COUNTY OF KENDALL, ILLINOIS
Administration/HR Committee
County Office Building
County Board Rooms 209-210
Yorkville IL 60560

Tuesday, August 25, 2015 - 5:30 P.M.

AGENDA

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of Minutes from August 6, 2015 Meeting
5. Old Business
6. New Business
   - Insurance Discussion
7. Action Items for County Board
8. Public Comment
9. Executive Session - for the purpose of the review of discussion of minutes of meetings lawfully closed under the open Meetings Act, whether for purposes of approval by the body of the minutes or semi-annual review of the minutes as mandated by Section 2.06
10. Adjournment
CALL TO ORDER
The meeting was called to order by Committee Chair Lynn Cullick at 9:00a.m.

ROLL CALL
Committee Members Present: Lynn Cullick – here, Judy Gilmour – here

Chair Cullick appointed Matthew Prochaska as a committee member to form a quorum, second by Member Gilmour. *With all in agreement, the motion carried, and a quorum was established.*

Member Purcell arrived at 9:05a.m.

Committee Members Absent: Dan Koukol, John Shaw

Board Members Present: Matthew Prochaska

Others present: Jody Bates-Crable, Glenn Campos, Stan Laken, Kevin Owen, Jim Pajauskas, Jim Smiley, and Jeff Wilkins

APPROVAL OF AGENDA: Member Gilmour made a motion to approve the agenda, second by Member Prochaska. *With all in agreement, the amended motion passed.*

APPROVAL OF MINUTES: Member Gilmour made a motion to approve the June 23, 2015 meeting minutes, second by Member Prochaska. *With all in agreement, the motion passed.*

MONTHLY REPORTS

CBIZ UPDATE

➤ *CBIZ and BCBS - Claims Review* – Jim Pajauskas provided background on meetings between himself, Jody Bates-Crable, Kevin Owen, Jeff Wilkins and Glenn Campos to review the counties BCBS claims. Kevin Owen reviewed the findings, provided a summary of the PPO and HMO Reviews, and reviewed the benefits of involvement in the Prime Therapeutics prescription service.

COUNTY ADMINISTRATOR – Jeff Wilkins reviewed the June and July monthly reports with the committee. The employee picnic has been scheduled for September 18, 2015 at 11:30a.m. at Meadowhawk Lodge in the Hoover Forest Preserve. More details to come from Glenn Campos. Mr. Wilkins also said that Wellness screenings have been scheduled for September 24, 2015 at the Health Department, WIC Classroom.
DEPARTMENT HEADS AND ELECTED OFFICIALS – Jim Smiley gave the committee an update on the design plans for the proposed memorial garden. He reported that he had discussions with the snowplow vendor, who owns an excavating company, and volunteered to do the excavating work at no cost, the landscaper will donate mulch at no cost, and County Board member Jeff Wehrli will donate flagstone to the project. Mr. Smiley stated that the estimated cost is greatly reduced to approximately $1000 with only minor installation and plant purchase costs.

EXECUTIVE SESSION - Member Prochaska made a motion to enter into Executive Session for the purpose of the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity 5 ILCS 120/2 (c) (1), and for the purpose of collective negotiating matters between the public body and its employees or their representatives, or deliberations concerning salary schedules for one or more classes of employees 5 ILCS 120/2 (c) (2), second by Member Gilmour.

Roll Call: Member Cullick - yes, Member Gilmour - yes, Member Purcell – yes, Member Prochaska - aye. With all members present voting aye, the committee entered into Executive Session at 10:11a.m.

Committee Members Absent: Dan Koukol, John Shaw

Others Present: Jeff Wilkins, Glenn Campos, Stan Laken, Scott Koeppel (Technology Director Candidate)

Member Gilmour left the meeting at 11:00a.m.

Member Prochaska made a motion to reconvene in Open Session, second by Member Cullick. With all in agreement, the committee reconvened in Open Session at 11:14a.m.

RECOMMENDATION FOR APPOINTMENT OF TECHNOLOGY SERVICES DIRECTOR – Discussion on the candidates interviewed, qualifications, expectations and availability.

NEW BUSINESS

➢ Employee Picnic and Other Options – There was discussion on possibly using a different catering vendor and a different menu for this year’s picnic. The HR Coordinator will be instructed to conduct a comparison of other vendors and report back at the September 3, 2015 Admin HR meeting.

OLD BUSINESS

ACTION ITEMS FOR COUNTY BOARD

➢ Recommendations for Approval of the Appointment of Technology Services Director
ITEMS FOR COMMITTEE OF THE WHOLE

➢ Memorial Garden Proposal

PUBLIC COMMENT – None

ADJOURNMENT – Member Prochaska moved to adjourn the meeting at 11:22 a.m., Member Purcell seconded the motion. The motion was unanimously approved by a voice vote.

