



**MEETING OF THE HEALTH BENEFITS COMMITTEE OF THE RETIREMENT BOARD
OF THE COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND
OF COOK COUNTY AND EX OFFICIO FOR THE FOREST PRESERVE DISTRICT
EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY
33 N Dearborn St, Suite 1000
Chicago, Illinois 60602**

Minutes for the February 9, 2017 Meeting

The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County Fund are herein collectively referred to as the "Fund." **All committee recommendations are preliminary in nature; as such, they are subject to review and approval by the full Retirement Board.**

Call to Order and Roll Call.

Trustee Committee Members Present: John Fitzgerald (Chair), Patrick McFadden, Diahann Goode, Robert DeGraff, Andrew Jatico and Dennis White

Non-Committee Trustees Present: None

Staff Present: Nickol Hackett, Executive Director & CIO; Brenda Deming, Director of Health Benefits; Rachelle Howliet, Senior Health Benefits Specialist and Margaret Fahrenbach, Legal Advisor
Others Present: Jessica Streit; Segal Consulting

Trustee Fitzgerald asked if anyone present would like to address the Committee. Ms. Kathleen Marrie, an annuitant, was in attendance and wanted the Committee to know that she finds it difficult to afford her retiree medical premium as each year the premiums keep going up. Trustee Fitzgerald suggested that Ms. Marrie work with staff to determine if a private plan such as those offered by AARP might be less expensive but still meet her needs.

Administrative Report

Ms. Deming reported on the EGWP implementation and status to date. She stated that as of January 2017, 210 members qualified for the low income subsidy. The direct subsidy payments for the first two months of 2017 were \$776,288 and will continue throughout the year. It was agreed that total subsidies and claims would be reported throughout the year to measure plan savings against estimates provided by

the vendor. It was also noted that there were several issues relating to member enrollments relating to errors in programming the EDI files going to both Silverscripts for EGWP participants and to CVS for commercial members.

Ms. Streit provided a financial recap of 2016 forecasted expense to actual plan experience. Overall, the plan expense was 3.2% higher than projected with \$2,907,615 attributable to pharmacy expense. It was noted that large medical claims had an impact in August and November. The Trustees asked for detail on the nature of the claims and to see further detail on the vision and hearing aid plan expenses.

Proposed Health Benefit Committee Agenda for 2017

Ms. Deming presented a draft agenda of the suggested meeting topics for the year, including reviews of medical and pharmacy plan experience with UHC and CVS, monitoring projected expense, and a focus on Non-Medicare and Medicare Exempt members.

Expense History by Group and Medicare Exempt Population

Ms. Deming presented a report on the salient actions the Board implemented to control Fund expenses over the past four years and their resultant savings. She stated that in 2016, the average total cost per insured member was as follows: Medicare eligible (\$4,856); Non-Medicare (\$14,360); and Medicare Exempt (\$19,904). Based on the cost analysis, it was discussed that there could be an analysis of the Medicare Exempt Group with the intention of proposing that new retirees pay the premium for Medicare Part A and Part B, with a corresponding premium adjustment.

Ms. Fahrenbach reported on research concerning how some members did not participate in Medicare, and discussed Section 218 which allowed government workers in the State of Illinois to participate if given the opportunity to do so through withholdings while employed.

For the Non-Medicare group, the Trustees discussed the possibility of offering a lower cost plan option which could include a more restrictive network. Ms. Deming reported that UHC offers a new network of providers affiliated with Advocate Health System which might be an option for the Fund. The trustees agreed to explore these alternatives for 2018.