

Deep East Texas Local Workforce Development Board  
**Executive/Finance Joint Committee Meeting**

February 8, 2011 1:30 P.M.  
539 South Chestnut, Suite 300  
Lufkin, Texas

## MINUTES

**Members Present:**

Garvey Jackson, Chair  
Jerry Whitaker  
Charles Rushing  
Tyane Dietz

**Members Absent:**

Wayne Haglund  
Ellen Mills  
James Mize  
Sue Wood

**Staff Present:**

Rita Fancher, Recording Secretary  
Marilyn Hartsook  
Charlene Meadows  
Linda Mott

**Guests Present:**

None

Call To Order

Garvey Jackson, Chair, called the meeting to order at 1:38 p.m. A quorum was verified. Everyone was reminded of the Conflict of Interest policy.

Public Comments

None.

Information Items

Charlene Meadows reported Renee Barry, Fiscal Consultant, has agreed to extend her time of availability to the Board through September 30, 2011. A contract amendment has been executed at no additional cost.

Discussion/Acceptance

Financial Report and Funds Utilization for the period ending December 31, 2010

Linda Mott presented the monthly financial reports for the period ending December 31, 2010. Some line items in the Statement of Revenues and Expenditures were discussed.

Discussion/Possible Action

Action Item 11-05: Renewal of Health Care & Dental Insurances for Staff

Charlene Meadows presented this action item. She introduced the Board's insurance representative, Karen Robinson of Friesen- Strain Insurance who gave a report on the Board's current insurance plan and the upcoming changes relating to the new legislation's patient and protection act. Charlene said in March 2010 the Board elected to limit the Board's contribution

to the employee only cost at the HSA premium. Coverage is available for dependents at employee cost. The insurance is Blue Cross Blue Shield of Texas through Friesen-Strain Insurance Associates, Inc. The renewal date is March 1, 2011. The long-standing PPO plan was available to staff but they were required to pay the difference in premium. She stated for the coming year, the HSA premium has decreased and the PPO premium increased. Additionally, the new Patient Protection Act has some effect but the major changes will come in 2014. An employer can choose to be 'grandfathered', i.e., keep the current plans with very minimal change to employer contribution allowed. Change to a plan will make it a new plan and subject to all requirements of the Patient Protection Act. This year, the differences are minimal. She stated the Board has several options:

- 1) Renew the current two plans, giving staff the option of which to choose, under the Grandfather provision.
- 2) Renew the current two plans, giving staff the option of which to choose, under the Non-Grandfathered provision, and pay 100% of both employee only premiums and no additional compensation.
- 3) Under the Non-Grandfathered provision, pay the lower employee only premium and staff choosing the higher premium plan would pay the difference.
- 4) Offer only one plan and pay full or partial employee only premiums.
- 5) Put a cap on the Board's contribution and offer a single plan or a choice of two. Staff would pay any amount over the cap.
- 6) Select other plan or plans with different benefits and lower premium(s). For instance, if we raise the HSA deductible from \$2500 to \$3000, the monthly premium goes from \$636 to \$570, a savings of \$66 per person per month. One suggestion by the insurance representative is to go with the HSA higher deductible/lower premium and give each employee who doesn't reach the \$3,000 deductible in the year a \$500 subsidy at the end of the year. However, if \$570 is the Board's cap it will increase the employee contribution for the PPO plan from \$46 per month to \$118 per month, which would be a burden for them and, in my estimation, is not necessary under the Board's budget.

The staff recommends:

- 1) That cost/benefit be the deciding factor. The other differences related to the Patient Protection Act are minimal.
- 2) Prefers option 2 as it gives the most benefit to all employees and fits within the current budget.

Charlene said in order to stay within this year's budget, the cost to the Board should be no more than about \$103,000 – calculated for 13 staff at 12 months. After substantial discussion, Tyane Dietz made a motion to continue to offer the two plans to the staff; increase the HSA plan deductible to \$3,000; cap the Board contribution to the premium at the HSA premium plus \$50. The employee contribution for the PPO will increase to \$68.16 per month. Charles Rushing seconded motion. Motion carried.

Charlene reported the dental coverage was put out for bids by Friesen Strain Insurance. There are two plans to consider: 1) Blue Cross Blue Shield 2) Principal. The staff recommends remaining with Blue Cross Blue Shield. Tyane Dietz made a motion to continue dental coverage with Blue Cross Blue Shield. Charles Rushing seconded motion. Motion carried.

Any time-sensitive item(s) brought for action by the Executive Committee due to another committee's inability to meet and take action

None.

After no further business, the meeting was adjourned at 2:33 p.m.

Transcribed by:

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Rita Fancher, Recording Secretary

Date: February 21, 2011

Approved by:

\_\_\_\_\_  
Garvey Jackson, Chair

Date: \_\_\_\_\_