

LAMAR COUNTY BOARD OF COMMISSIONERS
Special Called Meeting
May 7, 2013
10: 00 A.M.

I. Call to Order

Chairman Jay Matthews called the meeting to order at approximately 10:00 a.m. Present for the meeting was Vice-Chairman Bennie Horton, Commissioner Nancy Thrash, Commissioner Van Baker, Commissioner Charles Glass, County Administrator Robert Zellner and Financial Analyst Carlette Davidson.

II Approval of Agenda

Chairman Matthews called for a motion to add an American Nursing Association Proclamation to be given to the Lamar County Health Department. Vice-Chairman Horton made a motion to approve the addition of the Proclamation to the agenda. Commissioner Baker seconded the motion. The motion was approved 4-0. Chairman Matthews stated that he would present the Proclamation to the Lamar County Health Department later that day.

Commissioner Baker made a motion to approve the amended workshop agenda and Commissioner Thrash seconded the motion. The motion passed 4-0.

III. Board Discussion

The Board discussed shutting down Cottage Road that has been previously maintained by the County. The Board discussed the dangers of the road and the possibility of closing the road down completely. Once the road is closed the land will convert back to the homeowners.

Commissioner Baker led a discussion in regards to the cleanliness of the local Barnesville Motels. Commissioner Baker said that he had heard negative comments from the Barnesville Blues Festival vendors who had frequented the motels. County Administrator Zellner stated that he would work with Code Enforcer Wimpy Vaughn concerning the health codes and proper inspections for the motel facilities.

The Board discussed upcoming conversations that they will have with Mayor Peter Banks and City Manager Kenny Roberts regarding the turning lanes on Burnette Road.

Commissioner Glass shared information that he heard in at the Association of County Commissioners of Georgia convention noting the impact certain federal laws will have on Georgia Counties. These Federal budget cuts are expected to influence local funding.

The Board discussed the impacts to the tax digest including the TAVT, the Energy use Excise Tax, which will decrease the costs to zero, and the Georgia Agriculture Tax Exemption (GATE), a new program created by Georgia House Bill 386, which offers qualified agriculture producers a sales tax exemption on agricultural equipment and production. The plan modified the Agricultural Certification of Exemption (ST-A1) form, effective January 1, 2013. Commissioner Glass learned that the Department of Agriculture charges \$20.00 for anyone who applies for a card that is used for this purpose. He also stated that the Department of Revenue suspects fraudulent use of the G.A.T.E card which is another cause for sales tax reduction.

Vice-Chairman Horton shared with the Board that there is a Congressional Black Caucus Foundation (CBCF) setup on behalf of President Barack Obama. Vice-Chairman Horton shared the fact that the Black Caucus Scholarship is setup for minorities and that anyone interested should contact Lamar County Comprehensive High School for more information.

The Board discussed campaign financial disclosure reports which will go back to local submissions in 2014 due to problems with the online state submission system. These reports include personal and campaign financial reports.

Chairman Jay Matthews visited Brutz English's horse racecourse and stated that another event is planned for May 19, with reported racehorse training going on.

Chairman Matthews stated that there were people there drinking beer but that alcohol was not being sold. Commissioner Thrash asked about a "pot of money" being collected at the horse racecourse and Chairman Matthews said that he did not see a "pot of money" being collected. Chairman Matthews added that when he asked Mr. English to cut down the loud speakers he did so immediately. Chairman Matthews stated that as far as profanity, "I couldn't understand a word that was being said. It was all in Spanish". Chairman Matthews also noticed that the property has restrooms with running water. Chairman Matthews said he did not take his children to the event but, said that he would take his children based on his evaluation of the racecourse. Commissioner Glass stated that he sent a copy of the county's proposed code to County Extension Agent Wes Smith, who sent it on to the Department of Agriculture. Chairman Matthews also said that the State requires a Coggins Test. The Coggins test which checks for Equine Infectious Anemia (EIA) antibodies in the horse's blood. Chairman Matthews stated that the Department of Agriculture is in charge of making sure horses brought together for public entertainment must have negative Coggins test documents. Chairman Matthews stated that his own veterinarian is starting to see more Coggins cases in Lamar County because of the wet weather and mosquitoes. Chairman Matthews stated that is the horse owner's responsibility to maintain the horse records but from what he could see the horses out there at the racecourse looked fine.

