

**MINUTES OF A
WORK SESSION
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
FEBRUARY 16, 2016**

The Jackson County Board of Commissioners met in a Work Session on February 16, 2016, 10:00 a.m., Justice & Administration Building, Room A227, 401 Grindstaff Cove Road, Sylva, North Carolina.

Present: Brian McMahan, Chairman
Mark Jones, Vice Chair
Charles Elders, Commissioner

Chuck Wooten, County Manager
Angela M. Winchester, Clerk to Board
Heather C. Baker, County Attorney

Absent: Vicki Greene, Commissioner
Boyce Deitz, Commissioner

Chairman McMahan called the meeting to order.

(1) SELF FUNDED EMPLOYEE HEALTH PLAN: Stephen H. Harris, PhD, Crescent Health Solutions Business Analyst and Bob Carpenter, Broker-Consultant for the county, were present for this item. Dr. Harris presented:

- (a)** Healthcare quality and value within reach of employers:
 - Self-funded health plans:
 - Employer controls the Plan design
 - Employer pays medical and Rx claims
 - TPA (third party administrator) administers the Plan
 - Reinsurance limits risks
- (b)** Employer consultants providing clients with:
 - Day to day support with communications
 - Analysis of Plan performance
 - Research and advice on regulatory issues
 - Vendor performance reviews
 - Review of contract language and terms
 - Plan options
- (c)** Reinsurance more options within reach:
 - WNC fully insured options – three
 - Reinsurance options – many:
 - Crescent current contracts – 5
 - Approved underwriters – 12
 - Crescent shops reinsurance every year
 - Crescent does not add commission
- (d)** Reinsurance understanding within reach:
 - Reinsurance also called stop loss: specific, aggregate
 - Attachment point: aggregate factors, aggregate corridor
 - Contract term: accumulation period for incurred and paid
 - Lasers: individuals with different deductibles
- (e)** Reinsurance controlling risk:
 - Specific deductible:
 - Covers the Plan, not the members

- Protects the Plan from large dollar cases
 - Sets the maximum liability for any member (Jackson County specific deductible = \$100,000)
 - Employer selects level of coverage
 - Employer selects contract term
- (f) Reinsurance controlling risk:**
- Example: Specific deductible of \$100,000:
 - Plan is only responsible for a member's claims up to the member's \$100,000 deductible
 - If one member has annual claims of \$180,000, reinsurer will reimburse Plan \$80,000
 - Aggregate stop loss:
 - Limits the Plan's total claims liability
 - Deductible level set by the carrier
 - Attachment Point = Maximum Claims Exposure
 - Actuarial projection of expected claims plus 25%
 - Employer selects contract term
- (g) Accumulation Period Contract term:** The time period for the contract and during which eligible claims accumulate toward both the specific and aggregate deductible and reimbursement.
- Example: 18/12
 - Claims incurred during these 18 months
 - Claims paid within these 12 months
- (h) Insurance vs Reinsurance:**
- Insurance Employee Benefit Plan:
 - \$1250 Deductible
 - \$4250 Max out of pocket
 - Deductible = Calendar year
 - \$25/\$50 Copays for visits
 - \$4/\$45/\$60 Copays for Rx
 - Jackson County Reinsurance Contract:
 - \$100,000 Specific deductible
 - \$4,600,000 Attachment point
 - 18/12 Contract
 - Incurred Nov 2014 – April 2016
 - Paid May 2015- April 2016
- (i) Lasers:** Individual members with abnormal health risks assigned a higher specific deductible. Example: Member A is currently being treated for cancer if reinsurer assigns a \$200,000 deductible employer is responsible for first \$200,000 for this member's medical and Rx expenses
- (j) Reinsurance Controlling Risk: Transplant carve out:**
- Limits the Plan's exposure
 - \$5000 deductible
 - Proprietary network
 - Best outcomes for patients
 - Best value for patients and county
- (k) Why Self-Funding – keeping benefits within reach:**
- Retaining “profits” in house
 - Plan design management and flexibility
 - Improved reporting and management
 - Reaping rewards for wellness programs
 - Complete financial transparency
 - Ownership of all data
 - Reduced administrative costs
 - No premium Tax (2%)

