

**Scioto County Board of DD Personnel Committee Meeting**  
9-16-2011 in Room 101 of Vern Riffe School

5:22 p.m.

**Attendance:**

Personnel Committee: Mike Thoroughman, Chairman  
Stephanie Childers

Insurance Committee: Jennifer Oakley  
Cindy Newman  
Shonda Maxon  
Melinda Noel  
Laura Womack

Ex Officio: Ben Hollinger, Superintendent

Presenter: Tony Lombardo, McGohan Brabender

**Presentation on Gap Insurance Plans**

What is a gap plan? The gap plan has been presented as a way to help employees cover the cost of deductible on a high deductible health plan.

Mr. Lombardo stated that gap plans are not designed to work with high deductible health plans that are combined with a Health Savings Account (HSA), which is what the Board has had in recent years. To use a gap plan, the Board would have to move back to traditional health insurance product. This would cause instant rate increase.

The gap plan that the Board has already considered does not cover the cost of physician office visits, out patient lab fees, prescription drugs, emergency room visits for sickness, lab x-rays at doctors' offices, chemo or radiation therapy, or medical equipment, or hospital stays for observation. Gap plans generally pay for in-patient services and pay only half as much on outpatient services.

Mr. Lombardo presented a quote on an HSA-compatible gap plan. The cost of it was compared to how much the Board currently contributes to employees' HSAs. Purchasing the gap plan would save the Board money over the cost of the Board continuing to fund HSAs at the current level. He cautioned, though, that the employees would not benefit in the same way especially in regard to the cost of prescriptions and out patient services.

**Alternative suggestion:**

HRA stands for Health Reimbursement Arrangement. Employer buys high deductible and then pledges that they will reimburse employee for a claim that has been incurred. The employee brings in a receipt or bill and the employer cuts a check or reimburses the employee electronically. An administrating company is typically hired to process these transactions.

If saving the Board money is the main goal, Mr. Lombardo recommended an HRA over the HSA/gap plan combination. Based on his projections, the HRA would save the Board over \$400,000 over the HSA only option. There was some discussion on this topic.

Second alternative suggestion:

Mr. Lombardo reminded the Committee that one of the benefits of the HSA was that employees are expected to take a role in shopping around to find the best health care they can, at the lowest prices (consumerism). With the HSA funded at the current high percentage, this may not be happening.

To get the employee more engaged in consumerism, one approach is to lower the amount of HSA contribution from the employer to 50 percent or below the total deductible. This raises the contribution of the employees toward their deductibles and makes them more likely to do price comparisons.

Third alternative suggestion:

Some combination of HSA and HRA was also discussed. The figures were not available for consideration during this meeting.

Discussion:

- There was some discussion around a 'Tele-Doc' service that could be purchased for employees at a nominal cost.
- Different plan designs that might lower the Board's cost were discussed.
- The impact of the high employee claims was discussed.

Conclusion: The discussion continued for an additional 50 minutes. Mr. Lombardo was to be asked to email additional information. More information was needed on the "Health Pack" option from the Fred Brisker agency. The meeting adjourned at 7:22 p.m.

Another meeting was set for Wednesday, September 21 at 4:00 p.m.

Prepared by Margaret Compton  
Submitted respectfully by:

Stephanie Childers, Recording Secretary