

July 31, 2013

The Ellettsville, Indiana, Town Council met in a special session on Wednesday, July 31, 2013, at the Fire Department Training and Conference Room. The meeting started at 6:00 p.m. Town Council members present were Scott Oldham, President; Dianna S. Bastin and David Drake. Dan Swafford and Phillip Smith were absent. Supervisors present were Jim Ragle, Street Commissioner; Jim Davis, Fire Chief; Tony Bowlen, Town Marshal and Connie Griffin, Director of Planning. Sandra Hash, Clerk-Treasurer was also present.

Julia Thomas, J.A. Benefits, presented different health insurance alternatives for the Town. As of right now, the Town is considered a small employer, under 50 employees, and a small group for insurance purposes. If the Town was considered a large employer under the Affordable Healthcare Act (“ACA”), there would be penalties for not offering an affordable healthcare plan. The ACA has been extended until 2015. As a small group the Town is subject to a community rating. Next year the Town has to offer a plan that has at least a \$2,000 deductible or below and it will be subject to community rates. If the Town goes over 50 employees it will be rated according to the group’s medical status. They’ve contacted SIHO for an early renewal on December 1st. The regular renewal is January 1st. SIHO has provided a commitment wherein if the Town likes the December renewal they will renew it for 13 months instead of 12 months. This allows one year for them to look through community rates and get the Town positioned correctly. SIHO thinks their renewal should be between six to ten percent. There are different carriers that can be more competitive. They could look at Anthem, United Healthcare and Nepon. Most providers are quoting at higher rates because of the uncertainty in the market. There is a new option, alternate funding. It is a type of self-funded plan with no liability. It’s a fully insured plan. Any premiums not used for claims would be refunded. There is no liability with this plan. Another option is a clinic.

The trust the City of Bloomington participates in has been mentioned. The trust is a large group trust and is rated on everyone within the group. This is good if the medical status within a group isn’t that great. However, the Town’s medical status is pretty good. Going into a trust means you’re going into a contract with many other people and taking on their liability as well as your own. It is a self-funded trust with liability and run out behind it. The trust is a United Healthcare Plan. This is a mid-rate factor and the Town is a little below that. In summary, the options are the Town waits and gets their quote and renews with SIHO and quote other carriers with an “A” rated status including United Healthcare Plan.

Sandra Hash asked since J.A. Benefits has the Town’s information in Form Fire, would employees have to complete new applications. Ms. Thompson replied they would go into Form Fire and pull everyone’s application and look at it. If there is an employee with a lot of medical claims they will call them and ask if anything has changed. Or, everyone can log in and look over their information and re-sign which is a five minute process.

Scott Oldham thinks it would seem foolish not to request quotes from all companies J.A. Benefits represents. The Town wants to get the most for its money and protect the employees. How long will it take to get the quotes? Ms. Thompson replied after receiving the Form Fire information she can have quotes within five days and to the Clerk-Treasurer within seven days. Mr. Oldham asked if SIHO is guaranteeing no more than a ten percent increase. Ms. Thompson answered it is not written in stone but at this time they’re not generating the renewal because they look back 90 days. They had to pull reports and look at claim data to get some type of indication of what it’s going to be because it’s early. SIHO did say it shouldn’t be over ten percent but they’re looking at six percent. Mr. Oldham asked how much September renewals increased. Ms. Thompson replied with a like size group they’re about the same.

Dianna Bastin thinks the Town should get quotes from the other companies. Even if the employees are happy with SIHO they should have all of the information to make a decision. Ms. Thompson noted the Town only offers one plan. A lot of municipalities set a flat dollar amount they pay rather than a percentage. The Town’s policy is based on age. If an

employee is younger, the premium is cheaper, and if they're older, it's higher. SIHO is the only company that is going to allow the Town to keep this. With groups over ten employees carriers will force the Town to do composite rates. Other municipalities pay a flat amount. For example, if the average is \$200, they give the employee \$200 a month and they purchase the plan they want. Instead of offering a \$100 or \$500 deductible they will offer a \$500 traditional plan or a \$2,000 health savings account.

Sandra Hash asked if the Town has a health savings account does it have to pay anything into those accounts. Ms. Thompson replied absolutely not. When most offer two plans they do not. All money deposited into a health savings account is 100% tax deductible.

David Drake confirmed there would be no benefit for the Town to go with the IACT Trust. The Town could go with the same United Healthcare Plan and with better premiums because of the medical status. Ms. Thompson answered she doesn't know a lot about the trust. However, she does know the Town's medical ratings are very good. She cannot foresee the Town getting a better rate out of the trust because of the good standing. She reiterated United Healthcare is the carrier used by the trust.

Year 2014 Budgets

Sandra Hash, Clerk-Treasurer, reviewed forms which outlined the current cash balance, balance of appropriations and revenue for the remainder of 2013 and the same proposed for the 2014 budget including the tax rate. By the end of next year, there would be an operating balance of \$655,330.03 in the General Fund. This is a gain of \$150,000. This includes a five percent raise and twenty percent insurance increase. Comparing revenue received in 2011 to 2012, the Town gained \$219,000 which was more than anticipated in the 2013 budgets. In County Option Income Tax ("COIT"), the Town went from \$391,000 to \$523,000 in 2012. This year it is approximately \$560,000. The County has assured the Town it can count on at least what it has received this year and perhaps an increase.

After a discussion by Town Council members it was decided to give the employees a raise of 3.5% percent except for an employee in the Fire Department who will receive a larger raise.

Meeting adjourned at 6:45 p.m.

Scott Oldham, President

Dan Swafford, Vice-President

Dianna S. Bastin

David Drake

Phillip Smith

Sandra C. Hash, Clerk-Treasurer