- Subrogation
- (l) Member satisfaction within reach:
 - Less work for administrators
 - Better communications
 - Personal attention to members
 - Improved customer service
- (m) Why Crescent – partnering with the county:
 - No increase in Admin costs since 2011 inception
 - Reduced Admin Costs (now <2.5% of total)
 - Admin costs guaranteed through April, 2018
 - Shopped reinsurance every year - fixed costs for 2015 almost \$200,000 below 2011
 - Provided ad hoc reports and support no charge
 - Providing ACA compliance reports at cost
- (n) Why Crescent – continuous improvement:
 - Upgraded claims processing system
 - Integrated system with electronic claims filing
 - Moved all health management to conifer for
 - Data storage and analytics (5 years stored)
 - Clinical monitoring quality standards and protocols
 - Achieved URAC accreditation
 - Completed SAE 16-SOC 70 Type 1 audits
 - Found new network discounts
- (o) Integrated Services:
 - Third party administration:
 - Claims Administration
 - Reinsurance
 - Regulatory Compliance
 - COBRA HIPAA Administration
 - Plan Design/Modeling
 - Data Support to HM
 - ACA Support
 - Network services:
 - 4000 Providers
 - Provider Relations
 - Contracting
 - Credentialing
 - Messenger Model
 - Client Services to all Stakeholders
 - Health management:
 - Data Mining/Analysis
 - Precertification
 - Concurrent Review
 - Case Management
 - Disease Management
 - Health Risk Assessments
 - Pharmacy Benefits:
 - Data to Support HM
 - Plan Design/Modeling
 - Reporting/Analysis
 - Cost Management
 - Prior Authorizations
 - Step Therapies
 - Medicare Part D Support

(p) Health risk assessments – prevention within reach:

- Know Your Number provides knowledge and metrics to:
 - Employees:
 - Reports of individual, disease-specific risk
 - Modifiable risk quantification and guidelines for risk reduction
 - Employer:
 - Population risk profile
 - Prediction of future disease and cost burden
- Crescent provides action and prevention through:
 - Disease management nurses for diagnosed patients
 - Integration with the Health department and Wellness programs

(q) Why Crescent – planning for the future: During the past three years Crescent’s leadership and board have worked constantly to ensure that Crescent remains a viable, valuable entity. Their recent partnership with Duke Life Point (owners of Harris Regional, Swain, Haywood, and Rutherford Hospitals), is designed to assist in development and support of a Clinically Integrated Network. Through this association Crescent will be able to provide Jackson County (and other employers who self-fund group health plans) with Value-Based contracting opportunities previously unavailable in Western North Carolina.

(r) Crescent offers - health solutions:

- Helping Jackson County become a better:
 - Steward of Employee Health
 - Protector of County Finances
 - Investor in Healthcare

Chairman McMahan stated he thought the county had a good insurance plan as compared to others. However, several employees informed him of issues they had with regards to their prescription medications, what was being covered and what was not being covered. Also, with obtaining a full month’s quantity of the needed medications. The problems employees have encountered could potentially cause other health issues.

Dr. Harris stated that about a year ago, they changed pharmacy benefit management companies. On July 1st they started using the new pharmacy benefits manager, which used the FDA guidelines that has standard quantity limits. They did not have to use the FDA guidelines, but as a group decided they would adhere to the guidelines, which did cause most of the issues. It did impact a defined number of employees and they went through certain steps to deal with the issues.

