

COMMISSIONERS PROCEEDINGS

Madison, Nebraska

May 25, 2016

The Board of County Commissioners of Madison County, Nebraska met in special session at 10:00 A.M. to discuss health insurance benefits for County employees for the 2016-2017 fiscal year.

Advance notice of meeting was published in the Thursday, May 19, 2016 edition of The Norfolk Daily News and posted on the Madison County website. A copy of said notice was provided to each Board member. An affidavit of acknowledgment of receipt of notice of meeting as published was executed.

Chairman Jim Prauner called the meeting to order and notified the public of the copy of the Open Meetings Act posted in the meeting room.

Present: Commissioners Christian Ohl, Jim Prauner, and Ron Schmidt, County Clerk Nancy Scheer, County Assessor Jeff Hackerott, County Attorney Joseph Smith, County Sheriff Vern Hjorth, County Treasurer Donna Primrose, Register of Deeds Nancy Gross, Clerk of the District Court Monica Rotherham, Public Defender Matthew Headley, Zoning Administrator Heather McWhorter, Dispatch Supervisor Sandy Habrock, Public Defender staff member Barbara Masilko, and Sheriff's office staff member Deb Degaillez. Also in attendance NACO Benefit Services representative Judd Allen, Norfolk Daily News reporter Jerry Guenther, and WJAG reporter Paul Hughes.

Motion was made by Ohl and seconded by Schmidt to approve the meeting agenda. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Chairman Prauner stated that if the County could find funding, he was in favor of extending full health insurance benefits to all employees, instead of only employee coverage for employees hired after September 2010. He stated that, in his opinion, it would be a better working situation for everyone; but, it will cost the County approximately \$400,000. He asked the officials in attendance if they could find any place in the budget to assist with funding additional health insurance benefits. He stated that the \$750 deductible buy down may also need to be dropped.

Commissioner Schmidt stated that there would be a \$474,000 increase if every employee is offered full insurance coverage. He stated that he would like the increase limited to \$230,000 to \$240,000. He said that he doesn't know how to arrive at that increase, but he wants all the officials be a part of the solution to get to this point.

Commissioner Ohl stated that an article on MSN.com talked about the expectation that there will be a sharp rise in health insurance costs, especially for individuals on the exchange. He stated that currently they aren't predicting that this will be a concern for insured groups since that is a fairly stable pool, but for individuals, there is an expectation that it may increase significantly, depending upon the State. He said that the projection was an increase of 17% in New York, 20% increase in Virginia, and 30% increase in Oregon. He reported that United Health has exited from 25 of 35 states where they were offering health insurance. Commissioner Ohl stated that the article mentioned that one really big scare for those on a high deductible plan was that consumers in the lowest tier of the bronze plan on the health care exchange could see either some of the biggest jumps or some insurers abandoning the low premium offer all together. He stated that this will be a growing concern for individuals that don't have spouse or family coverage and if they are on the exchange there will be a potential for increased costs. He said that there is no prediction on what impact that will have on Nebraska or this area. He said that the Board wants to be considering this when looking at helping out employees with the cost of spouse and family premiums for employees who currently don't have this coverage. He reported that the average increase for the group health insurance has been about 6% per year, which is faster than the rate of inflation, and this is something that the Board needs to consider. He said that the growing cost of health insurance is something that is going to have an impact on the County budget in the future and if the trend continues it will be a challenge. Commissioner Ohl stated that one thing mentioned is whether the County should do all or nothing and this has been debated for the last several years. He said it has been easier to make no changes and, in his opinion, some kind of adjustment needs to be made so the County can move in a direction where things are equalized for employees. He stated that they have heard a lot of testimony from individuals and it has been a challenge both for hiring and retention and there is a concern that the County could lose some employees just because there may be more competitive wages with similar insurance options. Commissioner Ohl stated that they talked about higher deductibles, buy downs, and NACO Benefit Services stated that the County could move a deductible change to January 1st so that it doesn't negatively impact employees who are approaching the deductible or have already met the deductible.

