

**Troy Township
Health Insurance Committee Meeting Notes
Monday, May 8, 2017
7:00 p.m.**

Chairman Wheeler called the meeting to order at 7:09 p.m.

The Pledge of Allegiance was led by Steve Orlando.

In attendance:

Chairman Brett Wheeler
Collector Bryan Kopman

Supervisor Joseph D. Baltz
Clerk Kristin Dawn Cross

Administrator Jennifer Dylik (acting as Secretary)





Absent: Trustee John Theobald - Excused

Quorum is established.

Also in attendance are Assessor Kim Anderson, Township employee Janée Roedel, and Steve Orlando from the Candos Agency.

Chairman Wheeler opened the meeting for citizen comments. After asking three times, Chairman Wheeler closed the meeting for citizen comments.

Chairman Wheeler turned the meeting over to Steve Orlando from the Candos Agency for review of the renewal offer from Humana. Mr. Orlando distributed the chart below:

		7/1/2017 Troy Township					
Carrier						National General Benefit Solutions	
Plan		ChoicePOS	P502PPD	AL1H	DMC PPO H.S.A.	PPD Copay Plan	
Coinurance		100%/70%	100%/70%	100%/70%	100%/70%	100%/70%	
Individual Deductible		\$3000/\$6000	\$2000/\$2000	\$3000/\$3000	\$2000/\$800	\$3000/\$6000	
Family Deductible		\$6000/\$16,000	\$5200/\$10,400	\$6000/\$16000	\$5000/\$11,000	\$6000/\$12,000	
Out of Pocket Limit**		\$3000/\$3,000	\$2000/\$2000	\$6000/\$10,000	\$6000/\$3,200	\$6000/\$3,200	
Family Out of Pocket		\$6000/\$6,000	\$2000/\$10,400	\$13,000/\$20,000		\$13,000/\$16,400	
Doctor Co-Pay		Ded. then 100%	Ded. then 100%	Ded. then 100%	Ded. then 100%	Ded. then 100%	
Well Care Co-Pay		100% In Network	100% In Network	100% In Network	100% In Network	100% In Network	
Prescription Drug		\$1000/60	Ded. then 100%	Ded. then \$15/40/70	Ded. then \$3/10/20/100/50%	\$2000/75	
Lifetime Maximum		No Lifetime Max	No Lifetime Max	No Lifetime Max	No Lifetime Max	No Lifetime Max	
Network		ChoicePOS	BCBS	Choice Plus	Open Access Managed Choice	Aetna Signature PPO	
Web Address		www.humana.com	www.bcbsil.com	www.myuhc.com	www.aetna.com	www.aetna.com	
**Includes Deductible							
Medical Rate:							
		Current	Renewal	Quoted Rate	Quoted Rate	Quoted Rate	
Joseph	ES	\$1,011.39	\$1,187.79	\$1,368.38	\$2,099.31	\$1,324.45	
Kim	ES	\$1,011.39	\$1,187.79	\$1,366.38	\$2,095.61	\$1,324.45	
John	EC	\$873.48	\$1,026.74	\$1,263.81	\$706.70	\$1,103.71	
Janeé	E	\$459.72	\$539.86	\$683.19	\$567.69	\$441.49	
Ric	ES	\$1,011.39	\$1,187.79	\$1,366.38	\$991.11	\$1,324.45	
Julie	E	\$489.72	\$539.86	\$683.19	\$482.07	\$441.49	
Tom	F	\$1,425.13	\$1,673.58	\$1,947.10	\$1,778.03	\$1,677.63	
Shane	E	\$489.72	\$539.86	\$683.19	\$453.31	\$441.49	
Angela	E	\$489.72	\$539.86	\$683.19	\$706.70	\$441.49	
Total		\$7,171.64	\$8,422.65	\$10,042.91	\$9,405.65	\$11,251.99	
Current		\$7,171.64					
Renewal		\$8,422.65	\$10,042.91	\$9,405.65	\$11,251.99	\$8,520.65	
Difference		17.44%				*subject to underwriting	

Coverage highlights are provided for easy-to-follow comparative purposes only and should not be relied on as absolute. For details of coverage provisions, limitations, conditions and exclusions, please refer to the health carriers plan design or your policy.

Mr. Orlando then summarized the proposed Humana renewal rate and compared it to the rates offered by other carriers for a similar plan. The Humana renewal has a 17.44% increase with monthly premiums totaling \$8,422.05. The plan with Humana is an older plan that has been grandfathered and is not subject to the Affordable Care Act guidelines. When you see the competitions' plans which are subject to the ACA you will see that the Humana plan is still the more affordable plan. The other plan prices are BCBS \$10,042.94; United Healthcare \$9,405.65; Aetna \$11,251.99; and National General Benefit Solutions \$8,520.65 but is subject to underwriting. Because there is not a carrier offering a lower premium, Mr. Orlando was not able to ask Humana for rate relief. Mr. Orlando will however ask Humana for a customer loyalty discount since the Township has been with Humana since March 1, 2013.

