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**NOTICE OF BOARD OF DIRECTORS MEETING  
LIMRiCC  
Meeting Minutes Tuesday, June 16, 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; Carolyn Coulter, Director of PrairieCat /LIMRiCC Trustee.

Absent: Carol Kidd, Human Resource Manager of Des Plaines Public Library/LIMRiCC Secretary

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 April 21, 2020.
- c. Ratification of payments made from April 22 – May 19, 2020 (Exhibit B.1 – B.2) Business Services \$11,045.33 and PHIP \$458,010.42.
- d. Approval of the payment of bills for May 20 – June 16, 2020 (Exhibit B.1 – B.3) Business Services \$10,672.28, PHIP \$504,238.24 and UCGA \$1,292.65.
- e. Approval of Balance Sheet and Detail of Expenditures for April and May 2020 (Exhibit C.1 – C.6).

Motion: A motion was made by Carolyn Coulter and seconded by Kevin Davis to approve the Consent Agenda items a-e listed above.

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

AYES - 4

NAYS - 0

ABSENT - 1

4. Action Item #1 – Modify the Consent Agenda.

A request was made by Margie Tannehill to modify the agenda to begin with a presentation of OnBoard Software. OnBoard is a board meeting management software system. This would allow the board members to follow the meeting agenda using the software.

Motion: A motion was made to approve the modified consent agenda by Kevin Davis and seconded by Carolyn Coulter.

Roll Call: All board members present voted to approve the change and pull the consent agenda and approve a revised agenda.

AYES – 4

NAYS – 0

ABSENT - 1

5. Discussion Item #1 - A demonstration of OnBoard Software was given. By Margie Tannehill. The OnBoard program houses the meeting agenda, minutes and attachments. The program holds all prior meetings, by-laws, IGA and any documentation the Board feels necessary. Board members are able to annotate, approve action items and vote through the program.

6. Action Item #2 – Approve Madison Consulting for UCGA Actuarial Valuation for FY20.

Madison Consulting to perform an actuarial valuation of the LIMRiCC unemployment pool as of June 30, 2020. LIMRiCC is required to have a valuation completed and reported to the State. The cost is \$6,000 with no increase from 2019.

Motion: A motion was made by Jim Kregor and seconded by Carolyn Coulter to accept the Madison Consulting contract for UCGA Actuarial Valuation for FY20 in the amount of \$6,000.

Roll call: All board members present voted to accept Madison Consulting for UCGA Actuarial Valuation for FY20 for a cost of \$6,000.

AYES - 4

NAYS - 0

ABSENT - 1

7. Action Item #3 – Approve Wakely Consulting for PHIP Actuarial Valuation for FY20.

Motion: A motion was made by Carolyn Coulter and seconded by Kevin Davis to accept Wakely Consulting for PHIP Actuarial Valuation for FY20 for a maximum cost of \$4,500.

Roll call: All board members present voted to accept Wakely Consulting for PHIP Actuarial Valuation for FY20 for a cost of \$4,500.

AYES - 4

NAYS - 0

ABSENT - 1

8. Action Item #4 – Approve Eder Casela for the FY20 Annual Audit.

Eder Casela increased their cost by \$200 for a total cost of \$5,900 for an audit examination for FY20.

Motion: A motion was made by Jim Kregor and seconded by Kevin Davis to approve Eder Casela for the FY20 Annual Audit at a cost of \$5,900.

Roll call: All board members present voted to approve Eder Casela for the FY20 Annual Audit for a cost of \$5,900.

AYES - 4

NAYS - 0

ABSENT - 1

9. Action Item #5 – Approve LIMRiCC FY21 Budget.

Changes were made within the PHIP fund following recommendations made at the April 21<sup>st</sup> board meeting. Both the premium and revenue expenses were increased to capture what the increases may be for next year.

Motion: A motion was made by Jim Kregor and seconded by Kevin Davis to approve the LIMRiCC FY21 Budget.

Roll call: All board members present voted to approve the LIMRiCC FY21 Budget.