Since then, through communications with the employees, the medical community and Crescent’s chief medical officer, some employees have been approved for the drugs, some tried something different options off the shelf and it is working fine. Since mid-January, the number of phone calls had decreased dramatically. They work with the physician, patient and their medical doctor to reviews the guidelines and specific situations to help the doctor do what they think is best and they all agree on an evidence based medicine protocol, which takes some time to work through. Also, a lot of issues had to do with evidence of PPI drugs being linked to serious long-term side effects. He urged employees having issues to call Crescent direct to work to resolve any issues they may be having.

Informational item only.

(2) FUTURE REVALUATION SCHEDULE AND BUDGET: Bobby McMahan, Tax Administrator and Darlene Fox, Finance Director, presented Revaluation 2021 Budget Plan:

Pursuant to G.S. 153A-150, hereby submitted to the Board of Commissioners, the budget plan for the reappraisal of real property as required by G.S. 105-286. The reappraisal cycle has been scheduled for five years. The reappraisal of real property will become effective July 1, 2021.

The revaluation staff currently consists of five Appraiser I positions. Seventy percent of the salaries are related to reappraisal. Thirty percent will be charged to the Tax Assessment budget for work relating to appraisal of new construction and other duties not deemed reappraisal. The reappraisal will be performed in house with some outside contracted services during selected months of the cycle.

The estimated total reappraisal cost is \$1,752,500. The estimated number of parcels is 44,000. The estimated cost per parcel is \$39.83. The amount of the budget reserve shall be \$1,752,500. It was proposed that \$350,500 be budgeted for the fiscal year of 2016-2017. The remainder of the reserve shall be appropriated each year of the reappraisal.

FY 2016-2017	\$350,500
FY 2017-2018	\$350,500
FY 2018-2019	\$350,500
FY 2019-2020	\$350,500
FY 2020-2021	\$350,500
TOTAL:	\$1,752,500

Informational item only.

(3) GLENVILLE COMMUNITY CENTER: Carolyn Franz, Chair of Glenville Communities, Inc., and Ralph Campbell, President of the Glenville Community Center presented:

(a) Glenville Community Center:

- Began life as farmers co-op for Hamburg cabbages
- Farmers sold building for \$1 - community events and needs
- Community Development Club raised funds for fire truck. Garage doors visible today
- Thrift Store operation-helped community with low cost clothing and provided funding for community needs

(b) Renewal Project:

- Glenville icon
- Hub for all residents
- Builds on history, family and other communities
- \$65K spent in past 4 years – ADA compliance, inside remodeling
- Expansion and renovation

(c) Glenville Future:

- Provides Glenville with a community meeting area
- Space for 100 - Phase II
- Depts./Health, Fire, Voting, seniors, boys and girls
- Thrift store improvements in facilities and logistics
- Showcase facility in Glenville Village business area

(d) Project Costs – Phase I Estimates:

- Brick stone walkway \$3,600
- Board and baton siding \$5,000
- Stone base of building \$5,000
- Windows, meeting room \$4,000
- Windows, shop and eyebrows \$1,500
- Mural removed and reinstalled \$600
- Timber elements at midpoint and building \$1,600
- Entry timber frame structure \$12,000
- Fascia and gutters \$2,500
- Parking and lot improvements \$8,000
- New roof \$4,000
- New metal sorting building \$5,000
- Total \$60,300

(e) Phase I Completion end of June 2016

- Critical for seasonal residents to become part of process and renewal
- Thrift store largest revenue months
- Community center available for rental for organizations, family reunions

- Community dedication events planned
 - Dedication of mural by Steve Daniels
 - Dedication of building
 - Auction dinner to raise funds for Phase II
- (f) How to accomplish:
 - David Wallace architect collaboration and donation
 - Donation of labor and materials from Glenville residents and business owners
 - Glenville Communities, Inc. (non-profit) soliciting direct donations from individuals, family trusts, corporate
 - CDC \$10,000 in savings for building
 - Front walkway \$500 and \$200 for tribute pavers
 - County matching fund request for \$15,000
- (g) Report of annual income and expenditures (2013-2015)

Income average	\$39,000
Operating costs	\$14,400
Community Programs:	
Scholarships	\$6,000
Support to community individuals	\$1,600
Community dinners	\$1,500
Other donations	\$4,400

Informational item only.

