

**Logan County Commissioners Work Session
September 17, 2024**

Present: Mike Brownell, Joe McBride, Jerry Sonnenberg, Alan Samber, Peggy Michaels, Kristan Lange, Debbie Unrein, Marilee Johnson, Rick Cullip, Dave Conley, Kevin Murphy, Jeff McNeilly, Jeff Rice and Jennifer Crow.

Chairman Brownell called the meeting to order at 9:00 a.m.

APPROVAL OF MINUTES FROM PREVIOUS SESSION – Commissioner Sonnenberg moved to approve the minutes of September 10, 2024 as written. Commissioner McBride seconded, and the motion carried, 3-0.

REVISIONS TO THE WORK SESSION AGENDA – There were no revisions.

REVIEW AND APPROVE SCHEDULE OF COUNTY BILLS – The Board met with Kristan Lange to review the Logan County schedule of bills dated September 17, 2024. All bills were approved as presented. Chairman Brownell asked if bills presented for payment by Jerry Casebolt for maintenance of the weather stations were annual billings. Kristen will look into it and let him know.

REVIEW OF THE BUSINESS MEETING AGENDA - No changes were made.

PEGGY MICHAELS COMPUTER SOFTWARE – Peggy Michaels, Logan County Assessor met with the Board concerning proposed GSA computer software for the Assessor’s Office. Alan Samber requested several changes to the contract. GSA agreed to all of Alan’s changes, including a non-appropriations clause to the five-year contract. The current software company requires 30 days’ notice for cancellation of the contract.

Peggy will move forward when she can. She does not foresee that it can be changed until after values are set in 2025 because it is a revalue year. The GSA contract will need to be put on the Commissioners Business Meeting agenda. The contract will be approved in 2024; however, it will not be paid until 2025. Debbie Unrein noted even if the contract is not paid until 2025, the auditors will put the expense back to 2024. There are some contract milestones that will occur in September 2024. The same thing happened when the Assessor went with CIC software a couple of years ago. The first payment will be due in January 2025 and will be conditioned on whether it is appropriated for in November or December this year. Debbie Unrein said that’s how the auditors will look at it, because we’re modified accrual, we’re not cash accounting. Annual maintenance is included in the \$472,000 five-year pricing. After that the annual maintenance will cost approximately \$50,000 per year.

The agreement will be scheduled for the October 1, 2024 Business Meeting agenda.

FAIRGROUNDS – Rick Cullip reported that the situation with the woman who is feeding the cats at the fairgrounds has escalated over the last two days to the point where he made the I Care Sterling Facebook page. Rick stated he was simply trying to get her to pick up her trash. This escalated to her calling the police. The police have indicated to her that he has every right to ask her to stay off the grounds and to pick up her trash. That’s when she went to Facebook with it. Cullip explained that one of his employees had seen car lights at the fairgrounds about midnight Sunday night. He went over to investigate, and it was this woman feeding the cats. He had a conversation with her and told her that she had been asked not to leave her trash and to please not do this. The woman called the police. The officer indicated to her that we were well within our rights and that she could be cited for littering if she doesn’t cooperate.

Cullip reported that employee Gary Stone has been certified for fire extinguisher inspections. He can now inspect and tag all of the portable fire extinguishers. This will be a benefit to the department to be able to do this for all county facilities. This could be done during the off season for other departments as it is quite expensive to have another company do this.

The Mitchek Event Center construction is finishing up. Rick has not heard anything back on the fire sprinklers on the porch. He is not sure why the fire suppression company is dragging their feet. They keep saying they will be there next week. There is a retainage being held that is due to Buildings by Design in the amount of \$114,000 - \$140,000 until the issue is resolved.

Cullip submitted a purchase requisition for a piece of snow removal equipment that he found. It was approved for purchase in the budget for this year, but he had not had a chance to purchase it yet. He found it for half of what one normally goes for. It will fit the Massey tractor or the skid steer. It is 10' wide and will be good for moving a large amount of snow.

Rick Cullip again stated that there is a lot of interest in the new facility. NJC wants to rent it for their Ag banquet April 29, 2025. The Board discussed whether those types of events should be no charge events. There are many times during their events that they want the arena to be worked during the event or throughout the event, which causes us to have an employee on duty to run the tractor and work the arena. We need to visit with them and come to some kind of understanding and say we're OK with providing normal services. When you request over and above, we might need to discuss that cost.

Cullip has had multiple people ask if the department sets up the tables and chairs and then takes them down after the event is over. The Board might be asked to waive the fees for the event, but then after the fees get waived, then the group will come in and want all the tables and chairs.

