

**RILEY COUNTY LAW ENFORCEMENT AGENCY  
SPECIAL LAW BOARD MEETING  
County Commission Chambers  
115 N. 4<sup>th</sup> Street  
Manhattan, KS  
November 28, 2012 12:00 p.m.  
Minutes**

**Members Present:** Karen McCulloh Loren Pepperd  
Wynn Butler Richard Jankovich  
Dave Lewis

**Absent:** Barry Wilkerson John Matta  
Assistant Director Doehling Captain Fink

**Staff Present:** Director Schoen Captain Hooper  
Captain Moldrup Captain Nelson  
Captain Hegarty

**I. Establish Quorum:** By Chairman McCulloh at 12:00 p.m.

**II. Pledge of Allegiance:** Led by Director Schoen

**IV. General Agenda:**

**A. Public Comment:** None.

**B. Health Insurance Update:** At the November 19, 2012 Law Board Meeting the Board asked Director Schoen to return to them with additional information regarding the health insurance options that are available to RCPD. The Board was provided a spreadsheet featuring options from a number of vendors including Blue Cross/Blue Shield, Preferred Health Systems, Harrington Health, BMI and the State of Kansas. For comparison purposes all the plans were designed to be identical to the Departments current benefit options.

Director Schoen briefed the Board on the partially self funded options provided by Harrington Health. He wished to clarify that the options provided are partially self funded plans strictly for RCPD. Four of the six plans allow for RCPD to join the City of Manhattan in terms of reinsurance, which is not to be confused with RCPD joining the City's partially self funded plan. There exists the potential to achieve savings with a partially self funded plan depending upon which option is chosen. There is also an opportunity to reduce costs associated with the administration of the Departments Medical Reimbursement Plan (MRP) and Cafeteria Plan. Should the Department elect to contract with Harrington Health, and the Board agrees, Harrington Health would take over the administration of the two plans which would result in an approximate savings of \$28,000. Schoen added that he met with Lauren Palmer recently and she confirmed that the City is not interested bringing the Department in under the City's partially self funded plan.

Lewis inquired about the City's history with Harrington Health.

Assistant City Manager Lauren Palmer explained that the City has a partially self funded plan through Harrington Health. Their plan is based off of claims experience which differs across each plan that Harrington Health administers. The City has been fairly consistent with respect to claims history. There have been some years in which the City has experienced an increase in claims, and other years a decrease. The City takes on the risk. That is the nature of partially self funded insurance. A few bad years might cost the City more money than it would if they were on a regular insurance plan. However, in the long run the City gets to keep more of their profit within the partially self funded plan. With regular insurance the profit goes directly to an outside insurance company.

Schoen briefed the Board on three health insurance options offered under the State of Kansas Plan. Schoen commented that there are a number of plans through the State of Kansas; however, not all could be provided to the Board given the sheer volume of possibilities. Administration is still waiting to hear from the State to find out if the plan is available to RCPD, or if statute will need to be rewritten to allow the Department to join. That information will not be available until after their Committee meets on December 10, 2012. Schoen cautioned that should the Department go with the State of Kansas Plan it would be a three year commitment. The commitment would not be an issue if that is the direction the Department is certain it wants to go. It is an issue if the Department wants to move to a partially self funded plan in the near future.

Schoen stated that there were mixed sentiments among the Board at the November 19, 2012 Law Board Meeting regarding whether a vote needed to be taken to approve the Department's health insurance plan, or whether the decision fell within the purview of the Director. Schoen voiced his recommendation that the Board authorize him to enter into any one of the plans to the left of column N, keeping in mind overall costs and benefits to the employees as well as potential savings. At this time if the Board were to ask for a recommendation he would suggest the Preferred Health Systems (PHS) Current Plan 2013 Rate Option A, or Harrington Health Options 1 and 2. Those three options appear to be in the best interest of the taxpayers, employees and the Department.

Schoen said that there are still some unknowns out there. If the Department selects an option other than the PHS Current Plan, Human Resources would be under pretty a strict timetable to get open enrollment completed by the end of the year. Schoen spoke with Robert Langhofer, Vice President of Sales at Harrington Health who indicated that the switch to a partially self funded plan and open enrollment could be completed in time. Schoen stated that it is not always a question of whether or not something can be done, but sometimes it is necessary to feel comfortable about the decision. If he can feel comfortable about the decision in time to get everything done before the end of the year, then he will not have a problem with the selecting one of the two Harrington Health Plans. On the other hand, if he does not reach the stage where he is comfortable, the Department will need a fall back option. If it is the latter, RCPD would likely remain on the PHS Current Plan which will essentially buy the Department a year to prepare for the move to a partially self funded plan.

Butler wished to know how it would benefit the City should RCPD join them in terms of reinsurance.

Palmer said that although she is not certain, it sounds as though the only benefit would be more competitive rates on stop loss premiums. She has not seen the numbers, but there appears to be the potential for some economies of scale. Beyond that there really is no potential for additional savings.

Cindy Volanti, Human Resource Manager for Riley County was asked to comment regarding the County's participation in the State of Kansas Plan. She explained that the County has a more traditional plan with a set cost. Single employees under the plan pay around \$28.00 to \$30.00 a month. The State tries to keep the rates consistent. However, the County did experience a decrease in rates one year and last year they had a slight increase.

Butler said that the wild card will be the changes that will come with President Obama's National Health Insurance Plan. He agreed with Director Schoen that a plan that commits the Department to three years is probably not wise at this time. Butler did not have any major issues with the plans being considered by Director Schoen. He noted that he would prefer to stay away from a plan that has a lower premium for the Department, but drives up costs to employees.

Pepperd echoed the comments made by Butler.

Schoen concurred. If the Department manages to go to a partially self funded plan, one of the top priorities will be to get back some of the employee benefits that were taken away due to the increase in rates which resulted from claims history.

Jankovich moved to provide the Director the authority to establish a health insurance plan based on the recommendation of he and his staff of the most suitable plan (options C through M) on the spreadsheet provided to the Board. Lewis seconded the motion.

Jankovich complimented Administration on their work in drafting an apple to apple comparison with respect to the various health insurance options.

Given the changes to come with the National Health Insurance Plan Butler recommended the Department exclude the State of Kansas Plans from consideration at this time (options C, D and E).

Schoen agreed and stated that while the State of Kansas Plan might not be the best option this year, it may be considered again next year.

Lewis stated that the employees of Riley County have been very pleased with the State of Kansas Plan.

The motion passed 5-0.

**C. Executive Session:** At 12:55 p.m. Butler moved to go in to executive session for the purpose of discussing attorney client privilege not to exceed 5 minutes. Jankovich seconded the motion. The motion passed 5-0.

At 1:00 p.m. the open meeting reconvened.

**D. Adjournment:** Jankovich moved to adjourn the meeting. Lewis seconded the motion. The November 28, 2012 Special Law Board Meeting adjourned at 1:00 p.m.