Trustee Wheeler expressed concern about the high rate increase from Humana.

Mr. Orlando stated that Administrator Dyluk did price the state of Illinois Local Government Health Plan through CMS and the rates were higher compared to Humana's rates. For the LGHP plan that is closest in structure to the current Humana plan rates were as follows:

Humana	Humana	LGHP – LCHP Plan	LGHP – LCHP Plan
Employee Only	\$539.86	\$983.00	Member Only
Employee + Child(ren)	\$873.46		
Employee + Spouse	\$1,187.70	\$1,887.00	Member + 1
Family	\$1,673.59	\$2,438.00	Family

Mr. Orlando also stated that the Delta Dental renewal came in at a 0% rate increase with a two year rate lock until July 1, 2019. Mr. Orlando stated that he checked with other carriers and that he recommends renewing with Delta Dental.

Administrator Dyluk commented that vision coverage is not being discussed today as the current rates with EyeMed are held until July 31, 2019.

Chairman Wheeler stated that the dental coverage didn't need consideration due to the fact that they offered the renewal at a 0% increase.

Administrator Dyluk stated that the 2017-2018 fiscal year budget allowed for an 8% increase for the dental insurance and a 20% increase for health insurance.

Chairman Wheeler again stated that dental coverage didn't need discussion at the committee meeting because of the 0% rate increase.

Supervisor Baltz motioned to recommend to the Board that the dental insurance plan with Dental Dental be renewed thru July 1, 2019. Clerk Cross seconded the motion. Roll call vote: Wheeler-Aye; Cross-Aye; Kopman-Aye; Baltz-Aye, Theobald-Absent. 4 Ayes, 0 Nays, 1 Absent. Motion carried.

Chairman Wheeler moved the discussion back to agenda item IV(a) and noted that the Township had been with Humana since 2013. He commented that he believed things with Humana had been going well. Administrator Dyluk commented that she has heard of some hiccups both on the Humana side and the Choice Strategies HRA side. She further commented that the Humana issues seemed to be more of a provider issue where the provider coded claims wrong and/or sent the wrong information to Humana and claims were then denied. Once the provider provided the correct information the claims were

approved. She also noted that employees have issues with Choice Strategies and navigating the process to get reimbursed via their HRA funds. She informed the committee that Choice Strategies ended their automatic substantiation program where they could verify the expense by having access to the employee's Humana online account. Employees must now make sure they submit their EOBs to Choice Strategies once they have used their Choice Strategies debit card. Although it is a good program, there are hoops that the employee must jump through to get reimbursed. Mr. Orlando noted that the substantiation service changed due to recent changes in the law and that yes, the employee has to upload the documentation to prove that the charge was a valid medical charge. He noted that the employee has about 90 to 120 days to upload these documents. If not, the debit card will be deactivated until the issues are resolved. Administrator Dylík confirmed that she has emailed out information regarding such to all users of the health insurance, she has emailed training video links to all users, and she has even worked one-on-one with several users of the plan to help them process their reimbursement with Choice Strategies. Chairman Wheeler asked if the Township could hold a training session to teach the plan users how to navigate Choice Strategies. Administrator Dylík confirmed that yes, a group training would be scheduled and reminded everyone that even though a formal group training had not been conducted recently, training was offered to all users of the plan multiple times on a one-on-one basis.

Mr. Orlando reported that there are other companies that provide this same service but most of those companies require the user to pay the bill upfront and then get reimbursed. The benefit of Choice Strategies is that the user can pay their bill with the debit card and not be out the funds upfront. Administrator Dylík reported that for users who do not want to use the debit card they can upload the EOB to Choice Strategies and Choice Strategies will send a check directly to the provider.

Mr. Orlando stated that he analyzed the cost of a more traditional plan where there is a lesser deductible as compared to the higher deductible plan with the HRA benefit. Mr. Orlando noted that price wise, in the best case scenario, it would be about a wash to the Township but the employee would have more of an exposure when it comes to paying the deductible plus having to pay 20% of the bills for a minimum of another \$2,000 or \$3,000 plus prescription copays where now their exposures is \$1,000 of the deductible plus prescription copays.

Chairman Wheeler commented that staying with the Humana plan even with the increase seems to be the best option at this time and asked for a motion to concur with this. Administrator Dylík asked Chairman Wheeler to confirm that this would also leave the HRA structure as it is with the Township covering the first \$2,000 of an individual's \$3,000 deductible and the first \$4,000 of a family's \$6,000 deductible. Chairman Wheeler confirmed that yes that was his intent.

