



**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**

**70 West Madison, St, Suite 1925
Chicago, Illinois 60602
9:30 a.m.**

Minutes for the August 18, 2020 Meeting

The meeting was conducted to allow any trustees and other attendees to participate by video conference as permitted by the Illinois Governor Gubernatorial Disaster Proclamation issued on July 24, 2020, the Governor's Executive Order Number 42, as well as the provisions of Public Act 101-0640.

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 and subject to review and approval by the full Retirement Board.

Call to Order and Roll Call:

Trustees Present: Patrick McFadden (Chair), John Blair, Diahann Goode, Stephen Hughes, James O'Rourke

Staff Present: Regina Tuczak, Executive Director; Caroline Vullmahn, Deputy Executive Director; Margaret Fahrenbach, Legal Advisor; Jane Hawes, Director, Health Benefits; Rachelle Howliet, Senior Health Benefits Specialist; Tonya Jackson, Health Benefits Specialist

Others Present: Mary Pat Burns, Burke Burns & Pinelli, Ltd.; Dan Levin, Segal Consulting; Peter Kavanaugh, Segal Consulting; Thomas Wyszoirski, Segal Consulting

Chairman McFadden asked if anyone present or participating through a video platform would like to address the Committee. There being no public comment, the meeting continued.

1. Review and Consideration of:

- a. April 28, 2020 Health Benefits Committee Meeting Minutes
- b. April 28, 2020, Audio Transcript of Health Benefits Committee Meeting

It was moved by Trustee Blair and seconded by Trustee Goode that the Committee approve the minutes from their meeting on April 28, 2020, and that the presented transcription of the audio recording of the Committee meeting on April 28, 2020, be accepted and filed.

Roll Call Vote:

AYES: Blair, Goode, Hughes, McFadden, O'Rourke

NAYS: None

Vote Result: MOTION ADOPTED

2. Review and Consideration of Segal UHC Audit Results

Dan Levin, of Segal Consulting, presented Segal's report from their audit of United Healthcare's ("UHC") claims administration for all medical claims processed from January 1, 2018, through December 31, 2018. He stated that UHC performed well and that there were no significant concerns about coordination with Medicare claims, end stage renal disease and other matters. There were concerns about UHC's coding for medical contraceptives and about whether UHC should be more aggressive in investigating possible subrogation for certain diagnoses, such as mesothelioma. He stated the UHC agreed to address those concerns.

It was moved by Trustee McFadden and seconded by Trustee Blair that the Committee receive and file the audit findings presented by Segal.

Roll Call Vote:

AYES: Blair, Goode, Hughes, McFadden, O'Rourke

NAYS: None

Vote Result: MOTION ADOPTED

3. 2021 Rate Setting

Mr. Levin presented various changes to the plan design and how they would impact the rates for members effective January 1, 2021. Among these changes, it was proposed that a 'medical necessity' requirement be included for the Fund's non-Medicare population. Medicare requires that services be medically necessary. When the Fund pays its secondary share for Medicare enrollees, the claims it pays have been determined to be medically necessary. The trustees discussed the processes the non-Medicare members would need to follow if the medically necessary requirement would be included for their coverage. This change would mainly affect non-Medicare members in the Choice Plus plan who use out of network service providers. Such members would need to contact UHC to determine if the services were medically necessary. If the service was not medically necessary, the claim would not be covered and the member would be obligated to pay the provider. The trustees discussed that the members would need to be informed of this change. It was suggested the change could be provided in the open enrollment materials or by other means.

The trustees also addressed the need to have some parity between the subsidies provided for non-Medicare and Medicare enrollees. The subsidy for the non-Medicare enrollees should be decreased so that it is consistent with the subsidy provided for Medicare enrollees. It was discussed that the decrease in the subsidy for non-Medicare enrollees should be gradually phased in over a three year period. The trustees recognized that future committees or Boards shall be bound by their intention to provide for a gradual decrease over a three year period, however, should they elect to discontinue the phased-in decrease, action by future Boards would be necessary.

The trustees also discussed other plan changes as presented by Segal regarding deductibles, mail order and retail prescription drug co-pays and the annuitant and survivor cost shares. Following a discussion of various changes to the plan, the Committee proposed that the following recommendations be made to the Board:

It was moved by Trustee O'Rourke and seconded by Trustee Goode that the Committee recommend that the Choice Plan and Choice Plus Plan be amended to provide for a decrease from current levels of the Fund subsidy for non-Medicare participants to be phased in over a three year period, such that the subsidy shall be 38% as of January 1, 2023, with an approximate equal decrease in the subsidy in each of the three years.