JUSTICE CENTER SEWER PROBLEMS – Cullip also alerted the Board to extreme issues at the detention center. He has repeatedly tried to discuss this with detention center staff. He showed the Board a picture on his phone of clothing and other items cleaned out of the sewer drain. They have had to completely cut up the floor, remove the line to even get to a section of it to clear the line. Inmates are ripping up their t-shirts and taking batting out of their pillowcases. They're ripping up sections of their mattresses and flushing pieces of them. Inmates are tying stuff together and flushing toilets and tying another piece on to that and flushing again.

Commissioner Sonnenberg asked if the inmates get new t-shirts, pillows and mattresses when they do this. Cullip believes that they get new items. Inmates get brown bag lunches. Cullip asks the detention staff if they are counting to determine if they are getting the correct number of bags/plastic sacks back. He questions whether they are exchanging uniforms for clean uniforms and if they are inspecting the uniforms that are returned. Cullip contacted multiple facilities in other counties, and they all deal with the same exact problem. Most of the other facilities have newer plumbing, newer PVC pipe. It doesn't seem to be as big a problem as the older facilities with cast iron plumbing. They also have more centrally located grinders. The flushed items are allowed to make it to the grinder before they go to the main line. Ours don't even make it that far. Ours is getting stuck in the preliminary lines before it even makes it to an area like that.

Cullip was told that previously, inmates were never allowed to be up on the glass or be close to the glass. Now inmates are peeling the tint off of the glass. They have nothing to do all day but sit and watch the Buildings and Grounds crews snake the drains.

The meeting recessed at 9:35 a.m. and reconvened at 9:50 a.m.

ONE DIGITAL – Jeff McNeilly of One Digital and Kevin Murphy of 39North (39N) met with the Board concerning Logan County's health benefit. Diana Korbe and Debbie Unrein also joined the meeting. McNeilly presented a couple of options for employee health care coverage. One is a brand name coverage Cigna which is coming in under the CHP rates at about a half million in savings from where the County is where renewal is concerned. Kevin Murphy with 39N will be discussing his recommendation. This company is really getting involved with the employer groups to really help with cost containment.

McNeilly gave a comparison of the PPO 2000, the High Deductible Plan 2000 and the High Deductible Health Plan 2500. The side-by-side comparison did not have the actual rates with CHP because he had created his presentation before the county received actual 2025 CHP rates. However, it was created with a 9% increase added to the county's current rates. The Cigna plan is identical to the CHP plan, their PPO plan and their two high deductible plans offer the same deductible for both individual and family plans as well as out-of-pocket exposure and prescription drugs. The current cost for the CHP PPO 2000 individual plan is \$1,063 per month and the Cigna PPO 2000 plan would be \$940 per month for the employee only. The County is on a two-tier rate plan right now with CHP, for the individual rate and family rate. Moving to Cigna or to 39N there is a four-tier rate.

Cigna is giving the County \$178,000 in addition to the actual premium savings for the transition. It's an \$84,000 transition credit to help through the move. If the county bundles their dental and vision with them, it's an additional \$20,000. There is a pool of money which is the claims money. With Cigna, if you have any money remaining in that claims bucket, they will refund 67% of whatever your surplus is for that year. 39N returns 100% of claims surplus.

McNeilly was not sure if every local doctor is in the Cigna network. He will research to determine what local doctors are in the network. He suggested probably over 98% of local doctors are in the Cigna network and thought that would be true for 39N as well.

In 39N, they tried to match the programs as best as they could, the Gold 3T plan compared to the CHP PPO B2 plan the best. It's actually a \$1,000 deductible vs. a \$2,000 deductible. Family is \$2,000 deductible vs. a \$4,000 deductible. Out-of-pocket maximums are \$4,000 single, compared to \$5,250 and \$8,000 family compared to \$12,000. The doctor visit copay is \$35 for primary, and \$75 for specialty. Prescription medications using Anthem on CHP, is a copay or a percentage, whatever is higher. With the 39N plan, it is strictly just a copay depending on if it's a generic, brand name, non-preferred brand, or a specialty drug. Employees will know the cost of what they would be paying for those drugs at the time of the dispense. The cost for employee-only plan is \$1,063 per month on CHP. The 39N employee-only plan costs \$870 per month for the Silver 3T plan. He wanted to show this plan to the Commissioners, knowing that the County contributes \$2,000 into a health reimbursement account for employees. The 39N Gold 3T plan, with a smaller deductible, less reimbursement could be additional cost savings back to the county. Typically, what they find is that only 30% of employees actually maximize their health reimbursement accounts.

The 39N high deductible plans are compared to the HDHPs that county employees are offered through CHP. They do have some higher out-of-pocket exposure, but it is considerably less than what the County is being offered with renewals. 39N is literally putting that money right back in to ensure the least out-of-pocket premium for employees if the county were to make the transition. They do provide 100% surplus. If the county has a good claims year, there will be money remaining in the claims bucket. 39N will return 100% of the claims bucket surplus for that year. If there is no surplus at the end of the year, whether it's Cigna or any other carrier, there will be no money back and there will be talk about higher renewal increases because the claims loss didn't run very well.