Clerk Cross motioned to recommend to the Board to renew the Humana insurance plan with the HRA. Collector Kopman seconded the motion. Roll call vote: Wheeler-Aye; Cross-Aye; Kopman-Aye; Baltz-Aye, Theobald-Absent. 4 Ayes, 0 Nays, 1 Absent. Motion carried.

Chairman Wheeler moved to item IV(c) of the agenda to discuss employee contribution rates. Chairman Wheeler commented that he would like the contribution rate increased to correspond with increases in monthly premium. He stated that the contribution rate of 2% is crazy low in comparison to annual increases in premiums of 10%, 12%, 13%, 15%, 17%, year after year after year with no end in sight.

Administrator Dylík asked if she could give a presentation to address this issue.

Administrator Dylík distributed copies of her presentation then read it aloud as follows:

Introduction

As the Health Insurance Committee discusses the employee contribution rates for health, dental, and vision coverage, I thought it best to do some research and present the committee with facts and figures about our current contribution rates and those of other entities in our area.

First, I firmly believe that it is the duty of both the Health Insurance Committee and also the Troy Township Board to ensure that Troy Township is offering a fair and competitive benefits package for our employees and eligible elected officials; a benefits package that is comprehensive in coverage and fairly priced for both the employee and for the Township.

Second, in order to adequately study and understand our current employee contribution structure and if needed, make recommendations to change the structure, I believe it is important to do the following:

1. review our current employee contribution rates;
2. review how other local entities structure their contribution rates; and
3. compare what our employees pay vs. the other local entities; doing our best to compare apples to apples.

Review of Troy Township's Current Employee Contribution Rates

Troy Township employees contribute 2% of their gross base wages for their benefits for **employee only coverage**. If the employee wishes to add dependent coverage they pay the difference in premium between employee only coverage and the coverage level they desire. This holds true for dental and vision coverage as well. Four Troy Township employees have employee only coverage while two elect dependent coverage.

- Two Highway Department employees have elected coverage for dependents. The Highway Department has chosen to help pay a portion of that additional cost¹. As it currently stands:
 - Employee #1 pays 74.9% of the additional cost for dependent coverages
 - Employee #2 pays 85.2% of the additional cost for dependent coverage.

Troy Township elected officials contribute 2% of their gross base wages for their benefits at any level of coverage they select (employee only, employee + spouse, employee + child(ren), or family coverage)².

Review of Local Entities Current Employee Contribution Rates

Plainfield Township

Plainfield Township fully covers employees for health, dental, and vision coverage at no cost to the employee. If the employee wishes to add dependent coverage, the employee pays 40% of the additional plan cost and the township will pay 60% of the additional plan cost. Plainfield Township offers 1 PPO plan option to employees.

Forest Preserve District of Will County

Employees at the Forest Preserve District pay a percentage of the cost of the plan per month. They can choose between a HMO plan or a PPO plan. The pricing below is for the PPO plan.

Employee Only	8.83%
Employee + Spouse	8.97%
Employee + Child(ren).....	9.80%
Family	9.42%

¹ The Highway Commissioner and Assessor can establish their own benefit levels if they so choose.

² The 2% contribution level is established via Troy Township Resolution 16-17R-14 and cannot be changed.

The employee then pays 5% of the plan cost for dental and 10% of the plan cost for vision.

Village of Shorewood

Employees at the Village of Shorewood pay a percentage of the cost of the plan per month. They can choose between a HMO plan, a lower level PPO plan, and a higher level PPO plan. They pay 5% of the cost of the plan for the HMO or the lower level PPO. The pricing below is for the higher level PPO.

Employee Only	7.00%
Employee + Spouse	7.00%
Employee + Child(ren).....	7.00%
Family.....	7.00%

The Village of Shorewood pays the full cost for dental insurance for employees. Employees can select vision coverage but they pay the full cost of the plan.

Will County

Will County has about 14 unions plus non-union employees on their plan and are offered one HMO plan and one PPO plan. Two of the unions contribute based on a percentage of base wages for health, dental, and vision coverage. For those two unions employees pay 3% of base wages for single coverage and 4% of base wages for family coverage.

The contribution levels of the remaining unions and the non-union employees are based on wage brackets and based on your wage you pay a percentage of the cost of the plan. This contribution is for health and vision; dental coverage is small additional fee. The pricing below is for the PPO option.

Wage Range	< \$30,898	\$30,898 - \$51,497	\$51,497 - \$77,244	\$77,244>
Employee pays % of plan cost	4.00%	7.20%	12.50%	15.50%

Comparison of Troy Township to Other Local Entities

Now, in order to accurately compare Troy Township’s current contribution levels to those of the above local entities, we will have to do some calculations converting the amounts paid from a percentage of wages to a percentage of plan cost.

