

District No. 1 - Ronald Williams
District No. 2 - Rusty DePratter
District No. 3 - Bucky Nash
District No. 4 - Everett Phillips
District No. 5 - Scarlet P. Frisina



BOARD OF COUNTY COMMISSIONERS • COLUMBIA COUNTY

MEMORANDUM

TO: Board of County Commissioners
FR: Ben Scott, Asst. County Manager *Ben Scott*
DATE: August 4, 2015
SUBJECT: Insurance Renewals Update

The insurance committee met on June 20, 2015 to review the annual health and dental insurance renewals presented by Arthur J. Gallagher & Company. Renewals were presented with no change in costs. After their review and discussion, the committee voted to recommend approval of the renewal proposals.

After receiving the attached notice from the Sheriff, stating his office would not be participating in the County's insurance plans in the coming fiscal year; I informed Arthur J. Gallagher & Company and ask how this would affect the County's renewal. They immediately notified Blue Cross Blue Shield and were informed that a rate adjustment may be required. The recalculated premium (attached) did require a 1.56% increase in premium. The increase is due to the County dropping from 431 members to 305, making the group ineligible for a premium based solely on the group's experience.

The additional costs for the County equals \$50 per year per employee, in order to cover the individual costs of Plan D. Additional increases will be funded by the employees for other plans. Those costs range from \$26.40 to \$188.16 annually depending on the plan chosen. I have attached a summary of the changes in the plans.

The insurance committee met August 3, 2015 to discuss these changes and recommended the Board approve the renewal offered by Blue Cross Blue Shield.



Sheriff Mark Hunter

COLUMBIA COUNTY SHERIFF'S OFFICE

4917 US Hwy. 90 East • Lake City, Florida 32055-6288

www.columbiasheriff.org

July 23, 2015

**Ben Scott, Assistant County Manager
Columbia County Board of County Commissioners
P.O. Drawer 1529
Lake City, Florida 32056-1529**

RE: Employee Benefit Insurances

Ben,

This is to formally advise you that the Sheriff's Office will no longer be participating in the County's insurance plans effective the October 1, 2015 fiscal year. As you know, we have recently been researching our ability to acquire more cost effective coverage for our employees through the Florida Sheriff's Risk Management Fund (FSRMF). We have been successful in attaining comparable coverage for health, dental, vision, life, disability and as well as other optional supplemental coverages.

As I mentioned to you last week, the FSRMF has voted to begin offering employee benefit insurances through a self-insurance consortium. They also voted to allow counties to join, along with their Sheriff's Office, in the consortium. This consortium will not be operational in the upcoming (15-16) fiscal year, but it is scheduled to become available beginning in 16-17. We will provide your office with all information we receive regarding this consortium to assist you determining whether or not the County would be interested in joining the consortium when it becomes available.

For clarification, the current Sheriff's Office retirees through September 30th will remain with the County's insurance carriers. Future retirees, October 1, 2015 forward, will be afforded coverage through the FSRMF Insurances. We will continue to work with County staff in making this transitional process as smooth as possible. Any assistance we can offer will be provided to you.

Most Sincerely,


Mark Hunter
Sheriff



Columbia County BOCC

County/Region: Columbia
SIC Code: 9199
AM Code: J02

Agent: Parks Johnson
Agency: Gallagher Benefit Services, Inc.
Account Manager: Andy Carroll

Group: 15243
Effective: 10/1/2015
Product: Multi

Experience Period: 7/1/2014 - 6/30/2015
Paid Through: 6/30/2015
Next Contract Period: 10/1/2015 - 9/30/2016
Experience Period Average Subs: 305
Experience Period Average Members: 499