Commissioner Schmidt stated that there are several employees who are double insured, with the spouse having health insurance covering the Madison County employee and the County's insurance also covering the employee and spouse. He said that in other instances, the spouse could get health insurance with the employer, but the County's insurance is a better plan, so both are enrolled in the County's health plan. He said the he would personally like to say that if an employee's spouse has health insurance available by an employer, they need to get the health insurance with that employer. He said that the county's health insurance is a good plan; but, it's not for someone who can get insurance through their own employer, even if the health plan is not as good as Madison County's insurance. He said that if an employee's spouse has the opportunity to get insurance coverage, then that is where the spouse needs to be insured.

Public Defender Matthew Headley said that Commissioner Schmidt was talking about asking the heads of departments to contribute some funds from their budget and he asked how many offices in Madison County have a budget to contribute funds. Chairman Prauner stated that he didn't know the exact number and Mr. Headley stated that he would like to know the breakdown that the Board would be asking from each office. Commissioner Schmidt stated that nothing has been determined and the Board is leaving it up to each department how much they could help out with the funding needed for health insurance. Mr. Headley asked if the Board would ask for an annual amount from each budget, or a one-time amount, a set amount, or a moving amount. Commissioner Schmidt stated that he can't say at this time; however, if a department head has money left in the budget and could put funds towards the health insurance, it would be great.

Chairman Prauner stated that he didn't think it would be legal for the County to force anyone into dropping the health insurance. He said that if cash is offered in lieu of insurance, it must be offered to everyone.

County Attorney Joseph Smith stated that the Commissioners could talk to department heads about this issue. He explained that if any employee has the County's insurance and has a spouse works at a company where they pay \$300 for the insurance and the cost for the County is \$700, then maybe something could be worked out to give these employees cash in lieu of insurance.

Chairman Prauner reported that they talked about offering half of the cost of a single health insurance plan to employees who have other health insurance options, such as employees who are Medicare eligible. He said that \$380 per month may be an adequate amount to offer to employees to drop off the County's insurance.

Commissioner Ohl stated that the employee survey reflected that 15 employees were interested in taking cash in lieu of health insurance; however, there is no guarantee that all these employees would drop off the County's insurance if a cash in lieu option was offered. He explained that the recommendation given to the Board is that the cash option should be enough of an incentive to encourage employees who have alternative insurance to opt out of the County's insurance and take the cash; however, the incentive can't be too much that an employee may opt out and jump into the health care exchange causing a penalty for the County. Chairman Prauner explained that anyone taking the cash option instead of health insurance would need to sign an affidavit and provide proof of insurance coverage.

County Sheriff Vern Hjorth reported that the Sheriff's office budget will only have about \$3,000 left at the end of the fiscal year. He stated that the Jail budget is more flexible, but he didn't recommend counting on any funds from the Jail budget because if there is one catastrophe, he would need to ask for more funds. He said that the other budgets that he supervises are grant funded and funds from grant sources can't be used for insurance.

County Attorney Joseph Smith stated that the health insurance for grant employees could be paid with grant funds. He reported that his main budget doesn't have much left; however, his law enforcement budget will have about \$15,000 to \$20,000 left this year. He said that the law enforcement budget fluctuates depending upon the number of homicide cases.

Clerk of the District Court Monica Rotherham reported that the jury, mental health, and court appointed attorney budgets fluctuate, depending upon what type of cases are filed and the number of jury trials. She said that last year she had to ask for additional funds in the court appointed attorney budget and this year there will be funds left.

Public Defender Matthew Headley reported that he has about 20% of his budget left this year; however, this won't be a steady amount every year. He explained that his staff is getting experienced and he needs to use money in this area. He said that if there are a number of homicides, the cost could easily use up his budget.