Our first comparison will be looking at employee only coverage.

Department	Coverage Level	Humana Premium	Dental Premium	Totals	Avg. Monthly Contribution	% of Plan Cost
Assessor	Employee Only	\$ 539.86	\$ 43.83	\$ 583.69	\$ 57.20	9.8%
Assessor	Employee Only	\$ 539.86	\$ 43.83	\$ 583.69	\$ 55.47	9.5%
Town	Employee Only	\$ 539.86	\$ 43.83	\$ 583.69	\$ 55.47	9.5%
Town	Employee Only	\$ 539.86	\$ 43.83	\$ 583.69	\$ 57.20	9.8%
Hwy	Employee Only	\$ 539.86	\$ 43.83	\$ 583.69	\$ 83.20	14.3%
Hwy	Employee Only	\$ 539.86	\$ 43.83	\$ 583.69	\$ 86.67	14.8%
Elected	EE + Spouse	\$ 1,187.70	\$ 90.42	\$ 1,278.12	\$ 58.33	4.6%
Elected	EE + Spouse	\$ 1,187.70	\$ 90.42	\$ 1,278.12	\$ 108.33	8.5%
Elected	Family	\$ 1,673.59	\$ 146.55	\$ 1,820.14	\$ 108.33	6.0%

On average, Troy Township employees pay 11.3% of the plan cost. Troy Township Elected Officials on average pay 6.3% of the plan cost.

Let’s see how we compare looking at just employee only coverage:

Troy Township Employees	Plainfield Township	Village of Shorewood	Will County Wage Group 2 ³	Will County Wage Group 3 ⁴	Forest Preserve District
11.3% avg	0%	7%	7.20%	12.50%	8.83%

Five Troy Township Employees fall into Will County Wage Group 2. Township employees pay 9.5% to 14.3% of the cost of the plan.

One Troy Township Employee falls into Will County Wage Group 3. He pays 14.8% of the cost of the plan

As you can easily see, Troy Township employees currently pay more for their coverage than our local comparisons.

Next, let's look at employees who have elected to cover dependents. As stated earlier, two Highway Department employees have elected to cover dependents. They pay the following:

- Employee #1 pays 2% of gross base wages for employee only coverage PLUS 74.9% of the additional cost for dependent coverages.
- Employee #2 pays 2% of gross base wages for employee only coverage PLUS 85.2% of the additional cost to add dependents.

If you look at these same two employees and calculate the total amount they are paying as a percentage of the total cost of the plan including employee and dependent coverage, they pay the following:

- Employee #1 47.2% of the total plan cost.
- Employee #2 50.1% of the total plan cost

Let's do a comparison of what a Troy Township employee is paying on a total plan cost basis for dependent coverage vs. our other local entities:

Dependent Coverage	Troy Township Employees	Plainfield Township ⁵	Village of Shorewood	Will County Wage Group 2	Will County Wage Group 3	Forest Preserve District
EE + Spouse	47.20%	40%	7%	7.20%	12.50%	8.97%
EE + Child(ren)	50.10%	40%	7%	7.20%	12.50%	9.80%

Again, you can easily see that Troy Township employees pay far more for dependent coverage than any local comparison.

³ 5 Troy Township Employees fall into this wage bracket. They pay 9.5% to 14.3% of the cost of the plan.

⁴ 1 Troy Township Employee falls into this wage bracket. He pays 14.8% of the cost of the plan.

⁵ At Plainfield Township the employee pays only 40% of the ADDITIONAL cost to add dependents.

Additional Details

Let's look at Will County's wage brackets, their contribution amounts, and how that equates to a percentage of wage scenario.⁶

Wage Group	1		2		3		4	
	From	To	From	To	From	To	From	To
Annual Wages From/To Employee Only	< \$	30,897.99	\$ 30,898.00	\$ 51,496.99	\$ 51,497.00	\$ 77,243.99	\$ 77,244.00	>
% of Wages	\$14.40	1.21%	\$25.85	1.31%	\$44.88	1.51%	\$55.65	1.87%
Employee + Spouse	\$31.71	2.67%	\$56.95	2.88%	\$98.88	3.33%	\$122.60	4.13%
% of Wages								
Employee + Child(ren)	\$25.87	2.18%	\$46.45	2.35%	\$80.65	2.71%	\$100.01	3.37%
% of Wages								
Employee + Family	\$43.18	3.63%	\$77.56	3.92%	\$134.65	4.53%	\$166.95	5.62%
% of Wages								
As a % of Plan Cost	4%		7.20%		12.50%		15.50%	

Now, let's look at a scenario of one Troy Township employee who is paying for dependent spouse coverage and what their contributions would look like if we applied the Forest Preserve District's contribution rates.