	2014	2015	2016	2017	Total
1. Paid Claims	\$1,499,562	\$409.94	\$344,503	\$94.18	\$1,844,064
2. Total Claims above pooling point	\$77,325		\$0		\$77,325
a. Pooling Point	\$170,000				\$170,000
3. Adjusted Claims net of Large Claims (1 - 2 - 2a)	\$1,252,237	\$342.33	\$344,503	\$94.18	\$1,596,739
4. Completion Factor	1.021		1.000		
5. Incurred Claims (3 * 4)	\$1,278,533	\$349.52	\$344,503	\$94.18	\$1,623,036
6. Adjustment for Change in Plan	1.0000		1.0000		1.0000
7. Adjustment for Change in Demographics	1.0000		1.0000		1.0000
8. Underwriting Adjustment	1.0000		1.0000		1.0000
9. Adjusted Incurred Claims (5 x 6 x 7 x 8)	\$1,278,533	\$349.52	\$344,503	\$94.18	\$1,623,036
10. Trend					
a. Annual Trend Factor					10.8%
b. # of Months of Trend					15.0
c. Projection Factor					1.1362
11. Annualized Trended Incurred Claims (9 x 10c)					\$1,844,094
a. Claims Below Pooling Point					\$170,000
12. Total Claims (11+11a)					\$2,014,094
13. Pooling Charge at \$170,000					
a. Pooling Factor					7.8%
b. Pooling Charge					\$157,099
14. Projected Claims (12+ 13b)					\$2,171,193
15. Retention 20.7%					\$567,446
16. Required Premium (14 + 15)					\$2,738,639
17. Experience Increase					-5.8%
18. Projected Claims					\$2,171,193
19. Adjustment to Current Enrollment					1.000
20. Adjusted Projected Claims (18 x 19)					\$2,171,193
21. Manual					\$2,445,369
22. Credibility					
a. Experience 81.8%					\$1,776,036
b. Manual 18.2%					\$445,057
23. Total expected Claims					\$2,221,093
24. Retention 20.7%					\$580,488
25. Credible Premium (23 + 24)					\$2,801,581
26. Current premium based on current enrollment					\$2,758,668
27. Rate Change					1.6%
28. Recommended Rate Change					1.6%



Columbia County BOCC

Effective Date: 10/1/2015

Group#: 15243

		Current	Renewal
BChoice 0317 w RX 60%/60%/60%			
EMPLOYEE	27	\$ 686.80	\$ 697.46
EMPLOYEE + FAMILY	18	\$ 1,243.60	\$ 1,262.90
BOP 03359 w RX \$15/\$30/\$50			
EMPLOYEE	78	\$ 649.56	\$ 659.64
EMPLOYEE + FAMILY	34	\$ 1,175.70	\$ 1,193.94
BOP 03160/61 w RX In Network Deductible \$15/\$30/\$50			
EMPLOYEE	59	\$ 535.44	\$ 543.75
EMPLOYEE + FAMILY	17	\$ 969.58	\$ 984.63
BOP 05192/93 w RX In Network Deductible \$15/\$30/\$50			
EMPLOYEE	64	\$ 409.60	\$ 415.96
EMPLOYEE + FAMILY	8	\$ 741.72	\$ 753.23
HIP		\$ 548.46	\$ 556.97
Total	305	\$ 2,758,668	\$ 2,801,581
			1.56% Rate Change

County Budget	\$ 6,650.00
Life & Disability	\$ (123.60)
Amount Available for Health Insurance	<u>\$ 6,526.40</u>

Blue Cross Proposed Plans

Individual Plans

	Plan A	Plan C	Plan D	Plan F
Annual Premiums	\$ 8,369.52	\$ 7,915.68	\$ 6,525.00	\$ 4,991.52
County's Portion	\$ 6,526.40	\$ 6,526.40	\$ 6,526.40	\$ 6,526.40
Employee's Portion of Annual Premium	\$ 1,843.12	\$ 1,389.28	\$ -	\$ (1,534.88)
Amount Deducted Per 24 Pay Periods	\$ 76.80	\$ 57.89	\$ -	\$ (63.95)
Current Amount of Deduction	\$ 73.55	\$ 54.93	\$ -	\$ (65.05)
Increase Per Pay Period	\$ 3.25	\$ 2.96	\$ -	\$ 1.10

Family Plans

	Plan A	Plan C	Plan D	Plan F
Annual Premiums	\$ 15,154.80	\$ 14,327.28	\$ 11,815.56	\$ 9,038.76
County's Portion	\$ 6,526.40	\$ 6,526.40	\$ 6,526.40	\$ 6,526.40
Employee's Portion of Annual Premium	\$ 8,628.40	\$ 7,800.88	\$ 5,289.16	\$ 2,512.36
Amount Deducted Per 24 Pay Periods	\$ 359.52	\$ 325.04	\$ 220.38	\$ 104.68
Current Amount of Deduction	\$ 351.68	\$ 318.00	\$ 214.94	\$ 101.01
Increase Per Pay Period	\$ 7.84	\$ 7.04	\$ 5.44	\$ 3.67