(4) SHERIFF’S DEPARTMENT: Sheriff Chip Hall and Major Shannon Queen were present during discussions.

(a) Security Cameras: Sheriff Hall stated that a request had been made in the 2015-16 budget for a comprehensive security camera upgrade for the detention center. The aging detention center is utilizing outdated technology to capture video. This has led to a system where some cameras no longer work as designed, recordings are not held long enough to satisfy the state retention schedule of disposal and parts are not available to keep the system running efficiently. The initial request was for \$136,000, which was a low estimate. A couple of companies bid on the project with a low bid of \$251,000. The low bidder was Accurate Controls, which was the installer of the original equipment and their current provider. He requested, that if possible, they be allowed to proceed with the upgrade within the next 60 days, due to the terms of the proposal of the low bidder. If not, he requested this be a high priority going into the FY 2016-17.

Major Queen stated that the upgrade would increase the cameras in the detention center from 48 to 78. Also, a majority of the additions would require an increase in the amount of storage for data.

Commissioner Jones stated that he was a strong supporter of security cameras. This will enhance the safety of the jailers as well as the inmates.

Chairman McMahan requested a quote be obtained to upgrade the existing camera system in the courtrooms as well, so that the systems would be separate, one for the Justice Center and one for the detention area. After they have obtained the additional quote, they can bring the item back to the Commissioners for consideration.

(b) Overtime Pay: Sheriff Hall stated that last year he requested overtime funds so that they could provide overtime pay to some of the officers, which in the past would have had to take compensatory time. Commissioners allocated \$50,000 and it had been a tremendous asset to the citizens of the county. It provided the opportunity to have additional officers available for inclement weather, local government events, sporting events and investigations. As of the end of January, they had used 35% of the funds.

(c) Contracted Services Budget for Housing Inmates: Sheriff Hall stated that recently, they remodeled and repainted the detention center to bring it up to standards. During that time, they had to do off-site housing, which caused a shortfall in the Contracted Services Budget for Housing. This was not the only contributing factor, as they had inmates on out-of-county housing. Ms. Fox indicated they would look at this item when they got closer to the end of the budget cycle and could proceed at that time to correct the issue.

Informational item only.

(5) CULLOWHEE PLANNING COMMITTEE APPOINTMENTS: Mr. Wooten stated that the Cullowhee Community Planning Council was established with the adoption of the Cullowhee Community Planning Area Development Standards Ordinance in May of 2015. This function has been performed by the Board of Commissioners since the adoption of the ordinance. While there has not been any activity to date that would require the Planning Council's approval, the Planning Staff has received interest in a potential Planned Development concept that would require the Planning Council's approval through a quasi-judicial process. While an application is possible at any time, it is believed that it will be a few months before an official application will be filed in the Planning Department.

This does provide the Board with an opportunity to begin discussing potential appointments to the Cullowhee Community Planning Council. The ordinance specifies that the Council shall consist of seven regular members serving 3-year terms. The initial appointments should be staggered. In order to qualify for membership, a potential member must be residents of, own property in, and/or own a business in the Cullowhee Planning Area.

As a reminder, the following were appointed to serve on the Cullowhee Advisory Board during the Cullowhee planning process and ordinance adoption process:

- Myrtle Schrader
- Scott Baker
- Arnold Ashe (Deceased)
- Jeff Brotherton
- Mike Wade
- Mark Lord
- Rick Bennett
- Mike Clark (Resigned)

Informational item only.

There being no further business, Commissioner Elders moved to adjourn the meeting. Commissioner Jones seconded the Motion. Motion carried and the meeting adjourned at 12:24 p.m.

Attest:

Approved:

Angela M. Winchester, Clerk to Board

Brian Thomas McMahan, Chairman