Roll Call Vote:

AYES: Blair, Goode, Hughes, McFadden, O'Rourke

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee O'Rourke and seconded by Trustee Goode that the Committee recommend to the Board that the Choice Plan and the Choice Plus Plan be amended effective January 1, 2021, to provide that:

- medical necessity criteria be required for non-Medicare participants, including all buy-up programs;
- the deductible for the Choice Plus Plan be increased to \$500 single/\$1,000 family for in-network services and that the deductible be increased to \$1,000 single/\$2,000 family for out-of-network services;
- the Choice Plan and the Choice Plus Plan be amended to increase the 30-day retail prescription drug brand copays to \$45 for formulary medications and to \$70 for non-formulary medications;
- the Choice Plan and the Choice Plus Plan be amended to increase the mail order and CVS 90-day retail brand copays to \$90 for formulary medications and to \$140 for non-formulary medications and the non-CVS pharmacy to \$135 for formulary medications and \$210 for non-formulary medications;
- the Choice Plan and Choice Plus Plan be amended so that the annuitants' and survivors' cost-share for Medicare participants be set at 62% so long as there are no decreases in applicable rates from the prior year.

Roll Call Vote:

AYES: Blair, Goode, Hughes, McFadden, O'Rourke

NAYS: None

Vote Result: MOTION ADOPTED

The Committee also discussed the need to continue to provide some credit for those members who are not eligible for Medicare Part A based upon either their own contributions to Medicare or their spouse's contributions. It was considered whether the discussion of this credit and the amount to be allowed should come before the Retirement Board.

It was moved by Trustee O'Rourke and seconded by Trustee Blair that the consideration of any credit to be extended to participants who are not eligible for Medicare Part A be presented to the Retirement Board.

Roll Call Vote:

AYES: Blair, Goode, Hughes, McFadden, O'Rourke

NAYS: None

Vote Result: MOTION ADOPTED

4. Review and Consideration of Outcome Coalition of Chicago Municipal Agencies RFP and Consideration of Medical Plan Administrator of 01/01/2021

It was reported that the RFP process conducted by a Coalition of Chicago Municipal Agencies for a medical plan administrator had been concluded and that Blue Cross/Blue Shield of Illinois ("BCBS-IL") was the successful candidate. The Fund had participated in the RFP process as a member of the coalition, but was not required to select BCBS-IL as its administrator, even though other municipal agencies were likely to do so. The responses that UHC, the Fund's current administrator, had provided to the RFP were favorable to retiree plans and its services were offered at competitive rates. The rates proposed by the responders were to be effective as of January 1, 2021, but the trustees discussed whether the Fund could reach out to UHC and ask them to extend the time period for which the rates and terms proposed under the RFP could be accepted. The Fund might consider conducting its own RFP for a medical administrator in 2022 or later.

It was moved by Trustee McFadden and seconded by Trustee Goode that Segal and Fund staff be authorized to contact UHC to negotiate terms of a potential multi-year renewal with UHC, beginning on January 1, 2021.

Roll Call Vote:

AYES: Blair, Goode, Hughes, McFadden, O'Rourke

NAYS: None

Vote Result: MOTION ADOPTED

5. Communication from CVS regarding Livongo Relationship

The Executive Director reported that CVS had notified the Fund by a letter dated July 13, 2020, that it would no longer provide a diabetes management program through Livongo. She stated that while the Committee recommended that the Board approve a diabetes management program offered by Livongo in 2019, the terms of the engagement had not been finalized and the program was never offered to the Fund's annuitants. CVS had advised in its letter that it would present a program for diabetes management that would be targeted to those members who were most likely to receive a clinical benefit from the intervention rather than to the entire diabetic population.

It was moved by Trustee O'Rourke and seconded by Trustee Goode that the Committee consider, following further due diligence by Fund staff and vendors, alternative diabetes management programs that could be offered to the members.

Vote Result: MOTION ADOPTED BY VOICE VOTE

6. Old Business/New Business

There was no old business or new business discussed.

7. Adjournment

It was moved by Trustee O'Rourke and seconded by Trustee Goode that the Health Benefits Committee meeting be adjourned.

Vote Result: MOTION ADOPTED BY VOICE VOTE