

CUMBERLAND COUNTY FINANCE COMMITTEE  
MARCH 21, 2006, 3:00PM  
SPECIAL MEETING

MEMBERS

PRESENT:

Kenneth Edge, Chairman  
Commissioner Jeannette Council  
Commissioner John T. Henley, Jr.

OTHERS:

Commissioner Diane Wheatley  
James Martin, County Manager  
Juanita Pilgrim, Deputy County Manager  
Amy Cannon, Asst. County Manager for Finance  
Cliff Spiller, Asst. County Manager  
Grainger Barrett, County Attorney  
James Lawson, Human Resources  
Chico Silman, Safety & Risk Management  
Mark Browder  
Members of Employees' Committee who evaluated the insurance proposals  
Marsha Fogle, Clerk  
Andrew Barksdale, Fayetteville Observer

1. Review and Consideration of health insurance proposals

**BACKGROUND:** At the direction of the Board of Commissioners, an employee committee was formed to evaluate bids received by the County for its Medical Plan. The Committee met on March 16 and March 20 to evaluate the presentations. Presentations were made by BlueCross BlueShield of North Carolina, Unicare, NC Association of County Commissioners/CIGNA and JSL/Doctors Direct.

The Committee **recommends** the NC Association of County Commissioners/CIGNA as the Medical Plan payor for the County. It also recommends that the term be for three years. The committee chose NCACC/CIGNA based on its review of services offered, approach to population health management, fixed/expected cost, flexibility, network and long-term considerations. The committee also liked NCACC/CIGNA because of its pro-active, interactive relationship with employees.

CIGNA estimates the cost to the county for medical insurance for FY06-07 to be \$12.6 million. Administrative fee is \$48.07 per employee.

As a note of interest, medical claims are 15% lower this fiscal year so far.

Commissioner Henley noted concern about a three-year commitment. He also wanted to add to the contract that the county can access its health care information through CIGNA whenever it needs to without going through NCACC.

The Committee discussed the issue of committing to a two-year term as opposed to a three-year term. The Manager noted that staff would be evaluating the health insurance program on an annual basis and notifying the Board if it appeared things were getting out of hand or insurance costs were going awry.

Commissioner Henley said a better process would be to bid the insurance closer to the time of renewal, which would give you more information on which to base bid proposals.

MOTION: Commissioner Henley moved to accept the recommendation to go with NCACC/CIGNA for one year, review it and if things are going well, renew the contract with them.

MOTION DIED FOR LACK OF A SECOND

MOTION: Chairman Edge moved to accept the recommendation to go with NCACC/CIGNA, review data annually, but don't adjust contract until second year, and if there is a significant deviation in claims or disruption in service, then Management will bring it back to the Finance Committee for review and action if necessary (NOTE: contract runs on an annual basis).

SECOND: Commissioner Henley

VOTE: UNANIMOUS

MEETING ADJOURNED.