

MINUTES OF THE PURCHASING & INSURANCE COMMITTEE MEETING – September 24, 2024

The Purchasing and Insurance Committee met on Tuesday, September 24, 2024, in the Executive Conference Room of the Administrative Complex. Committee members present were: Pete Stresser, Tom Tunnicliffe, Paul Webb and Mayor Rogers Anderson.

Committee Chairman, Jennifer Mason was unable to attend.

Also present were: Budget Director, Phoebe Reilly; W. C. Schools CFO, Rachel Farmer; Benefits Director, Gina Combs; Cigna Insurance representative, Tim Cullen and legal counsel, Sarah Bullock.

Mayor Anderson called the meeting to order, noting that there was no one signed up to speak for Citizens Communication.

Commissioner Tunnicliffe moved to approve the meeting minutes of July 23, 2024; seconded by Paul Webb. The motion passed by unanimous voice vote, 4-0.

Gina Combs reviewed her monthly benefits summary for July and August, 2024. She stated that the report overviews the monthly benefits expenses in comparison to the prior fiscal year. There are 6,890 employees budgeted on the plan budgeted at \$13,000 per member, per year. Current costs are running \$177.82 for the 24-25 fiscal year, compared to \$203.63 this time last year.

Commissioner Tunnicliffe moved to accept the report; seconded by Commissioner Stresser. Motion passed by unanimous voice vote, 4-0.

Mayor Anderson reported that an additional benefit was added in the prior fiscal year to provide LifeLock enrollment at no costs to employees. He requested an overview from Gina Combs. Ms. Combs stated that a total of 4,485 enrolled in the program and an additional 181 chose to purchase the premier plan, for a total of 4,666 employees utilizing the benefit.

Committee members reviewed the medical and dental plans being recommended for the January 1, 2025 calendar year. Ms. Combs reported that there are no changes in the costs for these plans, with all deductibles and Plan Premium Equivalencies (PPE) remaining the same. She explained that the term is utilized due to the county being a self-insured plan and that a premium is not actually paid. The PPE reflects the 12 month expenses divided by the number of employees on the plan.

Commissioner Stresser questioned if there is a way to know how many other businesses are self-insurance plans. Tim Cullen responded that 85%-90% of his clients are self-insured, including the state of Tennessee employees.

Commissioner Stresser questioned what happens if claim payments exceed budgeted amounts. Ms. Combs responded that a resolution for additional funding would be presented to the County Commission. Mayor Anderson noted that in the past couple of fiscal years, ARPA funds have been available and utilized to offset these expenses.

Commissioner Webb stated that COVID related expenditures were qualifiers for the use of ARPA funds; however, those funds have now all been utilized or earmarked.

Mayor Anderson requested that Benefits staff ensure that employees are aware of the advantages of participating in the Flex Spending and HSA benefits program during the upcoming open enrollment period.

Mayor Anderson noted that a representative of the Williamson County Education Association (WCEA) is not present tonight and requested that Rachel Farmer ensure they are made aware of the 2025 benefits.

Commissioner Tunnicliffe moved, seconded by Commissioner Stresser to approve the recommended medical and dental plans as outlined for the 2025 calendar year. The motion passed by unanimous voice vote, 4-0.

Committee members reviewed information regarding upcoming scheduled events and meetings from the Benefits Department, noting this information will be shared in the upcoming employee newsletter.

Mayor Anderson called upon Tim Cullen to review submitted reports, as follows:

- Fiscal Year Membership and Paid Claims by Month (excluding HSA funds) for both Medical and Pharmacy;
- Fiscal Year Membership and Paid Claims by Month (excluding HSA funds) for the Pharmacy program only;
- Calendar Year Membership and Paid Claims by Month (excluding HSA funds) for Pharmacy costs only, net of rebates;
- Calendar Year Membership and Paid Claims by Month; and
- Williamson County Retiree Plans

Mr. Cullen reviewed the reports, noting their current trends in comparison to prior fiscal and calendar years.

Commissioner Stresser questioned if pharmacy costs are increasing due to the latest trend of utilizing weight loss drugs. Mr. Cullen noted that there has been a 15%-18% increase in catastrophic claims (those exceeding \$25,000) and that weight loss medications have been a contributing factor throughout the past two (2) years.

Mr. Cullen reported that based on those trends, Cigna is adding to their existing Wellness Program the opportunity to pair the claimant with weight loss and wellness experts. He noted that even though claimants who are prescribed these drugs are under physician care, typically they are also border line for other health issues. He stated that there may be additional information forthcoming regarding this program.

Discussion was held regarding the pharmacy rebates received by the county's program. Mr. Cullen reported that the current calendar year is approximately \$5.1 million and that he anticipates an increase to \$7.5 to \$8 million by the end of the calendar year. He noted that these rebates help offset the premium rates for the county's program.

Commissioner Stresser questioned how this compared to other government plans and Mr. Cullen stated that Williamson County's pharmacy costs, as a whole, are below other government plans he represents. Discussion was held regarding pharmacy costs purchased at a retail store versus mail order.

Discussion was held regarding the proposed Post 65 Medicare Retiree Plan for the 2025 calendar year. Mr. Cullen reported that he had been asked by the county to obtain information for hearing aid benefits. After consultation within Cigna, Mr. Cullen reported that this is a benefit that many programs are adding. The cost to Williamson County is approximately \$60,000 for the next year for the inclusion of the following:

- Active employee plan and pre-Medicare retirees will have a limited maximum \$1,500 for two (2) devices every 36 months \$3,000 total for the pair); covered at 100%;
- Post 65 retirees will have a \$2,100 allowance for hearing aids every three (3) years; covered at 100%.

After further discussion, Commissioner Tunicliffe moved, seconded by Commissioner Stresser to approve the addition of hearing aid benefits, as outlined for the 2025 calendar year.

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Discussion was held on typical costs for hearing aids and anticipated use of the program. Mr. Cullen reported that Cigna's contracted vendor for hearing aids is Amplifon and the \$3,000 benefit should cover the majority of the in-network costs for those seeking to utilize this added benefit.

After further discussion, the motion passed by unanimous voice vote, 4-0.

There being no further business, the meeting adjourned at approximately 5:11 p.m.

/dg