IV. Insurance Broker

Al Adamson of Main Street Advisors shared with the Board his insurance plans for the County. Currently the County uses United Health Care as their health care agent. Health Care enrollment is from October 2013 to October 2014. Mr. Adamson stated that all brokers/agents receive the same quotes when shopping for insurance. Mr. Adamson stated that he would work with Payroll Officer Susan Helms to determine the number of loss ratios in regards to the number of good claims verses bad claims. Mr. Adamson stated that as the broker for Lamar County, he could continue to assist Mrs. Helms with her health care enrollment and also act as a liaison with AFLAC and Allstate in regards to voluntary enrollment during the open enrollment period and with all new hires. Mr. Adamson concurred that since he is local it is to his advantage that he can continue to come into the administrative office once a week or more to assist with any insurance needs that arise. He also stated that he is willing to work after hours with such employees hired by the Sherriff's Department or the Public Works Department.

Commissioner Baker and the Board discussed the impact of the excise tax on high cost health plans sometimes known as the "Cadillac tax". This plan doesn't go into effect until 2018 and is based on premium and not on benefit. In 2011 employers were required by law to show on their W-2 tax form the total premium paid by both the employer and employee in the previous year. Mr. Adamson said that various fines will be imposed on companies that do not offer their employees a healthcare plan. He said that if you do not offer health insurance and you're an employer with more than 50 employees, if one of those employees is a full-timer who receives a premium subsidy because he participates in an exchange, you'll have to pay a fee of \$2,000 for every full-time employee you have. Everyone will be required to have health insurance and most businesses will be required to offer it to their employees. Mr. Adamson stated that the excise tax may force everyone to go to another kind of insurance plan called an exchange. There was further discussion various types of plans and the high cost of deductibles. However, Mr. Adamson stated that all co-pays will now go towards the out of pocket maximum deductibles. Mr. Adamson stated that Medicare is going to need to be fixed. He stated that about 27 rural hospitals are in danger of closing due to high Medicare costs. Mr. Adamson also spoke on other mandates that go along with the healthcare reform including coverage for dependents up to age 26. Mr. Adamson concluded with the fact that he will shop the rates and design a plan that best meets the needs of what the Lamar County employees can afford keeping 2013 rates into the next year and tweaking only a few things with the current health care provider. Mr. Adamson stated that Lamar County is 2014 compliant and that it all comes down to the changes in premiums.

Chairman Matthews called for a recess at approximately 11:14 a.m. and stated that the Board would reconvene at 1:30 p.m.

The Board reconvened at approximately 1:30 p.m. Chairman Matthews welcomed Matt Bidwell Vice-President of Sales with MSI Benefits of Kennesaw Georgia. Mr. Bidwell gave an overview of his company. MSI Benefits currently has 12 employees and that they only do employee benefits. Mr. Bidwell stated they currently have over 35 government accounts and several local accounts such as Pike, Spalding and Butts Counties. Mr. Bidwell stated that they are hands on agency and that when you hire an employee MSI Benefits enrolls the new employee. Mr. Bidwell stated that one of the ways they manage the process is to enroll the employees electronically with an enrollment software system. The employees bubble what they want online. Therefore, there is no personal paperwork floating around. Mr. Bidwell stated that they shop insurance 120 days out prior to enrollment but on the company you presently have they demand they get those renewals no less than 90 days out prior to the renewal date. Mr. Bidwell said that if the renewal date is October they would demand they have the renewal back prior to July 1st. He said that state law says that they only have to give you 60 days but that a lot of the carriers like to go up to the 60 day level because they feel it gives the client a shorter window of time to reply. Mr. Bidwell stated that MSI Benefits likes to jump that game so that 90 days out they know what the rest of the market is doing. They get the carriers renewal and then the client has a full 90 days to make a decision without being rushed. Mr. Bidwell stated that if Lamar County renews October 1st and the carrier releases the renewal on July 1st they are only using data through May. Mr. Bidwell says that the insurance company knows within 11 months of the paid claims and they rate you for October. MSI Benefits gets the renewal data from the insurance company at the six month mark and at the nine month mark. This is the data that they use for the renewal. If the insurance company is using data through May then that means at the end of November of last year they have half of your renewal information for the next year. Commissioner Baker inquired about this process and stated that the renewal premium is going to be largely based on the claims from the previous year. Commissioner Baker stated that you could go a whole year without a claim theoretically but still have a big claim that would affect the premium. Mr. Bidwell gave an example stating that if you had three million dollars worth of claims in one year the insurance company would expect you to have three million dollars in claims the next year plus about eight percent more because they expect this to happen again. MSI's job is to push the insurance carrier to use only 40 to 50 percent of the previous claim data and personalize the insurance according to the clients own group therefore they push the carrier to use as much of the manual rate as possible and that they are able to negotiate prices accordingly. He stated that MSI's job is to give underwriters a rational reason to lower rates for the group. Mr. Bidwell said that if you have less than 250 employees United Health will only provide data for incurred claims. He stated that you have to insist as part of the contract for paid data. The difference between paid data and incurred data means that by them not providing paid claims you are always two months behind what is really going on with the employees. Mr. Bidwell explained that incurred data means that the claim happened during the current month but they could have paid it three months after it was incurred. Mr. Bidwell indicated that

