



**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 August 24, 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 and 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 Jatiko; Bill Kouruklis and Dennis White.

Non-Committee Trustees Present: Joseph Nevius.

Staff Present: Nickol Hackett, Executive Director & CIO; Jane Hawes, Senior Manager of Health Benefits; Rachele Howliet, Senior Health Benefits Specialist; Tonya Jackson, Health Benefits Specialist.

Others Present: Christopher Heppner, Daniel Levin and Jessica Streit, Segal Consulting.

Review and Consideration of July 20, 2017 Health Benefits Committee Meeting Minutes

Trustee McFadden moved to approve the July 20, 2017 minutes, Trustee DeGraff seconded the motion. The motion was approved.

Administrative Report

Jane Hawes gave a preliminary review of oncology drug utilization in 2016 and reported Medicare members accounted for 85% of dollars spent on the top oncology drugs. The Committee asked Ms. Hawes to provide additional information, including drug name and average cost by claimants.

Segal Financial Rate Review and 2018 Plan Design Recommendations

Dan Levin presented projected medical and pharmacy expenses for 2018. Annuitant and Survivor costs are projected to total \$108,052,308 which represents a 6.4% increase from 2017 projected expenses. Overall market trend for plans similar to the Fund is about 8%.

The 2018 projections include medical and pharmacy trend; reflect the Fund's actual plan expense through June 30, 2017, and include savings estimates from the EGWP program. Mr. Levin noted that pharmacy expense projections for 2017 were based on the RDS subsidies only and did not include additional EGWP savings. The \$4.7 million EGWP subsidies received by the Fund year-to-date are factored into the premium rates for 2018. The Committee discussed the impact of projected cost increases and EGWP savings on the Annuitant, Survivor and Fund's cost share percentages.

A motion was made by Trustee McFadden to recommend the Retirement Board increase the cost share percentage by 2% for Annuitants and Survivors for 2018. The motion was seconded by Trustee White.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

Mr. Levin confirmed EGWP program members are paying lower copays for some generic and brand drugs due to the way CVS adjudicates members' claims. EGWP members pay 25% of the drug cost during their Initial Coverage Gap period, however, CVS currently adjudicates claims to pay the lesser of 25% of the drug cost and the Fund's copay. This results in members paying less than the copay for approximately 90% of generic drugs that cost less than \$40, and for the approximately 40% of brand drugs that cost less than \$140. Segal recommends the Fund require CVS to administer the prescription drug copay as communicated to members. The Committee asked Segal to gather additional information from CVS.

Based on benchmarks of hearing aid benefits for five Chicago retiree plans, Segal does not recommend any enhancements to the hearing aid benefit at this time. The Committee requested clarification of the way UHC pays out-of-network hearing aid benefits and information about in-network providers.

Segal made a recommendation to equalize the Choice Plus urgent care facility benefit by reducing the out-of-network coinsurance to 15% in order to align with the design of the emergency room benefit. Mr. Levin stated that making this change would not impact proposed 2018 rates.

A motion was made by Trustee McFadden to recommend the Retirement Board change the Choice Plus out-of-network urgent care benefit from a 40% co-insurance per visit to 15% coinsurance. The motion was seconded by Trustee White.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

United HealthCare's proposed administrative fee increase of 3% was discussed. The Committee asked Segal to quantify reasons for the rate increase and directed Ms. Hawes to participate in fee negotiations with UHC.

Adjournment: Trustee DeGraff made a motion to adjourn, Trustee White seconded the motion. The motion was approved.