Respectfully Submitted,

Valarie McClain
Administrative Assistant/Recording Secretary
As a decision maker in your organization, you are responsible for managing risks associated with doing business every day. Our team of consultants and insurance professionals provide a trusted business partner for you. Over 40 years in business has provided unequaled experience and resources to our team of professionals.

**Employee Benefits**
Our experience with businesses of all sizes has given us the insight to guide our clients through the successful design and implementation of a competitive employee benefit program.

- Consulting Services, including but not limited to:
  - Renewal Negotiations
  - Analysis of Funding arrangements
  - Benchmarking and Trending
  - Carrier Negotiations
  - Human Capital Management

**General Services**
- COBRA/HIPPA/ACA Compliance
- Plan Document
- Employee Communication and Education

**Group Medical Plans**
- HRA, HSA, FSA
- Fully Insured
- Self-Funding
- Captive Strategies
- Wellness Program Development
- Ancillary Benefit programs

**Business Insurance**
Build a long-lasting, effective insurance program for your business by identifying exposures, developing strategies, implementing programs and monitoring your insurance program.

- Workers Compensation
- Property/Builders Risk
- Liability
- Auto
- Director's and Officer's Liability
- Risk Analysis & Identification Survey
- Claims Management
- Loss Control Consulting
- Contract Review
- Alternative Risk Financing
  - Large Deductibles
  - Captive Programs
  - Retrospective Programs
Proposal from First Insurance Group Illinois

Contact information:

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Plano, IL 60545  
630-552-3447 Phone  
630-552-3850 Fax  
jroberts@firstig.com

First Insurance Group, ranks as one of the top 100 brokers in the country. Today we assist employers in managing their insurance programs with combined premiums reaching $300 million and employees residing in all 50 states.

We are a market leader for Insurance & Financial Benefits, with offices located in 4 states including our Illinois locations in Plano and Sandwich Illinois. We provide high quality and consistent services to our clients.

We understand the importance of excellence in all we do, as this is ultimately a reflection of your organization. We are known for excellence by clients and peers for our work in Employee Benefit consulting, our strength in insurance carrier relationships, for innovation within the industry and lastly for a strong relationship with Illinois’s regulatory body, the Illinois Department of Insurance.

To help demonstrate our quality standards, we point out that we have been recognized by Professional Agencies Reinsurance, our errors and omissions carrier, and received their highest award. This award recognizes our Quality Management Process and Excellence in Customer Service.

Our best practices allow us to deliver innovative products and services to our clients that help minimize risk and maximize value for organizations. We go beyond just providing insurance. It is both the risk management and consultative approach we use and the diagnostic tools we implement for our clients that makes the difference.

Our current municipal clients include:
Plano School District  
Sandwich School District  
Somonauk School District  
Forrestville School District  
Amboy School District  
Paw Paw School District  
Serena School District  
Ashton Franklin School District  
Indian Valley Vocational Center  
City of Sandwich
Staff Qualifications

The primary contact for municipal accounts will be Joe Roberts. Mr. Roberts is currently a Senior Associate with the Agency and most recently was appointed by the Illinois Department of Insurance as an Affordable Care Act Ambassador. In this role he, along with 9 other agents state wide, have served as primary consultants with the State of Illinois on the education of the Illinois Marketplace to the general population. Mr. Roberts has been honored by the National Association of Health Underwriters as a Presidents Council award winner for excellence in the Health Insurance Industry. In addition, Mr. Roberts was appointed by House Republican Leader Tom Cross, of the 84th District to the Adequate Health Care Justice Act Task Force, which has the responsibility of recommending sweeping changes of the health care access system to the General Assembly in 2007. Mr. Roberts was only one of two insurance agents to have been given this responsibility. As the key insurance contact for the Adequate Health Care Task Force, Roberts was the consultant charged with designing the plan for the self-insured health insurance pool for the State of Illinois which would have covered 1.5 million lives. That work can be found at http://www.idph.state.il.us/hcja/index.htm. He is a member of the Professional Association of Independent Insurance Agents Governmental Affairs Committee, as well as serving on a number of local boards and committees. Mr. Roberts has consulted for numerous Health Care agencies including Advocate Health Systems, University of Chicago Hospitals, and is a current member of the Kishwaukee Physicians Group Board of Directors and Board of Managers at Kishwaukee Health Systems. He recently presented at the Institute for Principled Leadership in Public Service at Bradley University. The Institute held a major public policy symposium on bipartisan solutions for national and state health care reform which was held at the Peoria Civic Center. Mr. Roberts represented the insurance industry as part of a distinguished panel that included Senator David Koehler, Dr. Wayne Lerner and others to lend opinions and solutions to the current state of affairs in the health care market.
New Client Management

First Insurance Group has positioned itself in the municipal benefits account market as an innovative leader who can work with management to assess the current situation and develop a creative plan. That process commences as follows with a new client.