Commissioner Schmidt stated that if the Board approves Chairman Prauner's proposal, the total increase would be \$474,000. He reported that if the health insurance increased 6% every year, in 12 years the budget for health insurance will go from \$2.3 million to \$4.6 million, which is the rule of 72. He said that he doesn't see this as being sustainable in the County budget. He stated that collectively as County officials a plan needs to be made this year that can be used in the coming years so the County won't get in a bind.

County Attorney Joseph Smith stated that every single industry in the country is facing this problem and every employer, every company, and every county is facing 6%, 12% to 20% increases within two years. He said that the whole market is adjusting to this change.

Commissioner Ohl stated that whether it's a private company, a county, or a public service organization, the costs of health insurance benefits are figured into what people are buying or services provided. He pointed out that the benefit of health insurance being paid by the County is that the cost is income tax free to employees. He said that if someone needs to buy the insurance on the exchange, the person pays income taxes on the money used to purchase the insurance. He reported that if the costs are the same, the person is losing a large percentage of their income or a large percentage of the benefit to income taxes.

Chairman Prauner stated that the County could potentially save \$90,000 by removing the \$750 deductible buy down on the \$1,500 deductible buy down plan. Commissioner Schmidt stated that if the County adds additional coverage for 28 more employees that don't have insurance coverage for spouses or family members, the deductible buy down would be much more. He said that this is why everyone needs to talk about the health insurance, because even though the Board will make the final decision, he wants input from the officials so it can be a corporate decision.

County Attorney Joseph Smith stated that any time benefits are reduced it affects employees. He explained that \$750 benefit reduction amounts to approximately 40 cents per hour. Commissioner Prauner stated that the \$750 buy down only affects employees that are using it since there are many employees that don't use the insurance enough to reach the \$750 deductible, so they wouldn't have a loss.

Commissioner Ohl stated that eliminating the deductible buy down is an estimated \$80,000 to \$90,000 savings. He said that if the County goes from a \$1,500 to a \$2,500 deductible plan, the estimated savings is around \$230,000; so, the potential savings to the County is more by increasing the deductible. He explained that this would be a decrease in benefits in the same way that a reduction in the buy down would be. He stated that there may be more significant decrease in benefits if the \$750 deductible buy down was kept with a \$2,500 deductible plan. Chairman Prauner reported that 1 cent mill levy raises \$335,000.

Commissioner Ohl stated that something that probably won't be implemented today, but will be discussed in the future, is the cash in lieu of insurance opportunities for employees, and what kind of savings may be seen, and what kind of benefits may be available to employees that have alternate insurance options. He reported that NACO Benefit Services representative Judd Allen is present at the meeting to discuss these options. He said that one item that hasn't been discussed is a difference between individuals and families and he asked Mr. Allen if some counties provide partial cash in lieu if an employee opts out of spouse or family coverage and a different payment if an employee opts out entirely. Mr. Allen responded that the counties try to encourage employees who have coverage elsewhere to take advantage of that. He reported that one county was paying 100% for single coverage, so the employees were taking the insurance; however, the county started charging \$20 per pay check from the employee and the county had approximately 17 employees who dropped the county insurance when cash in lieu was offered. He said that making some of these changes may help the County find the money needed. He stated that making an opportunity available for individuals over 65 years old to take cash in lieu of insurance is an option because Medicare coverage is probably better than the county's plan and it will cost the County less. He stated that NACO suggests cash in lieu option between \$320 and \$380 per month which would save the County about \$400 per month per employee on the individual insurance plan. He explained that NACO would assist the County to set up this option and discuss options with employees. He reported that NACO Benefit Services assisted Stanton County with the cash in lieu option several months ago. Chairman Prauner and Commissioner Schmidt reported that they both talked to Social Security about the cash in lieu option.