Troy Township Cost EE + Spouse Plan	Our Rates	ForestPD Cont. Rate	Employee Cost
Health	\$ 1,187.70	8.97%	\$ 106.54
Dental	\$ 90.42	5%	\$ 4.52
Vision	\$ 12.36	10%	\$ 1.24
Total Premiums	\$ 1,290.48		\$ 112.29

Using our current contribution rates, this employee pays \$603.50 per month for employee + spouse coverage.

How much will increasing an employee's contribution rate actually save Troy Township?

As a reminder, the Elected Officials contribution level is fixed at 2% and cannot be changed. So, looking at employees only, for every 1% that the employee's contribution rate (as a percentage of wages) is increased the Township will save:

Assessor's Budget	\$ 676.00
Town Budget	\$ 504.40
GA Budget	\$ 171.60
Highway Budget	\$ 1,019.20
Total	\$ 2,371.20

⁶ Contribution amounts are collected on a bi-weekly basis.

Troy Township Humana Plan Rates vs. Local Entities

Below is a summary of Troy Township's 2016 and 2017 Humana monthly premium rates plus what that average monthly cost would be if the employee uses all of their available HRA funds.

Humana Rates 2016	Monthly	Yearly Cost	HRA Year	Year Total	Max Monthly
Employee	\$ 459.72	\$ 5,516.64	\$2,000.00	\$ 7,516.64	\$ 626.39
Employee & Spouse	\$ 1,011.39	\$ 12,136.68	\$4,000.00	\$ 16,136.68	\$ 1,344.72
Employee & Child(ren)	\$ 873.46	\$ 10,481.52	\$4,000.00	\$ 14,481.52	\$ 1,206.79
Family	\$ 1,425.13	\$ 17,101.56	\$4,000.00	\$ 21,101.56	\$ 1,758.46

Humana Rates 2017	Monthly	Yearly Cost	HRA Year	Year Total	Max Monthly
Employee	\$ 539.86	\$ 6,478.32	\$2,000.00	\$ 8,478.32	\$ 706.53
Employee & Spouse	\$ 1,187.70	\$ 14,252.40	\$4,000.00	\$ 18,252.40	\$ 1,521.03
Employee & Child(ren)	\$ 1,025.74	\$ 12,308.88	\$4,000.00	\$ 16,308.88	\$ 1,359.07
Family	\$ 1,673.59	\$ 20,083.08	\$4,000.00	\$ 24,083.08	\$ 2,006.92

Forest Preserve District 2017 Rates:

Forest Preserve District	Rate
Employee	\$ 798.57
Employee & Spouse	\$ 1,567.31
Employee & Child(ren)	\$ 1,377.62
Family	\$ 2,146.36

My estimate for Will County's 2017 Rates:

Will County Estimated Average Monthly Plan Cost	Rate
Employee Only	\$ 778.43
Employee + Spouse	\$ 1,714.77
Employee + Child(ren)	\$ 1,398.75
Employee + Family	\$ 2,335.14

END OF ADMINISTRATOR DYLIK'S PRESENTATION

Mr. Orlando commented that in 2016 only 54% of the HRA funds that were pledged out for employee deductible reimbursement were actually used. The scenario outlined by Administrator Dylik shows 100% usage of the HRA funds.

Supervisor Baltz commented that it was Trustee Wheeler who inquired to him about the employee contribution rate being low. Supervisor Baltz felt like it was a misnomer that the 2% contribution rate was based off of plan cost, and not gross base wages.

Trustee Wheeler commented that the presentation answered one of his questions noting that he did not realize that the employees were paying extra for their dependent coverage.

Supervisor Baltz complimented and thanked Administrator Dylik for her presentation.

Administrator Dylik commented that she believes the employee contribution rate of 2% for employee only coverage is in-line with what other local entities are doing, however, she believes that the Committee and the Board should revisit how the cost for dependent coverage is structured.

Trustee Wheeler commented that he does not think the elected officials' contribution rate is adequate and noted that he is not sure if it can be changed.

Administrator Dylik said that she could request an attorney opinion on changing the elected officials contribution rate if the Board so desired.

Collector Kopman noted that the percentage could be changed but it would not be effective until the elected officials next term.

Administrator Dylik stated that her understanding is that once the elected officials' compensation is established by the Board via the compensation resolution that compensation cannot be decreased and that if you increase the contribution rate for insurance that in effect it is a decrease in compensation. Collector Kopman asked if that directive came from attorney Dave Silverman. Dylik commented that she would have to go back and pull the document from her research to see if it came from Silverman's office or other training she had attended.

Trustee Wheeler stated that he does not believe changing the contribution rate is a change in gross salary and that the contribution rate is a benefit and a benefit is a benefit and not gross salary.

Administrator Dylik again stated that she could request an attorney opinion on changing the elected officials contribution rate if the Board so desired.