Step 1 – Getting to Know You

Every business is different. There are different philosophies about employee benefits and their role within an organization, and we understand this. That is why, during the initial phase of our relationship, we take the time to get to know you and your employees. Our goal at this stage is to develop a thorough understanding of the employer and the role that benefits play in the recruitment and retention of employees. This is closely tied to our client’s business priorities and is performed in conjunction with their management team. We utilize this meeting to gain an understanding of the employer’s history, business strategies, as well as, any issues they foresee. We also analyze the current risks and determine the necessary steps, including training, to improve their program. Some key action items are:

• Conduct employee satisfaction surveys
• Compare the plan(s) against industry benchmarks
• Identify key issues

Step 2 – Defining a Strategy

Every employer needs to develop a short-term and long-term strategy for their employee benefit plans. This strategy must be developed and supported by both employees and management. An employer’s strategy is created using information collected during the “Getting to Know You” phase. We will review your current plans and vendors and make recommendations regarding plan design and funding arrangement to coincide with your short and long-term strategies. Steps in this phase might include:

• Review results of employee satisfaction surveys
• Define short and long-term corporate strategies and current CBA’s
• Review current plan design
• Review current funding approach
• Review current vendor relationships

Step 3 – Implementation

During the implementation process we help clients balance budget projections with local, regional and national benchmarks for determining appropriate contribution levels. Plan reporting expectations are identified as well as the need for ad hoc reports or special projects throughout the year. We work with
customers to ensure that benefit plans are effectively communicated to employees. We like to position ourselves as your employees’ “front line of defense” with insurance companies, and encourage them to contact us directly with concerns or questions related to their benefit plans. Deliverables for this phase are:

- Develop contribution strategy
- Establish reporting needs and frequency
- Employee communications
- Contract reviews
- Ongoing vendor management

Step 4 – Plan Management

Throughout the plan year, the team will meet with the customer to monitor overall plan performance and effectiveness. It is essential that vendor performance is monitored at all times. These meetings are excellent opportunities to address client concerns, conduct face-to-face meetings with vendors or discuss potential replacement vendors at renewal. Our clients are on the cutting edge of local and national trend data as it relates to employee benefits. Our reputation and presence on many industry advisory committees help us keep clients keenly aware of the very latest benefit information. Steps in this phase include:

- Quarterly claim experience review
- Review of high cost claimant reports
- Monitor financial performance
- Local and national trend analysis
- Ongoing vendor management

Once phase four is completed, we start the process over again by identifying key issues, adjusting strategies as needed, implementing needed changes and monitoring plan performance. We have used this proven practice in all of our municipal accounts. In 2009 we were hired by the Paw Paw CUSD #271 to completely revamp their entire benefit structure. We were brought in during contract negotiations and developed a progressive approach by negotiating a high deductible to lower costs for the administration, while adding a Health Reimbursement Arrangement that allowed for employees to see minimal impact to their overall health plan. This strategy helped the district reduce their overall health costs by 35% in year one and that has been maintained 5 years into the program.

A second example of our innovative benefit management can be seen in our work with the Sandwich CUSD #430. Sandwich brought us in during contract negotiations in 2011 to develop a defined contribution program to help absorb the large annual increases in their health insurance. This strategy resulted in a new range of products allowing for more employee choice while keeping the overall
cost of the health insurance within budget. The overall result of this 4 year contract was a net result of $200,000 which was used to help defer additional staffing costs.

Lastly this same strategy was employed in the Somonauk CUSD #432 in 2014 and has made an immediate impact by once again increasing employee choice while maintaining expenses.

Scope of Services

1. Provide an annual written renewal report detailing experience analysis and projection of claims and fixed costs, reserve needs, and funding rates for the client’s experience-rated or self-insured plans.
2. Represent the client with carriers and other vendors in the negotiation of contract renewals with respect to all employee benefits lines of coverage sponsored by the client for its employees and their dependents.
3. From time to time review the levels and types of employee benefit coverages offered by the client, and make recommendations for changes were deemed appropriate while keeping in mind any constraints with respect to such because of collective bargaining.
4. Make recommendations relative to self-insuring any lines of coverage currently provided by the client as insured lines.
5. In the case of self-insured health plans, advise the client on specific and aggregate stop loss coverage, including appropriate deductible levels and competitive costs.
6. Analyze claim experience, trends, and anomalies.
7. Monitor claims experience for claims that exceed the stop loss deductible levels and work with the health plan carrier or third party administrator (TPA) to ensure accurate and timely reimbursement to the client.
8. Assist in resolving claim disputes.
9. Recommend cost containment strategies and techniques to the client on all employee benefit lines.
10. Provide periodic updates on legal issues and regulations as such updates relate to the client’s operations and lines of coverage – e.g. ACA, COBRA, HIPAA, ADEA, Medicare Part D, etc.
11. Recommend changes in benefit design and administrative arrangements when appropriate in light of changes in the health care and employee benefits industries.
12. Provide advice with respect to maintaining overall financial and rate stability.