Clerk of the District Court Monica Rotherham asked if the employee pays taxes on the cash in lieu benefit and Judd Allen responded that the cash in lieu is a taxable benefit. County Attorney Joseph Smith asked if the funds could be placed into a flex plan so it wasn't taxable and Judd Allen responded that the funds need to be taxed as ordinary income.

Commissioner Ohl reported that Mr. Allen stated that one county required all employees to pay \$20 per pay period, so with 26 pay periods this would be \$520 annually. He said that this option would be a similar hit to income for employees and the total savings to the County would be \$70,000 annually if this option was done for all employees. He said that if some employees that are double covered have coverage options elsewhere, or don't have a need for the insurance and drop out, that would provide a significantly greater savings. He said that Mr. Allen mentioned that in a county who recently made this change, they were surprised to find that 17 employees were double covered and dropped out of the plan because the insurance wasn't free.

Commissioner Schmidt asked if changing the insurance plan to a \$2,500 deductible plan and offering coverage to all employees was an option. County Attorney Joseph Smith responded that a higher deductible is not an option for young employees who have families. Commissioner Schmidt said that all the options need to be put on the table and then they need to decide which options need to be taken away, and then see what is left. He said that they need to start someplace so they can make a decision today.

Clerk of the District Court Monica Rotherham stated she knows what she personally pays for her husband and kids to have insurance and they have a \$6,000 deductible. She said that she knows that \$2,500 deductible sounds like a lot to some individuals, but she pays over \$450 per month for her husband and kids to have a \$6,000 family deductible. She stated that she doesn't have family coverage and for employees who have the family coverage, they don't want it to go up, but there are other options. She said that there are many benefits with the County that employees don't consider, but employees have had them for so long that they just expect it. She stated that they also need to consider the taxpayers, but as officials, they are also taxpayers. She said that if the insurance is raised too much and benefits are taken away, the County may lose a lot of employees. She stated that the Board needs to think of the taxpayers, but also needs to think of the employees because they take care of the taxpayers.

County Treasurer Donna Primrose stated that she is against raising the deductible. She said that the County may save money on the premiums; but, employees won't get to use the insurance benefit unless they are really sick. She said that the higher deductible would be tax money down the drain for a benefit that employees won't get to use and this won't attract employees. She said that if the family benefit is taken away, it would be hard in her situation for her spouse to get insurance somewhere else.

Commissioner Schmidt stated that the County Board is not talking about taking away the insurance benefit. He said that they are talking about adding employees, but it's very expensive to add people to the current plan. He stated that they are trying to look at what can be done to lessen the impact of adding employees' family members to the plan. He explained that they need to look forward to not only this year, but the years ahead. He said that decisions made now will affect future years.

County Treasurer Donna Primrose stated that this issue is part of life as an employer because these are costs associated with having employees. She said that if salaries are cut, employees can't live at the current rate. Commissioner Schmidt said that as employees the insurance benefit is also part of life. He explained that he talked to a number of people who said that ten years ago their company was paying full insurance benefits at no cost to the employee; however, today they are paying between \$200 and \$400 per month for a poorer policy. He said that he isn't saying that the County should make this change, but that is the way things are changing and the officials need to work together with some give and take in the years ahead; otherwise, it will be impossible to stay with the same insurance benefits because it is unsustainable for the County. He said that they need to figure out what can be done to lessen that impact to the taxpayers. He said that he doesn't want the Board to make that full decision; but he wants the input of the officials to make this decision so the officials can tell their staff what they had to go through to make this decision.

Register of Deeds Nancy Gross stated that she would be against the deductible increase simply because they meet the deductible every year.

Public Defender Matthew Headley stated that no matter what decision the Commissioners make, there will be people that will be disappointed in the decision, there will be people that won't be happy with the decision, and you won't find one decision that will make everyone happy just based on the comments at the meeting. He stated that he appreciates all Board members listening to the comments, conversations had with the officials and employees, getting input; but, at this point the decision just needs to be made. He said at the end the Board members can say that they listened to everyone and this is the decision that was made, rather than not having any input and making a decision. He said that there will still be an impact' but, with the meetings, the impact will be lessened.