when negotiations for renewals are being reviewed, with United Health Care, Aetna, Cigna and Blue Cross Blue Shield, MSI Benefits has the attention of the underwriters and that they are paid by the insurance carriers to represent the client. MSI benefits also provide employee handbooks for every employee that is printed in-house.

The Board heard more information in regards to renewal rates. Mr. Bidwell stated that the pulled loss ratio as opposed to the loss ratio is reviewed because when an insurance company factors the client's renewal they also factor in a risk charge for large claims. It was determined that Lamar County has about a 93 percent claim rate. Mr. Bidwell concurred that the target claim rate is around 85 percent. The Board discussed the differences in area hospitals having over a hundred different reimbursement rates in terms of what they are going to pay based on the insurance card you are carrying. There was discussion about the 2014 Affordable Care Exchange, dependent care costs, additional taxes and strains on the individual market.

Mr. Bidwell stated that his company has a payroll deduction worksheet that is downloaded into their software system and that they audit all invoices. His company also handles supplemental insurance which is also handled electronically through group contracts. Chairman Matthews asked if MSI benefits works with the local volunteer insurance brokers and Mr. Bidwell responded that the local agents would not be the agent only the group contracts. Mr. Bidwell stated that MSI Benefits can bring added value to the table by having the ability to obtain eligibility reports, paid claims reports from both the client and the insurance companies. Once they have all the data they can then clean up any discrepancies' that they might find. Mr. Bidwell concluded that if Lamar County hires MSI Benefits they will go out and get a paid claim report from the current insurance company. However, if MSI Benefits are not the agent of record no information would be obtained. Mr. Bidwell stated that you are really not supposed to have more than one broker; therefore MSI Benefits cannot provide any information unless they are the agent of record. Mr. Bidwell stated that the insurance companies only supply one quote and it is the same quote given to all brokers. Once the quote is given then the negotiation for the best renewal begins. Mr. Bidwell concluded with the fact that MSI Benefits is a high tech company and their company can provide electronic enrollment, electronic reporting and invoice auditing.

There was discussion among the Board, County Administrator Zellner and Financial Analyst Davidson in regards to the health care and voluntary insurance payments not matching in the system when applied to the payment invoices. County Administrator Zellner stated that this has been an ongoing issue due to manual processes but that recently added proper checks and balances have been put in place internally. County Administrator Zellner pointed out that MSI Benefits offers a positive tool for auditing the system and payment invoices. Commissioner Baker noted the fact that Main Street Advisors is a one man

operation and has concerns in regards to this but has reservations for changing from the local person since we have only used him for two years.

It was decided that there would be more discussion at a workshop on May 15th, 2015 around 10:00 a.m.

V. **Adjournment**

Commissioner Glass motioned for an adjournment at approximately 2:50 p.m. The motion was seconded by Commissioner Horton. The motion passed 4-0

THE LAMAR COUNTY BOARD OF COMMISSIONERS

Jay Matthews, Chairman

Bennie Horton, Vice-Chairman

Van Baker, Commissioner

Charles Glass, Commissioner

Nancy M. Thrash, Commissioner

Attest:

Robert Zellner, County Administrator