AYES - 4

NAYS - 0

ABSENT - 1

10. Action Item # 6 – Approve LIMRiCC’s maximum UCGA rate to mimic the State of Illinois unemployment rate.

LIMRiCC’s Intergovernmental Agreement (IGA) does not define the maximum increase for the unemployment rate for its members. There is a separate provision in the IGA that allows LIMRiCC to increase a member’s rate to a maximum of 5% for negative experience within the pool. Historically, the experience has been good within the pool. Wes Levy recommended that LIMRiCC sets the maximum rate increase for the unemployment rate to follow the state’s maximum unemployment rate each year. LIMRiCC already follows the state’s taxable wage base.

Motion: A motion was made by Carolyn Coulter and seconded by Kevin Davis to approve LIMRiCC to mimic the maximum unemployment rate set forth by the State of Illinois each year.

Roll call: All board members present voted to approve LIMRiCC to set the maximum unemployment rate each year to mimic the State of Illinois.

AYES - 4

NAYS - 0

ABSENT - 1

11. Action Item #7 – Approval of mid-year elections for applicable benefit plans.

The soonest a mid-year election could be implemented would be 8/1 allowing BCBS some lead time. Members would likely not change to an HMO plan since it is the most expensive. Most members would likely go from the 750 PPO to the 1500 PPO plan or the HDHP. If a member was to move from the 750 PPO to 1500 PPO any deductible accumulated and any out-of-pocket expense would carry forward and premiums would be lower. However, members would still need to meet the difference in deductible and out-of-pocket. If a member was to go from either of the PPO's to the HDHP only the deductible would carry forward. Employers would need to set up a Health Savings Account and any employer contributions would need to be prorated for the remainder of the year. Any changes to benefits would need to be processed individually during a mid-year election. Brookfield Public Library was the only member to question what their legal obligation was in offering a mid-year election. Assurance confirmed there is no legal obligation for LIMRiCC to offer a mid-year election.

Motion: A motion was made by Carolyn Coulter and seconded by Jim Kregor to approve the mid-year election for benefits.

Roll call: All board members present voted to approve the mid-year benefit election.

AYES - 0

NAYS - 4

ABSENT - 1

12. Discussion Item #2 – Assurance: Financial and other updates.

The medical claims update through May is better than relayed in April since people are not going in for elective procedures and preventative care due to the current Covid-19 pandemic. The \$750 PPO loss ratio is down by 2% at 77% and Rx at 32.59% of claims. The \$1500 PPO loss ratio is at 102% but down from 111% in April. 35% of those claims are pharmacy related. The HDHP PPO loss ratio is at 77% while Rx is just over 37%. All PPO's combined are at a loss ratio of 89% and Rx at 34.75% of claims paid. The specialty Rx is at 50.90%. The HMO loss ratio is down from April running at 75%. The Rx is just below 59% and specialty Rx is at 45.30%. There are 5 large claims at \$350,000. This is an increase from April which was at \$166,000 with 3 large claims. Overall, the loss ratio is at 87% with 37.57% of Rx claims.

Assurance went out to market for 2021 renewal rates to Aetna and United Healthcare (UHC) for medical, dental and life. Aetna quoted all three benefits. UHC quoted medical and dental but declined life. If the Board agrees to move from the current carrier, BCBS, a decision would need to be made soon to allow set up with the new carrier. The cost for feeds to EE Navigator is estimated at \$10,000 - \$12,000 paid by the carrier.

Claims with BCBS totaled over 7M. Blue Choice Options, a 3-tiered network, has been requested of BCBS as an option to lower cost. The pharmacy contract is being reviewed by Marsh McLennan, the agency that recently acquired Assurance. The agency has a good algorithm method in which all of LIMRiCC's claim data could be loaded to see if they can improve on the contract with BCBS. Assurance has a few ideas to reduce the cost with BCBS, such as weight loss drugs. This could potentially impact 12 employees. The formulary drug list could be changed to a balanced drug list that would save \$43,000 and impact 44 members or change to a performance drug list with a savings of \$100,000. The drug lists will be presented at the annual renewal meeting. LIMRiCC has member employees that are choosing brand name drugs over generic equivalent drugs which would provide a cost savings.

