



**FOX VALLEY PARK DISTRICT  
BOARD OF COMMISSIONERS**  
Serving the Fox Valley Park District  
Kane, DuPage, Kendall and Will Counties, Illinois  
**OPEN SESSION MEETING MINUTES**  
**December 5, 2017**  
Cole Administration Center  
101 W. Illinois Avenue, Aurora  
8:00 a.m.

**1.0 CALL MEETING TO ORDER**

President Anderson called the meeting of the Insurance Committee to order at 8:29a.m.

**2.0 PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE**

President Anderson led in the recitation of the Pledge of Allegiance.

**3.0 ROLL CALL**

President Anderson directed the Board Secretary to take attendance by roll call. The following members of the Fox Valley Park District Board of Commissioners Insurance Committee were present: Jerry Butler, Theodia Gillespie. President Chuck Anderson attended as an ex-officio member. Also present: Executive Director Jim Pilmer, and Diana Erickson. Presenters included, from HUB International: Stephen Morcos, Deborah Russo, and Michael Dever; from Group Alternatives: Mike Baker and Michael Kirchschlager.

**4.0 NEW BUSINESS**

**HUB International Presentation:**

Highlights of the presentation made by Stephen Morcos include:

- **A review of 2017 YTD (Jan-Oct) Medical, Rx, and Dental Reporting**
  - Average of 100 patients
    - Total Medical and Rx claims paid \$2,288,167, less Stop Loss Recovery of \$786,005, Net Total \$1,502,163. 11.5% increase over prior year.
    - 7 large claimants over \$50,000, totaling \$1,457,691, not including S/L refund.
    - Total Actual Medical & Rx costs \$1,908,192.
  - Total Dental claims paid \$71,962. 8.3% increase over prior year.
    - Total Actual Dental costs \$75,448.
- **Renewal Overview**
  - Medical Rx (with Rx rebates):
    - Projected total costs at expected liability \$2,505,481. -1.8% change over prior year.
    - Projected total costs at maximum liability \$2,871,122. 2.6% change over prior year.
  - Stop Loss-Individual
    - HCC renewal-Total annual premium \$458,383(includes 1 laser at \$190,000). This is a 25.7% increase over the current year.
    - Sun Life renewal-Total annual premium of \$419,133 (includes 2 lasers at \$180,000 each). This is a 14.9% increase over the current year.
  - Stop Loss-Aggregate
    - HCC renewal-Total annual premium \$23,526 which is -5.9% decrease over the current year.

- Sun Life renewal-Total annual premium\$34,348 which is 37.4% increase over current year.
- Pharmacy Copays
  - Two copay options were presented, Option 1 with an increase of \$1,970, Option 2 with a decrease of \$15,750.
- Dental
  - HUB projects a .2% increase in annual expected claims for a total of \$96,179.

**Group Alternatives Presentation:**

Highlights of the presentation made by Mike Baker include:

- **An analysis of the current FVPD Health Insurance Plan**
  - Annual cost per employee \$20,757 compared to the norm \$13,265.
  - In 2016, 31.9% of District members had chronic illness related claims (\$657,100), 69.91% members with non-chronic illness claims (\$1526,622).
    - Chronic illness include: High blood pressure, depression, asthma, diabetes, coronary heart disease, and obesity.
  - Emergency Room visit analysis
    - \$32,452 was spent on ER claims that could have been treated by office visit or Teladoc.
- **Life Insurance Comparison**
  - Guardian offers the same life insurance benefits at an annual savings of \$18,640 over Standard.
- **Dental Insurance Comparison**
  - Allied Benefit Systems continues to offer the lowest annual premium \$95,844.
- **Medical Insurance Comparison**
  - FVPD is currently paying Allied Benefit Systems a total of \$2,319,278 which includes fixed costs, stop loss and claims. Current admin fees are \$82,854.
  - The renewal cost for Allied/HCC is \$3,058,316 with \$101,720 in admin fees, North American Administrators/Cigna \$2,889,134 with \$55,149 in admin fees, UHC \$3,802,257 with no admin fees, and PDRMA \$2,601,566 with no admin fees.
- **Key Observations/Recommendations**
  - Recommendation to switch Life Plan to Guardian.
  - Consider multiple options:
    - Negotiate with Allied to reduce fixed costs.
    - Renew with Allied & explore PDRMA trust to begin March 1, 2018.
    - Switch to NAA/Cigna resulting in lower fixed costs.
    - Renew with Allied or switch to NAA effective January 1, 2018 and explore BCBSIL for April 1 or November 1, 2018 effective date.
  - Meet with Allied-large claimant claims paid by year end.
  - Possibility of Humana providing a fully insured option.
  - Follow up with PDRMA Trust.
  - Remove 4<sup>th</sup> quarter deductible credit.
  - Change deductible and out of pocket from 3x to 2x.
  - Change generic Rx copays from \$20 to \$25.
  - Change brand name Rx copays by adding stipulation “or 25% whichever is greater...”
  - Add monthly employee contributions \$17 single, \$57 family for dental coverage.
  - Add high deductible health plan with HSA.

**5.0 CLOSED SESSION**

None.

**6.0 RETURN TO OPEN SESSION**

Discussion took place regarding the two presentations and how best to proceed for the best interest of the FVPD and its employees. The Insurance Committee gave an endorsement to Director Pilmer to go before the Board of Commissioners on December 11, 2017 to pursue the health insurance renewal that offers the best option for the District.

**7.0 ADJOURNMENT**

President Anderson adjourned the meeting at 11:08 a.m.

The Fox Valley Park District is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the facilities, are required to contact ADA Coordinator Mr. Michael Pieroni at (630-897-0516) promptly to allow the District to make reasonable accommodations