



**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**

Minutes for the March 13, 2018 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; Robert DeGraff; Bill Kouruklis.

Staff Present: Nickol Hackett, Executive Director & CIO; Jane Hawes, Senior Manager of Health Benefits; Rachelle Howliet, Senior Health Benefits Specialist; Tonya Jackson, Health Benefits Specialist; Margaret Fahrenbach, Legal Advisor (present for BCBSIL billing discussion)

Others Present: Daniel Levin, Dorothy Stawiarski, Thomas Wyszomirski, Segal Consulting.

Public Comment

Chairman Fitzgerald asked if anyone present would like to address the Committee. There being no public comment, the meeting continued.

Review and Consideration of September 21, 2017 Health Benefits Committee Meeting Minutes

Trustee McFadden moved to approve the September 21, 2017 minutes, Trustee DeGraff seconded the motion. The motion was approved.

Administrative Report

Jane Hawes reported that, due to contract terms, the Fund has been unable to engage the services of a medical review organization for second level appeals. Ms. Hawes asked for direction on how to proceed with a final determination on a pending appeal. The Committee suggested approving the appeal if Medicare covers the procedure. Ms. Hawes was directed to research Medicare and other insurance carriers' coverage and brief the Retirement Board at the next meeting.

Margaret Fahrenbach and Ms. Hawes provided an update on the BCBSIL billing issue. Ms. Fahrenbach stated that external counsel, Burke Burns and Pinelli, has recommended sending BCBSIL a letter requesting BCBSIL documents substantiating the Fund owes \$269,595. The Committee asked Ms. Fahrenbach to send such letter to BCBSIL.

Ms. Hawes reviewed the 2017 health benefits expenses paid by UnitedHealthcare and CVS/Caremark. The process for approving vendor administrative credits was discussed and it was agreed the Senior Manager of Health Benefits would continue to approve and report expenditures, up to a limit of \$10,000.

Ms. Hawes reported that CMS has terminated some Medicare eligible members' Part B coverage due to lack of payment. Rachele Howliet explained that Medicare eligible members need to maintain enrollment in Part B in order to avoid paying Medicare's portion of a claim. The Committee instructed the Health Benefits team to send members additional reminder letters encouraging them to re-enroll before the March 31st deadline.

Ms. Hawes confirmed the Segal contract has been signed.

Health Benefits Committee 2018 Planning

The calendar of meetings and agenda topics was reviewed.

Segal Consulting Report

Dan Levin presented an analysis of coverage options for Medicare-exempt members and discussed cost effective alternatives for covering the rising health care costs of this group. Mr. Levin described the costs for late Medicare enrollment and the savings potential to the Fund if Medicare-exempt members were enrolled in Medicare.

Mr. Levin presented and discussed four alternatives for covering the Medicare-exempt members, and outlined a range of options evaluating the penalty structure associated with Medicare Parts A and B and potential mitigants. He presented annual savings projections ranging from \$842,000 to \$3,900,000 for the different alternatives.

After the Committee discussed the coverage options and cost implications, Chairman Fitzgerald asked for outside counsel's thoughts on whether there is a constitutional problem with Segal's recommendation.

Comparison of 2016 RDS and 2017 EGWP Experience

Mr. Levin presented financial data comparing estimated 2017 RDS costs to actual 2017 EGWP experience which showed savings of approximately \$5.2 million as a result of the move from RDS to EGWP. Mr. Levin pointed out these savings would have been about \$6.4 million if there had not been a reduction in member cost share due an error in the claims adjudication logic. He stated that despite these EGWP savings, the Fund's Medicare prescription medication cost in 2017 was only a slight decrease from 2016 due to an 8.7% increase in the number of health plan members and a 9.7% increase in net prescription costs.

Pharmacy Benefit Manager RFP

Ms. Hawes gave an update on the Chicago Municipal Agencies Coalition RFP for Pharmacy Benefit Manager (PBM) RFP. The City of Chicago is the lead Agency for the Coalition which, in addition to the Fund, includes Cook County Government, the Chicago Transit Authority, the Chicago Park District and City Colleges. Ms. Hawes reported that the selected vendor is required to offer the same rates to each Agency for a January 2019 or January 2020 effective date. The Committee discussed the timeline for making decisions if the Fund wishes to access the selected vendor's rates for 2019.

Adjournment

Trustee DeGraff made a motion to adjourn, Trustee Kouruklis seconded the motion. The motion was approved.