



**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 August 21, 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); Robert DeGraff; Diahann Goode; Patrick McFadden.

Staff Present: Dennis White, Interim Executive Director; Jane Hawes, Director of Health Benefits; Rachelle Howliet, Senior Health Benefits Specialist; Tonya Jackson, Health Benefits Specialist; Bravetta Hassell, Senior Communications Specialist; Saron Tegegne, Comptroller.

Others Present: Daniel Levin, Dorothy Stawiarski, and 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 July 12, 2018 Health Benefits Committee Meeting Minutes

Trustee McFadden moved to approve the July 12, 2018 minutes, Trustee DeGraff seconded the motion. The motion was approved.

Coalition of Chicago Municipal Agencies Pharmacy Benefit Manager RFP

Jane Hawes reported that the Coalition of Municipal Agencies selected CVS/Caremark for pharmacy benefits management services because they proposed the strongest price proposal with improved

rebates. Since CVS is the incumbent, the Fund will incur no implementation costs or disruption to members. Segal is in the process of evaluating CVS's improved pricing. CVS has been asked for rate relief for EGWP contract terms and for additional administrative credits to pay for a diabetes management program.

Trustee McFadden made a motion to authorize Ms. Hawes to negotiate a new EGWP agreement as part of rate negotiations for the commercial pharmacy plan. Trustee Goode seconded the motion and the motion was approved.

Segal 2019 Rate Review and Premium Setting

Dan Levin presented projections for the Fund's medical and pharmacy costs for the period January 1 through December 31, 2019. Mr. Levin explained that the projections combine Medicare and non-Medicare members' estimated total cost for both the Fund and annuitant/survivor share. The projected costs for 2019 include savings from legislative changes which impact the EGWP in 2019 and have a favorable impact on Medicare members. Mr. Levin stated that the cost projections do not yet include any savings from the new CVS pricing terms for the pharmacy benefit plans.

Mr. Levin reviewed the estimates of plan enrollment by contract; by UHC Choice and Choice Plus plans, and by age, and explained how these factored into the aggregate 2019 projections. Mr. Levin concluded there would be a 2.8% increase in the estimated annual non-Medicare costs for 2019 and a 10.2% reduction in the Medicare cost which amounts to an overall 3.4% decrease in annual costs.

Mr. Levin and Thomas Wyszomirski interactively modelled 2019 participant premiums and cost share percentages to demonstrate different potential scenarios. The Health Benefits Committee considered the impact of numerous changes to current premiums and agreed to recommend the following rate share percentages for 2019:

2019 Cost Share Percentages for CHOICE Participants			
		Participant	Fund
Annuitant	Without Medicare	52%	48%
	Medicare	55%	45%
Survivor	Without Medicare	39%	61%
	Medicare	42%	58%

2019 Cost Share Percentages for CHOICE PLUS Participants			
		Participant	Fund
Annuitant	Without Medicare	57%	43%
	Medicare	57%	43%
Survivor	Without Medicare	44%	56%
	Medicare	44%	56%

It was agreed that, after the impact of pharmacy plan fee savings are reflected, no rates should be allowed to decrease from their 2018 dollar levels.

Trustee DeGoode made a motion to recommend the Board consider the rate percentage increases after the value of pharmacy plan fee savings have been applied, with the final rates to be rounded up so that every rate is even and at least no-one gets a decrease. Trustee DeGraff seconded the motion and the motion was approved.

Administrative Report

Direct Pay Process Change: Ms. Hawes reported that a pre-pay arrangement for annuitants who pay health premiums directly has been developed in collaboration with the Finance Department. Beginning November 1, 2018, payment is due on the first of the month prior to the beginning of the coverage month with a ten day grace period; coverage will terminate at the end of the month if payment is not received. Moving to a pre-pay system requires a one-time payment of two month's premium. Alternative arrangements will be available for members for whom the double payment is a financial hardship.

Open Enrollment Planning: Postcards announcing the locations and dates of open enrollment events will be mailed to members at the end of September; Open Enrollment brochures will be mailed in late October. Open enrollment runs November 1 thru November 30, 2018. Fairs will be held at three locations during the week of November 5, 2018.

Health Benefits Communications: A summary of benefits communications scheduled for the remainder of 2018 and timeline for mailings was reviewed.

2018 Year to Date Expenses Reimbursed by Vendors: The Committee reviewed expenses reimbursed or pending reimbursement by UnitedHealthcare which total \$25,879 year to date. UHC has agreed to reimburse a further \$70,000 expenses related to open enrollment activities and wellness communications. There are no more CVS administrative credits for 2018 since all three years of credits were used at the beginning of the EGWP contract term.

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