

CUMBERLAND COUNTY FINANCE COMMITTEE
FEBRUARY 3, 2005, 8:30AM

Members Present: Commissioner Kenneth Edge
Commissioner Talmage Baggett
Commissioner Jeannette Council
Others: Commissioner Diane Wheatley
Commissioner John T. Henley, Jr.
James Martin, County Manager
Juanita Pilgrim, Deputy County Manager
Cliff Spiller, Asst. County Manager
Grainger Barrett, County Attorney
Mark Browder, , Mark III Brokerage, Inc.
Kim Kilday, NCACC
John Crumpton, NCACC
James Silman, County Risk Management
Carla Loney, County Benefits Coordinator
Press
Marsha Fogle, Clerk

Invocation: Commissioner Talmage Baggett

1. Elect Chairman

The Committee unanimously elected Commissioner Kenneth Edge, Chairman.

2. Select Meeting Date

The Committee selected the 1st Thursday of the month at 8:30AM as its regular meeting date.

3. Approval of Minutes: December 2, 2004

Motion: Commissioner Baggett moved to approve.
Second: Commissioner Council
Vote: Unanimous

4. Medical Insurance Update

Mark Browder, Mark III Brokerage, Inc. reported the following information:

- there has been a significant and unexpected increase in claim activity;
- the claim activity is a reflection of an increase in the frequency and severity of large claimants (many high claims are cancer related)
- the types of claims/costs for the Cumberland County plan are similar to other county governments throughout the State;
- if the County stays with the current plan design, the Plan funding increase would be 54% or \$5,465,233;
- the recommendation is to go with Option 4 (provide only 1 plan for employees instead of two options) which will increase premiums for current PPO participants from \$13.00 per month to \$21.00 per month. Likewise premiums for employee/child, employee/children,

- employee/spouse and family coverage will increase. Employees in the current HMO plan will not see an increase in their premiums;
- Option 4 will increase funding 18%, resulting in an increase in county funding by \$2,280,339.36 and employee funding of \$140,040.00;
- even given the benefit changes and increase in premium for the PPO participants the County is still subsidizing the dependent participants by \$1,356,787.36;
- recommends that the County take advantage of the Wellness and Disease Management Program offered by BCBS/NCACC'
- recommends that the County reinstate its own Wellness Program.

Commissioner Henley expressed concern that the County still does not know why its costs are going up. The large claims submitted have come from 20 claimants. He would like to see information on physicians costs, facilities used, etc. on other claimants so the Board can get a clear picture of why our costs continue to escalate. Would also like to see comparisons to other county governments.

Mr. Browder noted that obesity and diabetes are two illnesses that seem to be on the increase in Cumberland County.

Mr. Browder noted the importance of educating the employees regarding prescription costs. He noted that as an example, the co-pay for Nexium is \$30.00 per prescription, where Prilosec (the same type of drug), which is an over the counter drug, would cost about \$25.00.

James Martin, County Manager said that he supports the recommendation to offer one health plan to county employees, Option 4, as recommended by Mr. Browder.

The consensus of the committee is that employees will have to share in picking up the additional cost of health insurance.

The Committee noted the importance of educating our employees about cost issues and better health choices for themselves and their family.

Kim Kilday, NCACC, said she would be receiving utilization studies in February and could make information available at the March meeting of the Finance Committee.

Motion: Commissioner Council moved that the Finance Committee recommend to the Board of Commissioners that the County go with Option 4 as recommended by Mr. Browder and the County Manager.

Second: Commissioner Baggett

Vote: Unanimous

Note: Mr. Browder will make his recommendation to the Board of Commissioners at its February 22 meeting.

Motion: Commissioner Council moved to adjourn.

Second: Commissioner Baggett

Vote: Unanimous

Meeting adjourned: 9:50AM.