Trustee Wheeler commented that the elected officials contribution is a flat percentage while the premiums keep going up 12%, 13%, 15%, 17% with nothing more being contributed to it. He doesn't believe that this type of benefit exists in the private sector.

Mr. Orlando commented that he sees these situations vary across different industries.

Supervisor Baltz commented that when comparing benefits to the private sector you need to remember that in most cases salaries are higher in the private sector than they are in the public sector. Collector Kopman doesn't believe that this is always the case. Clerk Cross agrees that in general, that is usually the case. Supervisor Baltz reminded that when comparing, you need to take all of the parts and pieces into consideration.

Trustee Wheeler believes that premiums are rising at a catastrophic rate with contribution levels remaining the same.

Collector Kopman asked for clarification on what the employee contributes. Using general numbers, he asked if the monthly premium is \$500 does the employee pay 2% of that cost. Administrator Dylik responded that no, the employee pays 2% of their gross base wages, not 2% of the premium cost. He then asked if family coverage is \$1,000 the employee pays 2% of their gross base wages plus the additional \$500. Administrator Dylik confirmed that is correct. Collector Kopman asked if the Highway Commissioner and Assessor could establish their own rules for benefits. Administrator Dylik confirmed that yes, the Highway Commissioner, Assessor, and Supervisor of General Assistance can establish their own rules for benefits within their budgets, noting that we are fortunate in Troy Township that all of these department work together as a team and that there are in fact townships out there that have had different benefit structures for each department.

Assessor Anderson complimented and thanked Administrator Dylik for the presentation. The information was very helpful and put things in a new perspective. Dylik confirmed that doing the study

was eye opening especially looking at the dependent coverage and showed that Troy Township was not in line with the other local entities. Trustee Wheeler believes the other local entities should raise their employee contribution rates because nowhere in the private sector do benefits like these exist.

Collector Kopman asked if Administrator Dylik did any plan comparisons between the Township's current Humana plan and the plans offered by the other local entities with regards to deductible, etc. Dylik responded that she did have some plan information for the Forest Preserve District. With the Township's Humana plan for employee only coverage, the employee would have to pay \$1,000 of the deductible plus the prescription co-pays. At the Forest Preserve District the PPO plan for an individual has a \$2,600 deductible.

Trustee Wheeler asked Mr. Orlando how many government clients he works with and if the Humana plan compares to theirs. Mr. Orlando stated that he has about 10 government clients and that he has a library that has a similar high deductible plan with a HRA plan.

Trustee Wheeler stated that he truly did not understand that the employees were paying for their additional dependent coverage and thanked Administrator Dylik for the presentation and information. He does not want to see the employees being hammered with such high expenses but at the same time his focus is on the increased premiums with no increase in contribution level, leaving the tax payer to be hammered with the additional expense.

Collector Kopman noted that he believes the insurance industry would say that the answer to the increased premiums was supposed to be Obamacare which caused his employer to stop offering health insurance because they could no longer afford it. Clerk Cross stated that she pays \$300 per month for her health care with her employer paying the other half. Trustee Wheeler stated that he pays \$22,000 per year for his coverage for three people. Administrator Dylik noted that her coverage through her husband's union changed drastically with the implementation of the Affordable Care Act with their family's exposure at \$7,000 per year. Trustee Wheeler commented that these statements confirm that coverage levels like what is offered at Troy Township don't exist anywhere else. Administrator Dylik disagreed noting that coverage of this level does exist at the other local entities as shown in her presentation which are Troy Township's apples to apples comparisons as Troy Township is not a private sector company.

Assessor Anderson believes the high cost of health care is a state and federal level problem. Administrator Dylik agreed with Assessor Anderson and also agreed with Trustee Wheeler that premiums are astronomical but also stated that these astronomical premiums are NOT a result of mismanagement by Troy Township. Premiums are astronomical across the board for everyone.

Trustee Wheeler believes the employee and elected officials contribution levels should be lined up with premiums and doesn't agree that the elected officials' contribution percentages can't be changed until the next term. He doesn't agree with the elected officials' and employees' contribution percentage being a fixed percentage while the premiums continue to increase and the tax payers are left to pay the cost. He believes this is why people are leaving the state of Illinois. Trustee Wheeler stated that his question would only be the legality of if the township can change the elected officials' contribution rates. If they can be changed he would like that looked at, if they can't be changed then he would like that looked at when the next compensation resolution is done.

Administrator Dylik reported that when the Township moved from Blue Cross Blue Shield in March of 2013, the result was a premium decrease of 33%. The subsequent yearly premium increases from Humana were July 2013 8.19%, July 2014 13.17%, July 2015 8.63%, July 2016 9.71%, and now July 2017

17.4%. Supervisor Baltz noted that the Humana premiums are now about where the Blue Cross Blue Shield premiums were almost four years ago. Trustee Wheeler believes the premium decrease was because the Township got rid of the golden Cadillac plan and restructured to the HRA and that the township should have done that switch years before it actually did. Since the change, Trustee Wheeler stated that the premium increases have been 10%, 12%, 13%, 15%, and 17% with no end in sight.