Chairman Prauner said that for the best interest of the County, he would make a motion to offer \$2,500 deductible Blue Cross Blue Shield family health insurance coverage to all employees, and a \$380 monthly cash in lieu benefit to employees who want to decline insurance coverage with the County. Motion was seconded by Commissioner Ohl.

During discussion on the motion, Commissioner Ohl stated that based on a \$2,500 deductible, the potential savings estimate is \$230,000 compared to the deductible staying at \$1,500. He said that the increased cost is \$360,000 above the current insurance costs, or about \$130,000 more to offer all employees health insurance benefits. Chairman Prauner clarified that eliminating the deductible buy down would provide additional funds to offset the cost of offering full coverage to all employees.

County Treasurer Donna Primrose asked if employees taking the cash in lieu benefit could back into the plan in the future and Chairman Prauner responded probably not. Judd Allen clarified that employees could get back onto the insurance plan during open enrollment or if they have a qualifying event. He explained that if an employee had insurance coverage through a spouse and the spouse lost coverage, the employee would qualify to get back onto the County insurance plan.

Clerk of the District Court Monica Rotherham asked if there would be a deductible buy down and Chairman Prauner responded that there would not be any buy down of the premium.

Commissioner Schmidt stated that he was unclear who would be eligible to receive the \$380 per month cash. Chairman Prauner responded that any employee who currently has health insurance coverage with the County would be eligible to receive the cash instead of health insurance coverage. He explained that any employee who is 65 years of age and wants to switch to a Medicare plan or any other employee who has secondary insurance coverage through a spouse would be eligible to take cash in lieu of the insurance.

County Clerk Nancy Scheer asked for clarification if the cash in lieu benefit would be offered to employees who have waived health insurance coverage and currently receive no benefits because there are employees who have declined coverage and now there is no cost to the County. Chairman Prauner stated that only employees who have insurance would be eligible to receive this benefit. Judd Allen clarified that this benefit must be offered to all employees. County Clerk Nancy Scheer stated that offering this benefit would cost the County more because there are employees who don't receive any benefits now.

Commissioner Ohl stated that the County could do some additional research on whether the cash in lieu option would be beneficial to the County. He said that if the Commissioners would not like to include the cash in lieu option in today's decision, they could work on this during the upcoming month.

Commissioner Schmidt asked if the \$380 monthly payment would apply to an employee who has a spouse on their plan, but the spouse wants to drop coverage. Judd Allen responded that the cash in lieu would only be available to the employee, regardless of the type of insurance plan they have.

County Sheriff Vern Hjorth stated that the cash option would be employees over 65 years of age who would transfer to Medicare. Chairman Prauner stated that the cash in lieu option would pay for costs of insurance supplement, drug plan, and funds to buy life insurance that is currently available to employees who have the NACO health plan. County Clerk Nancy Scheer clarified that the cash option may also be attractive to employees who are covered both on the County plan and a spouse's plan. Commissioner Ohl stated that this offer probably wouldn't be attractive to anyone other than an individual who is covered under a single insurance plan. County Clerk Nancy Scheer clarified that an employee who has coverage through a spouse's insurance plan may be interested in the cash in lieu option. Chairman Prauner stated that taking the cash option would be taking a \$380 increase in wages. County Attorney Joseph Smith stated that by raising the deductible to \$2,500 some employees who have spouse or family coverage could take a \$5,000 hit because they would need to meet two deductibles. Commissioner Schmidt stated that he appreciated the comments, but the Commissioners agreed that once a motion was made the discussion should be between the Board members. He said that the Chairman can suspend the rules and take comments from the officials and Chairman Prauner stated that there is a motion on the floor and the Board members will discuss it and take action.