39N is helping employers in the State of Colorado control costs based upon their direct contracting with the facilities in Colorado. Claims are run through their First Health Network, Aetnas, a national network. There are 98.5 percent of the same doctors and facilities participating with First Health. If employees go to one of 39N's preferred facilities, everything that is shown, other than the high deductible health plan, because they can't do first dollar coverage on the HDHP, employees are going to have a diminished out of pocket, if not entirely waived out of pocket, copay and deductible.

Kevin Murphy explained the prescription drug program for 39N. There are over 800 commonly prescribed generic drugs that are free to every member. Then there are copays for prescriptions that are zero, \$50, \$100 and

\$150 for brand name drugs. They also have mail order programs as well. Many other pharmacies across the country are in their network.

They have contracts with all Banner Health facilities and Sterling Regional Medical Center, all deductibles are waived with primary care, surgeries and specialty is a \$0 copay. All of that is free for members. They are employer conscious with their rates, but they are also member focused, because on a lot of health plans that are out here, not too many people have \$3,000 - \$8,000 sidelined to put down if something happens.

Banner Health is an investor in 39N as is Advent Health System and Common Spirit. Anywhere in the country, where there is a Banner Health facility, or Common Spirit or Advent Health, the services are free. UC Health would be subject to the \$1,000 deductible and the 20% coinsurance. The MD Anderson Cancer Center in Greeley is also part of their network. McNeilly compared Banner Health facilities' costs for a total knee replacement coming in at \$18,000, compared to a UC Health facility charging over \$60,000 for the same procedure.

People can find out about getting free care by calling an 800 number and getting the 39N concierge service. They will not try to push anybody, but they can direct people to doctors that will provide the free care, otherwise it will cost the \$35 or \$40 copay. For the pharmacy benefit, they use the Direct Care Solutions. They have a massive national network of pharmacies that employees can pick up their prescription drugs from. They also have Direct RX, Insight and Intercept RX. He told about a member using a drug called Ocrevus. The cost of the drug on their former PBM was \$375,000 a year with the member's out of pocket maximum cost at \$9,750 a year with their deductible. 39N worked with Intercept RX on the high price threshold finds the drug and Direct RX of the PBM, they can source the drug directly from the manufacturer. The Ocrevus went from \$375,000 a year to \$90,000 a year, and the member pays nothing for it now.

39N is a Colorado company, they are part of Direct Healthcare Alliance. There's over a million members nationwide in eight states. They have 45 groups they have written in the last 18 months that they have been in business and are continuing to grow. Their third-party administrator is S and S Health out of Cincinnati, Ohio.

If the county has a bad claims year, they will farm out the stop loss to try and get the best rate so you're not getting hit with a 20% - 40% renewal. Generally, with renewals this year, their maximum renewal rate increase was 2.5%, because they control the costs.

McNeilly confirmed that two other counties are moving out of the pool and going with 39N. One Digital is a benefits consultant, if this were to not work out for whatever reason in year two, they have access to everything on the marketplace. At this time, there is nothing proactively being done by CHP to help the counties. Two weeks prior to renewal, CHP asks the counties what they want to do, look at higher out of pocket, or stay the same and pay more, or absorb that as a county or pass that amount on to the employees. McNeilly does not believe that is a very good strategy long term when you're talking about one of your top budgetary items.

Kevin Murphy explained that the Banner Health concierge line helps members make appointments and get priority at Banner, Advent and Common Spirit. There is a chiropractic benefit as well with the \$35-\$40 copay.

Competitive bids were obtained for the group life, dental and vision package. If the county does not go with 39N and goes with Cigna, they also have a package. The plan designs are identical. The calendar year deductible for individuals, or a maximum of three per family and then it's \$180, \$50 with a \$1,500 annual maximum benefit on dental. On the high plan, it's \$1,000 benefit, 50% coverage for orthodontics.

With Cigna, they're coming in 2% higher than where you're at today with CTSI. Several other dental plans were discussed with one being 28% higher, one being 7% lower than the current plan. With the Principal Dental plan, if the employee does not utilize the entire portion of the \$1,500 benefit, they will carry over a portion, if not all

of the benefit into the next year, where it can start accumulating, which the current dental plan does not have. They do have a very strong network here in northeastern Colorado.

On vision insurance, they are coming in 7% higher with Principal which is about \$2 more on a \$14 a month premium. On the group life insurance, with Standard, they were coming in extremely competitive. Principle came in a little bit higher.