Administrator Dylak asked Trustee Wheeler what solution he offered. Trustee Wheeler stated that he didn't have a solution and was looking for options. Supervisor Baltz believes that everyone is looking for options, not just Troy Township, but employers everywhere. Trustee Wheeler commented that he is not making demands, just looking for discussion and open ended solutions.

Clerk Cross stated that she doesn't see an end to this until it crashes and is rebuilt, then we might see lower premiums. There is nothing that the people at this table can do to lower the premiums. We have the best plan out there at the lowest cost. Employees make \$11.00 per hour. How much of that \$22,000 annual salary can they afford to pay for health insurance on top of paying their deductible and copays. She doesn't see the solution being solved at this table, the solution will be solved with the federal government. To ask someone who is making \$22,000 a year, bringing home only \$16,000, and on top of that paying all their money towards medical bills, to pay more is not the solution. Assessor Anderson concurred. Clerk Cross commented that the comparison of the private sector and public sector is not fair. Someone in the public sector here who is making \$11.00 per hour would possibly be making \$15.00 per hour in the private sector. Trustee Wheeler fails to see the higher wages in the private sector.

Collector Kopman stated that he would be interested in seeing the average cost to the township per employee or per plan beneficiary for the insurance; taking all of the expenses, less employee contributions, adding them up, and dividing that by the number of employees on the plan or by the number of beneficiaries on the plan to come up with an average expense by employee. Administrator Dylak stated that she does not have those figures already calculated but that she would separate the categories and calculate one average for employees and one average for elected officials. Collector Kopman clarified that he was only looking for the figure for the employees not the elected officials and that once you had the expense number, one solution would be to increase the employee's pay by the average cost of the benefits, terminate the group coverage, and have employees secure their own coverage.

Trustee Wheeler commented that a benefit, is a benefit, is a benefit and that salary means nothing when talking about all of the low salaries of the poor township people, and the poor county people, who make poor wages and don't make any money. He believes the total overall benefits packages includes 4 weeks paid vacation, 13 paid holidays, full health care benefits while only paying 2%, the total number of paid holidays, etc. make up an entire package and is paid for by the Township. Trustee Wheeler added on to Collector Kopman's earlier comments stating that the Township could double an employee's wage then they could go get their own health insurance. Assessor Anderson noted that the township still has the full expense; whether the expense is split between insurance and salaries, or all paid in salary with no insurance. Collector Kopman explained that there would be long term savings to this scenario because the Township would not continue to incur the annual premium increases.

Clerk Cross agreed that yes, there would be a long term benefit to that structure, but believes something will happen with the health insurance marketplace sooner than later that will cause premiums to come back down.

Trustee Wheeler stated that the total benefits packages of elected officials and employees includes health insurance premiums, dental insurance premiums, vision insurance premiums, the amount of paid time off, which he reiterates again is a benefit, and when you get 35 paid days off a year, it's a benefit.

Clerk Cross asked how many employees per year actually get four weeks of vacation. Trustee Wheeler stated that it doesn't matter because if they don't get it this year they will get it next year or the year after that because vacation time at the Township is stepped. Assessor Anderson clarified that it is stepped based on years of service. Trustee Wheeler stated this it is still stepped with year one being a step, year two being a step, year three being a step, year four being a step, year five being step, and so on. Clerk Cross, Assessor Anderson, and Administrator Dylik all responded that Trustee Wheeler is incorrect with this annual step scenario. Administrator Dylik reported that employees get one week of vacation then they get two weeks after their 2nd anniversary, three weeks after their 5th anniversary, four weeks after their 10th anniversary, and five weeks after their 20th anniversary. Trustee Wheeler apologized for being incorrect but noted that it is still stepped. Administrator Dylik responded that yes, it is stepped based on your length of service but it is not stepped annually. Trustee Wheeler commented that it is still part of a total benefits package.

Administrator Dylik reported that she and every other department head strongly believe that when discussing compensation you need to address the total compensation package including benefits along with salary. She reported that every employee receives a total compensation summary at their annual review the breaks down for them how much they will make in wages, how much the township pays for IMRF, FICA, health, dental, and vision insurance, paid days off including holidays and vacation, etc. All of that information is highlighted for employees because again, she and all other department heads realize and acknowledge that a total compensation package is a factor in employment.