Chairman Prauner said that he could remove the \$380 cash option if that is a problem. After discussion, Chairman Prauner amended his motion to provide \$2,500 deductible Blue Cross Blue Shield family health insurance coverage to all County employees and eliminate the deductible buy down.

During discussion on the motion, Commissioner Ohl pointed out that the change in the deductible and buy down would impact employees who have already met the deductible and buy down.

Roll call vote: Ayes, Prauner. Nays, Ohl and Schmidt. Motion failed.

Public Defender staff member Barbara Masilko stated that the results of the survey reflected that 27 employees only have employee coverage for themselves; which is 20% of the employee pool who took the survey. He said that what the Board is looking to do is spend \$230,000 to extend benefits for 30 employees who were hired after September 2010 who want to add spouse or family coverage. She explained that she looked at the costs and in 2010 the County paid \$1,370 for family coverage and in 2015 the County paid \$1,725, which is an increase of \$355 a month for anyone who was getting family coverage. She stated that this is a real benefit that was provided to employees getting family coverage that isn't provided to employees hired after September 2010. She reported that there are 106 employees who want more than individual coverage and she asked if the Board considered having everyone who wants more than individual coverage pay a dollar amount for additional insurance rather than taking benefits and deductible buy downs away from employees who only ask for insurance for themselves. She reported that Platte County asks employees who want insurance for additional family members to pay for a portion of the premium. She asked if the Board considered getting some of the \$230,000 by asking employees to pay a portion of the premium if they want coverage for additional family members rather than changing the deductible or eliminating the buy down.

Chairman Prauner stated that if you look at the same survey results many employees didn't want a change. Commissioner Ohl stated that Mr. Allen pointed out that one county asked every employee to pay \$20 per pay period, regardless of the insurance coverage. He said that this is an option to consider along with asking only employees who want insurance for a spouse or family members to pay a portion. He stated that they could consider having employees with individual coverage pay \$20 per pay period and employees with spouse and/or family coverage pay a larger portion, such as \$40 per pay period. Mr. Allen stated that this is a great idea because it would only be fair that an employee that has several children insured pay a larger portion than someone only adding a spouse to the insurance plan.

Commissioner Ohl said that if the breakdown was \$20 per pay period for individuals that would amount to \$520 per year and a payment of \$40 per pay period for spouse and family coverage would amount to \$1,040 per year additional cost. He said that it may not be the right choice to provide partial coverage or to look at providing those who don't have the same level of coverage and move towards equalizing the benefits, but \$20 per pay period for all employees would be about \$70,000 savings to the County and there may be some that opt out because they have double insurance coverage. He said that if the County would pay half of the premium for everyone who doesn't have spouse or family coverage, that would increase the cost to the County from 6% to 11%, so there would still be an increase in cost, but it start moving the County in the right direction. He said that he wanted to provide this option for the sake of discussion to see what the thoughts were regarding this proposal. He asked if this option would have any positive impact or if this option keep the County in the same situation as now.

County Sheriff Vern Hjorth stated that many people have shared insurance costs and he was not totally against that proposal, but there needs to be a formula. He explained that if someone has a family plan the cost should be a little more than for a adding a spouse or only an individual. He said that this would only be fair; but, it's important to remember that offering insurance for the family will have a real impact on his employees as far as keeping them working for the county. He explained that he has several employees that are really uncertain about continuing employment with the current insurance plan. He stated that the \$2,500 deductible is a little high and it would be easier to live with a \$1,500 deductible plan. Sheriff Hjorth said that he is not opposed to paying \$20 out of each of his paychecks for insurance because he would probably consider opting out to take the \$380 per month and switch to Medicare. He said that he worries more about the young employees who have families because \$2,500 is a lot every year for deductibles. He stated that he talked to several other employees who could switch to Medicare and they said they would probably go onto Medicare and take the cash option.