McNeilly reiterated the half a million-dollar savings to the county, in addition to what they could potentially save throughout the year and helping control costs year over year and also helping employees. Most Americans are still functionally uninsured, even though they have health insurance, they can't afford to pay their out-of-pocket expenses, so therefore they choose not to see doctors or get the services. Early care and early detection are key and when people are postponing care until they can no longer postpone care, that is a much higher cost to you as an employer of their benefits.

If the Commissioners decided to change insurances, Diana would have a technology team come in to help with the enrollment in their benefits online to educate and communicate and to help enroll employees online. The HR department can later access that system for any information that they need.

Open enrollment people can call and talk to Kevin Murphy and or Jeff McNeilly if they have any questions. Employees can call and ask them to see if they can ask them to talk to their doctors about joining the 39N network.

The County has to let CTSI know if it will opt out of the County Health Pool by October 1, 2024. If the County does opt out of CTSI, open enrollment planning can be conducted in November with plenty of time to get everything implemented. Kevin Murphy would help run the open enrollment meetings as well.

Commissioner Sonnenberg commented that employees would not be able to pay the \$7,000 – \$8,000 out of pocket. There are no doctors outside of the Banner Healthcare network in 39N. Mr. Murphy noted that he would need to look under the First Health or Aetna network. Mr. McNeilly offered to run a list for Commissioner Sonnenberg. McNeilly also noted if they are not going to a 39N doctor, but they are going to a First Health doctor, the employee's worst-case scenario for out-of-pocket on the Gold 3T plan is \$4,000 per year. On the County's current health care plan, county employees have a \$5,250 out of pocket max deductible. Commissioner Sonnenberg listed Dr. Fenton, Dr. Gerk and Dr. Soper as doctors who are not part of the Banner Healthcare network. The UC Health Clinic would be covered exactly the same as the group health plan is covered now with the \$35 copay. Commissioner Sonnenberg also asked about ambulance transfers. Murphy answered that the Bronze plan has a \$250 copay. He will get back with an answer to that on the Gold and Silver plans. Many employees have MASA coverage for ambulance coverage which covers ambulance transports and air ambulance transports at \$14 per month.

The Board thanked Mr. McNeilly and Mr. Murphy for their presentation and will get back to them with a decision soon.

Diana shared with the Board that she was on a CHP call last Thursday where Yuma County shared that they are also looking at changing to 39N. They are not going to be able to pay CHP's increased premiums. CHP added an additional plan and another high deductible plan.

The County's loss ratio is 123% for 2024 and the highest cost claims are cancer and muscular skeletal system circulatory, digestive, infectious or parasitic. Those claims cost the most. The three-year average is 114% but our claims have never gone lower than 109%.

One of the selling points from One Digital was to get eligible employees to go on Medicare instead of staying on the County's health insurance because oftentimes those are more expensive claims due to the age of the

employees. In order to do that, the County would have to do an “in lieu of payment”. Diana brought information on that for the Board. Right now, the highest premium that the county has grandfathered in, and pays is \$540.50, the lowest is \$425.13. This is where the County reimburses the employees. It was not done correctly, however. It was supposed to be on the flex agreement and a certain dollar amount or a flat amount vs. the exact amount.

Diana told the Board how making a change in the health plan would affect her department. Right now, the department is learning a new computer system which is very difficult to learn. The stress level in the office is extreme. She would hate to lose an employee over that. She also wanted to let the Board know that CHP only adjusts one band a year up or down regardless of how bad the loss ratio. Logan County was able to stay in the same band this year, and received the 9% rate increase. Some of the other counties, because of their loss ratios, had to go up a band. You can also go down a band. CHP provides the ACA information which is reported to the IRS. They also take care of the ACA reporting for DHS and the District Attorney’s Office through an import.

The District Attorney’s Office left CHP a couple years ago for lower rates with another insurance and came back within four months because it didn’t pay like they were told it would pay. CHP even honored and carried over their deductibles from the other company which they did not have to do. No other company would have done that.

A couple of employees disputed impacted wisdom teeth being pulled, because it was not processed the right way. It has to be run under medical and not dental. CHP has come in and paid those claims over and above the dental insurance.

Another employee was paying supplemental life insurance premiums for her spouse. He was removed from the individual life insurance due to his age, but the supplemental continued to take that premium. Technically, they could have said, “We’ve continued to take your premium, we will reimburse you. Based on his age here is \$13,000.” CHP honored the original \$20,000 policy and that’s what they paid. The pool allows for exceptions.

If the County stays with CHP, they need to let them know by September 30th. Commissioner Sonnenberg noted he does not have enough information to make him want to change. Debbie added that Cigna is a good company. The State of Colorado has this company for their employees, and they have paid well.

There being no further business to come before the Board, the meeting was adjourned at 11:18 a.m.