Brokerage Services

1. Secure timely renewal quotations from all insurers and service providers contracted by the client.
2. Negotiate with carriers and other third party claims administrators to secure the lowest possible fixed cost rates and to maximize discount levels with the provider network(s) that are under contract with the client.
3. In the case of self-insured health plan clients, secure bids and make recommendations for the placement of stop loss coverage.
4. Prepare specifications, take and analyze bids, and make recommendations for the replacement or addition of any employee benefit plans.
5. Be responsible for the timely and successful transition of any coverage or administrative services due to a change in carrier or service provider for the client.

**Administrative Support Services**

1. Provide training and support for the client’s administrative staff in the area of employee benefit administration.
2. Provide assistance with employee or plan sponsor problems in the areas of claim payments, billing, eligibility, or enrollment.
3. Provide assistance with employee communications. In some cases this entails authoring and ongoing maintenance of web-based HR/benefits portals and even enrollment systems.
4. Provide assistance with compliance issues.
5. Actively monitor the carriers’ and other service providers’ levels of performance.
6. Serve as a key liaison for union negotiations.
7. Meet with key staff to discuss plan design and utilization at least annually.
8. Provide other assistance and advice as requested or needed.

**Carrier Relationship**

We have a strong relationship with all of the major health/dental/life insurance carriers including, Blue Cross and Blue Shield, Humana, United Health Care, Aetna, Cigna, Coventry, Health Alliance, MetLife, Lincoln Financial, Dearborn National, Guardian, Delta Dental, Minnesota Life, and AFLAC. Our TPA relationships include Employee Benefits Corporation, IPMG and Meritain Health.

Recently, we were hired by the Amboy CUSD #272 to run their RFP process for health, life, dental and vision products. During that time we distributed the bid information, answered all questions, reviewed health applications, met with all interested carriers, and directed the entire RFP. The net result was an annual savings of $85,000.

**Other Services**

With the majority of our health insurance clients great effort is put into the development of health and wellness. Our goal would be to build upon the current program in place to best take advantage of the new Affordable Care Act premium reimbursement and the obvious benefits to having healthier employees. This entails a long standing partnership that we have with Valley West Community Hospital for Employee Wellness and is currently active in several of our client’s workplaces.
We are also an affiliate member of the Benefit Advisors Network which helps to provide our clients with additional products such as our compliance platform Smartcompliance.

A full demo of this innovative product can be seen at: http://benefitadvisorsnetwork.com/smartcompliance

**Risk Management Consulting Services**

*Property, Casualty, and Workers Compensation*

- Provide a methodology to identify and analyze the financial impact of loss to the organization, employees, the public, and the environment.
- Examine the use of realistic and cost-effective opportunities to balance retention programs with commercial insurance.
- Prepare risk management and insurance budgets and allocate claim costs and premiums to departments and divisions.
- Provide for the establishment and maintenance of records including insurance policies, claim and loss experience.
- Assist in the review of major contracts, proposed facilities, and/or new program activities for loss and insurance implications.
- In cooperation with Administration, maintain control over the claims process to assure that claims are being settled fairly, consistently, and in the best interest of the entity.
- To adopt proper financial protection measures through risk transfer (to outside parties), risk avoidance, and risk retention programs.
- To develop and implement loss prevention/loss retention programs.
- To create and publish guidelines on the handling of all property and liability claims involving the organization.

**RISK ASSESSMENT PROCESS AND GUIDING PRINCIPLES**

Four Elements of the Risk Management Process

Guiding Principles

**Risk Assessment**

1. Identify total assets and resources of organizations.
2. Identify major exposures to loss.
3. Calculate values of assets and resources.
4. Measure current risk.
5. Project and communicate future losses and potential risk.

**Risk Control**

7. Provide maximum incentive for participation in risk control program.
8. Monitor effectiveness of risk control activities.

Risk Financing
9. Finance risk, taking advantage of all available financial resources.
10. Maintain appropriate catastrophe protection.

Administration
11. Create and sustain management commitment to risk management.
12. Adopt a clearly defined risk management structure.
13. Develop clearly targeted annual objectives.
14. Maintain sound communications with all affected levels of management.