Supervisor Baltz agreed that this helps to retain good employees. Clerk Cross believes that a total benefits package is a good thing and that that an employee may not make the highest of wages, but the benefits help make up for that. Trustee Wheeler stated that an itemized list of all salaries plus benefits is needed. Supervisor Baltz commented that the Township has been providing the itemized list to employees for years; that it is an eye opening way to communicate to the employee how much it is actually costing the township to retain them.

Employee Janée Roedel who was in attendance confirmed that yes she receives this summary and that when people ask how much she makes she responds that she has good benefits.

Supervisor Baltz commented that a good job has been done running the township just like a business and operating within the budget that has been approved by the Board; analyzing where expenses can be cut when some other expenses come in high. Clerk Cross noted that the budget was prepared with an estimated 20% increase in health insurance coverage and she is pleased that at least the Humana increase is under what was budgeted. Trustee Wheeler thinks the budget should account for a 75% increase in health insurance coverage in the next budget so that everyone can be really happy when the renewal comes in at 17%.

Clerk Cross commented that it was expected that the health insurance would go up as a result of what is happening with health insurance in Washington. Supervisor Baltz confirmed that Administrator Dylik worked with Mr. Orlando and the Candos Agency with regards to expected increases when preparing the budget. Clerk Cross commented that the Township has a sound plan and the benefits provided to employees help to make up for what can't be given to them in salary. Supervisor Baltz appreciates the comments and feedback of Trustee Wheeler and noted that staff has acted upon suggestions from trustees in the past. The objective is to provide first class service to the tax payers and having good staff

and keeping good staff allows for that. Supervisor Baltz cited the example that in business, if you have a really good employee who is offered a job elsewhere for more money you have to decide either to pay that person more money or to let them go and start over. If you keep telling the good employees to move on, you'll have no good employees left to provide good work and service to your customers. Supervisor Baltz commented that the Township has a good team of employees and that efforts are made to conservatively give them what they need to keep working at the Township. Trustee Wheeler believes that with this method no employee will ever be let go and no new or better employees will have the chance to be hired. Trustee Wheeler stated that he is not trying to single out any employees but is trying to find a way to save money because of the rising premiums.

Assessor Anderson commented that this is a problem across the board for all taxing bodies. She believes that every person who is responsible for the Township budget is very, very conservative. She believes that the issue needs to be addressed at the state and federal level, not at this committee meeting. She further noted that Trustee Wheeler and the rest of the Board approve the budget every year and they know for a fact that the Township budget is very conservative.

Clerk Cross commented that the federal government mandated that people have health insurance and the only way to even the playing field back out is to not mandate that people have insurance. This will result in competition in the marketplace which will trickle down.

Clerk Cross commented that the Township did its due diligence when it moved to the HRA to help reduce costs and the Township did its due diligence with pricing out other plans and carrier options for this renewal. Although there is a premium increase, it is still the best option at this point. Clerk Cross asked Mr. Orlando how many insurance carriers have left Illinois. Mr. Orlando commented that there were about four fully insured carriers in the small group market who have left. Clerk Cross commented that because these companies have left there isn't much choice and in some states there are absolutely no insurance carriers left.

Trustee Wheeler commented that many of his questions were answered so there is no sense continuing to discuss this especially since it appears that the elected officials' contribution rate cannot be changed.


Administrator Dyluk reminded that if the Board would like her to do so, she can contact attorney Silverman for an attorney opinion on changing the elected officials' contribution rate. Supervisor Baltz commented that if the elected officials' contribution rate is changed the net effect changes their salary and the board is making the decision which affects not only the Supervisor but also the Assessor and Highway Commissioner. And, as stated earlier, you can't change the elected officials' salary. Trustee Wheeler feels that this issue should have been caught and discussed earlier. Clerk Cross commented that it was fair knowledge and a well-known fact that once the Board approved the salary resolution for the 2017-2021 term that the salaries then could not be changed until the next term. Supervisor Baltz commented that if the salary resolution was allowed to be changed it would open up scenarios where the Board could change compensation for elected officials they may not like. Supervisor Baltz commented that based on this discussion there is no need to incur any legal costs and no need to explore an attorney opinion on changing the elected officials' contribution rate.

Trustee Wheeler commented that he doesn't feel there is a need to schedule another Health Insurance Committee meeting. Motions have already been made and approved to renew the health insurance with Humana and the dental insurance with Delta Dental.

Trustee Wheeler asked three times for any new business. No other new business was presented.

Motion made by Supervisor Baltz; seconded by Clerk Cross to adjourn at 8:19 p.m. Roll Call Vote:
Wheeler – Aye; Baltz – Aye; Cross – Aye; Kopman – Aye; Theobald – Absent. 4 Ayes; 0 Nays; 1 Absent.
Motion carried.

Submitted by:

A handwritten signature in cursive script, appearing to read "Jennifer Dylik".

Jennifer Dylik
Secretary