County Assessor Jeff Hackerott asked what savings the County would have if the \$1,500 deductible is kept, but the buy down is eliminated. Commissioner Ohl responded that the savings would be about \$90,000 compared to \$230,000 savings by moving to the \$2,500 deductible. Mr. Hackerott asked if the employees are 65 years of age would be required to take the cash option and switch to Medicare and Chairman Prauner responded that the County can't force anyone to drop the County insurance and each employee must willing sign the affidavit to drop the County's insurance. County Attorney Joseph Smith stated that employees would probably be foolish not to take the cash option. County Sheriff Vern Hjorth stated that people on Medicare sometimes don't have a choice of doctors. Chairman Prauner stated that employees need to search supplement plans and drug programs.

Judd Allen reported that the \$1,500 deductible plan is the most popular at NACO with about 60% of the groups on this plan.

Clerk of the District Court Monica Rotherham stated that she discussed the option of each employee paying a portion of the insurance premiums with her staff. She reported that two people in her office meet the deductible and the other two don't go to the doctor very often. She said that her staff would be more interested in paying a portion of the insurance premium rather than increasing the deductible amount.

Commissioner Ohl asked the officials who have a number of employees in their department who don't have spouse or family coverage if it would be a positive benefit for the County to pay half of the premium for these employees or would these employees find a better price on the health care exchange. He reiterated that the health care exchange costs may be increasing and probably the deductible would be much higher. He said that he would like to propose this option to try to find a way to get the County started and moving in that direction. County Sheriff Vern Hjorth stated that he hasn't discussed this option with any employees. Commissioner Ohl said that the half of the family plan would be about \$500 per month for the employee's share. Sheriff Hjorth stated that if \$500 is taken out of an employee's check, that's a great portion of the entire check.

Public Defender Matthew Headley stated that the proposal of the County paying half the premium would have an impact on hiring new staff. He said that if everyone contributes a portion of the premium, this will have a positive impact. He reported that one person that was considering working for the County could not pay the \$900 monthly premium to add family members to the insurance plan. He said that even if the County paid half of this premium, it may have been attainable.

County Sheriff Vern Hjorth stated that he likes keeping a \$1,500 deductible plan and having every employee pay \$20 out of each paycheck. Public Defender staff member Barbara Masilko stated that if paying \$20 per pay period gets the employees who are double covered off the plan, that is fine; but, in her opinion, there should be a difference between employees who only get coverage for themselves and employees who also have a spouse and family on the insurance plan. She stated that employees are getting a different benefit and aren't paid a different salary based upon whether they have a family. She said that employees who are getting an increased benefit should pay more.

Commissioner Schmidt asked if the County could ask employees to contribute an amount each pay period, but also insist that any employee who has a spouse that can get insurance through another employer, not be covered on the County plan. He said that if employees are taking advantage of the County, the deductible should be raised.

County Treasurer Donna Primrose asked what happens if the spouse gets a different job and loses coverage. Judd Allen responded that this is a qualifying event and the spouse can get coverage through the County.

Commissioner Ohl stated that if all employees pay \$20 per pay period, this would be a \$70,000 savings if no other changes occur. He reported that based upon the census numbers, if everyone opted in to have spouse and family coverage, and every employee who had spouse or family coverage paid \$40 per pay period, the estimate is a \$160,000 savings. He said that if every employee had equal coverage the difference was about \$360,000 which could potentially be reduced by \$160,000 if every employee paid a portion of the premium which would get closer to what the Board is trying to achieve.

Judd Allen stated that employees who have family coverage could pay a higher rate. Commissioner Ohl suggested having the County pay 75% of the premium for employees who don't have spouse or family coverage at this time. He said that he understands that the insurance offered would not be equal for everyone at this time, but it may be more reasonable for employees. Chairman Prauner asked if this option would make it easier or more difficult to hire new staff.

County Sheriff Vern Hjorth stated that some of the employees who don't have spouse or family coverage probably have insurance through a spouse's employer. He said that he doesn't know what his employees' reaction would be to this option. He said that employees would probably be happier with this option than with no insurance for the spouse or family.