Aetna provided a quote in which rates are not yet final. The PPO is showing 96% in network utilization based on information received from BCBS and the providers. Unfortunately, BCBS will not give Assurance the HMO primary care physicians so utilization is uncertain. Claims paid show a 95% match. There is more freedom with Aetna HMO since you do not need a referral. CVS clinics are part of Aetna and have a \$0.00 copay for clinics on site. The rates reflected in the attachment distributed to the board were increased by 10%. Unlike a credit issued by BCBS, Aetna will pay LIMRiCC their quarterly Rx rebates estimated at \$250,000. The rates do not include a discount if you were to move dental and life to Aetna. Assurance does not recommend moving the current dental plan if medical is moved to Aetna. Life insurance would be easy to move since there are no providers involved. BCBS runout administration would need to be added for claims incurred prior to 1/1/21. Aetna unlike BCBS, will allow new member libraries to join LIMRiCC. Should there be a 10% increase over the current population, Aetna reserves the right to re-rate. Aetna's technology credit is pending. Carolyn Coulter respectfully requested Maryann Mileto to research the HMO providers in the 61265 zip code area.

United Healthcare (UHC) is coming in under 12% and includes the 10% risk charge until final rates are given. UHC shows a 98% in network match and claims paid at 96%. The HMO does require primary care physician referrals. The HMO provider disruption is unknown since BCBS will not provide a primary care physician list. UHC will allow new libraries to join. There is a \$0.00 office copay visit for children under the age of 19. Like BCBS, the rates do include the rebates reducing the administration fee. There is no discount if dental is moved to UHC. UHC declined quoting life insurance since they cannot be competitive. The rates do not include a \$2.75 PEPY or \$2,000 annually for a Health Action Council (HAC) program. Some of the benefits of the program include a newsletter, symposium and assistance for employees to help in switching plan carriers. The purpose of the program is to drive down claims cost. The above does not include BCBS estimated run out administration of \$190,000. Technology credit is \$50,000.

Advantages of moving into either plan is that members could utilize CVS, there are no office co-pays for children under 19 and LIMRiCC can grow the pool. Assurance will set up a phone presentation with both Aetna and UHC to allow them to discuss their services and to answer questions from the Board. Jim Kregor requested that both carriers send their presentations prior to the phone call to allow the Board to review the information. Assurance will send out a weblink in which the Board can do a search under HMO and PPO's for Aetna and UHC.

The PCORI fee was reinstated last December and the 720 Form was updated by the IRS. The fee is \$2.54 per individual. The HMO fee will be paid by BCBS. Scott Remmenga will send out the enrollment counts to member libraries reflecting only PPO members. The 720 Form is due July 31, 2020.

13. Discussion Item #3 – Lauterbach & Amen: Updates.

The fee for Equifax has increased due to a rise in unemployment claims. LIMRiCC's contract signed back in 2011, has an annual increase of 5% and covers 162 unemployment claims. The cost exceeding 162 claims is \$19.10 per claim. The quarterly fee this year is \$1,063.45. Margie Tannehill will renegotiate a contract with Equifax.

The number of unemployment claims filed by member employees is on the rise. On 4/21 LIMRiCC had incurred 47 claims. As of 6/8 LIMRiCC had 202 unemployment claims filed. The majority of claims were from Mt. Prospect Public Library at 75 with a separation reason of Lack of Work Due to National Tragedy. On the contrary, PHIP clients have not experienced any more than the average amount of terminations. During a 3-month period from April – June, a total of 12 employees were terminated.

Delta Dental PPO experienced a significant drop in cost in April from an average of \$25,000 to \$11,000. This is likely due to COVID-19 and the cancellation of dental services.

14. Business

No new business.

15. Closed Session (if required).

No closed session.

16. Next Board Meeting and location is scheduled for Tuesday, August 18<sup>th</sup> at 1:00 PM at RAILS located at 125 Tower Drive, Burr Ridge, IL 60527 unless otherwise noted.

17. Adjournment

The meeting ended at 2:00 PM.

Minutes prepared by Margie Tannehill, Benefits Manager.

Approved

  
Carol Kidd, Secretary

8-13-2020  
Date