% over projected cost or \$275,000 annually to reserve. BCBS revised the renewal reducing individual stop loss for a total of \$20,000 to fixed cost. The revised blended increase is 12.43% to the projected cost of \$896,726 annually. An option in reducing cost, is Blue Choice Option (BCO) as a replacement to the current \$750 PPO plan. The BCO is a 3-tiered plan. Implementing this plan would reduce the projected cost to \$770,735 annually. The BCBS PPO renewal shows 2 large claims with a net increase in paid claims of \$1,773,466. The HMO shows no large claims. Over the last two years LIMRiCC has had an increase of 24% in claims. The PPO projected claim cost increased 16.2% from \$751.91 to \$873.70. This is the main reason for the large increase in premium.

The Board requested Assurance to retain references from other clients who are currently utilizing Aetna as their carrier. The Board's concerns was claims being paid in a timely manner.

Motion: A motion was made by Jim Kregor and seconded by Carolyn Coulter to table the approval of 1.1.2021 Benefits Renewal to a later date to be determined.

Roll call: All board members present voted to table Action Item #1 Approval of 1.1.2021 Benefits Renewal to a later date to be determined.

AYES - 5  
NAYS - 0  
ABSENT - 0

6. Discussion Item #1– Assurance: Financial and other updates.

The medical claims report is through July 2020. The \$750 PPO loss ratio was at 83% and Rx at 36.39% of claims paid. The \$1500 PPO loss ratio was at 105% and Rx and 33.90% while the HDHP PPO was at 77% and Rx at 40.16% of claims paid. All PPO's combined were at a loss ratio of 92% and Rx at 35.66% of claims paid. Specialty Rx are at 52.10% of total Rx claims paid. The HMO loss ratio is at 75% and Rx at 56.72%. Specialty Rx at 45.20% of total Rx claims paid. Large claims are over \$50,000 with 11 PPO large claims. The large claims paid total came in at \$795,609 and are 25.73% of the total paid claims YTD. The overall ratio is 90% and Rx at 38.01%.

7. Discussion Item #2 – Lauterbach & Amen: Updates.

The unemployment claims from 2.1.2020 – 7.30.2020 continue to rise at 276. Previously on 6.8.2020, LIMRiCC had 202 unemployment claims that were filed. Back in April of 2016, Margie began tracking libraries interested in joining PHIP. A total of 35 libraries have shown an interest in joining.

8. Business

No new business.

9. Closed Session (if required).

No closed session.

10. The next meeting will be a Special Board Meeting during the week of 8.24.2020 with a date to be determined based on board member availability. Following that meeting, the next Regular Board Meeting is scheduled for Tuesday, September 15<sup>th</sup> at 1:00 PM via video conference.

11. Adjournment


A motion was made by Carol Kidd to adjourn the meeting at 2:44 PM and seconded by Kevin Davis.

The meeting ended at 2:44 PM.

Minutes prepared by Margie Tannehill, Benefits Manager.

Approved

  
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Carol Kidd, Secretary

  
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Date