Clerk of the District Court Monica Rotherham asked when the County gets fined if the health insurance benefits offered to employees are not equal. Commissioner Ohl responded that implementation of the mandate in the Affordable Care Act has been pushed back and that mandate may never be implemented. He said that part of the reason for communicating to new employees that the County was considering equal health insurance benefits was because of the mandate. He stated that, in his opinion, the County needs to get to the point where the health insurance is equal for all employees regardless if there is a mandate. He explained that if the County can't make everything equal today, they need to start.

Public Defender Barbara Masilko asked if any of the six neighboring counties ask employees to contribute a portion of the health insurance premiums and Commissioner Ohl responded that he didn't know. Commissioner Schmidt stated that this is a valid question; however, Madison County needs to craft a plan for the County because all the surrounding counties are smaller, except Platte County.

Commissioner Schmidt suggested that employees hired after September 2010 be allowed to add a spouse or family and pay \$100 per period and employees hired prior to 2010 contribute \$20 per pay period for individual coverage and \$40 per pay period for spouse and/or family coverage. He stated that the deductible buy down would be eliminated and the plan would remain at the \$1,500 deductible level. He said that this is not a perfect option, but he asked if officials could work with this option or if this option was too complicated. County Clerk Nancy Scheer stated that it would be complicated to determine which employees pay a certain amount based upon when they were hired and she recommended that if the Board asks employees to contribute a portion to the premium the amount should be equal. She said that asking employees to pay different amounts based upon hire dates would be a payroll nightmare.

Chairman Prauner made a motion to keep a \$1,500 deductible insurance plan, offer the same coverage to all employees, eliminate the buy down, and offer \$380 per month cash in lieu of health insurance. The motion died for lack of a second.

Chairman Prauner stated that it will be more difficult to hire people and qualified people won't apply if some changes aren't made to the health insurance. Commissioner Ohl stated that based upon the numbers with the deductible buy down versus the higher deductible, it looks like the higher deductible has a greater savings. He asked if it would be worth considering increasing the buy down with a higher deductible. He suggested increasing the deductible plan from \$1,500 to \$2,500, but increase the buy down amount. Judd Allen suggested buying down the higher deductible to make it more affordable for the employee.

Commissioner Schmidt stated that Chairman Prauner's motion does not get to the level of savings for the County that he wants because the increase for the taxpayers would be too much. He stated that he would second the motion if every employee would contribute \$20 per pay period for individual coverage and \$40 per pay period for spouse and family coverage. Chairman Prauner suggested that a motion be made because his motion died for lack of a second. Commissioner Schmidt asked what kind of savings this would be for the County and Commissioner Ohl responded that eliminating the buy down would save about \$90,000 and having employees pay the amount suggested would be about \$160,000.

Motion was made by Schmidt and seconded by Prauner to renew the health insurance contract with NACO Blue Cross Blue Shield for the 2016-2017 fiscal year for the Blue Preferred (PPO) \$1,500 deductible plan for all county employees, with employees who have an individual insurance plan required to pay \$20 per pay period for 24 pay periods each year, with employees who have 2/4 party or family insurance plan required to pay \$40 per pay period for 24 pay periods each year, with the County to buy-down the deductible from \$1,500 to \$750 through December 31, 2016 and eliminate the deductible buy down on January 1, 2017, with the County to offer a \$380 cash in lieu of health insurance benefit per month for employees who opt out of the health insurance plan starting on July 1, 2016, and also offer Signature Blue Option 3 dental insurance to employees enrolled in the health insurance plan with 100% of the dental premiums to be paid by the employee. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none.

Chairman Prauner adjourned the meeting at 11:28 A.M. to Wednesday, June 1, 2016 at 9:30 A.M.

County Clerk Nancy Scheer

Jim Prauner, Chairman
County Board of Commissioners