Saginaw County
Retiree Healthcare Task Force

Retiree Healthcare Task Force Report

January 20, 2016

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Executive Summary

The Saginaw County Board of Commissioners formed a Retiree Healthcare Task Force whose thirty-five (35) appointed members were charged with identifying cost containment opportunities and making recommendations to the Board of Commissioners on how to address its unfunded retiree healthcare liability. (The maximum unfunded liability reached a high of just over $136 million, while the County only holds approximately $15 million in a post-employment health benefits trust fund.) We the members of the Retiree Healthcare Task Force met ten (10) times over the course of the year. The initial meetings were informational to provide us with background information regarding the details surrounding the County's retiree healthcare benefits. The remaining meetings were left for identifying, defining, stating pros and cons for various ideas that we the task force recognized as ways to reduce its unfunded retiree healthcare liability. The ideas were spread across five categories: Alternative Carriers, Education/Wellness/Incentives, Restructure/Plan Design, Existing Actives, and Revenue Options. The final meetings allowed for prioritizing of ideas across 24 members who ranked the items by voting for those that should be considered first, second, and third. Then we voted for an item we did not wish the County to consider.

The items ranking 1st by number selected as the top five picks were as follows:

- Bond first, address cost savings opportunities after to take advantage of current interest rates received nineteen (19) votes or 18.45%.
- Education received twelve (12) votes or 11.65%.
- Offer buyouts to existing Retirees received nine (9) votes or 8.74%.
- Coaching for lifestyle management changes and Preventative Program on certain disease to help controls costs received eight (8) votes or 7.77%.
- Contract locally to service prescription drug program for possible savings on maintenance/generic medications-possibly with a local hospital received seven (7) votes or 6.8%.

Additionally in the Top Ten:

- Coordinate incentives for certain items like obtaining and reducing cholesterol, weight loss, lowering blood pressure. Receiving five (5) votes or 4.85%.
- Look at a Wellness Program for Retirees and offer incentives for doing healthy activities. Receiving four (4) votes or 3.88%.
- Move Drugs to a Part D Provider/Carve out prescription drugs or require Retiree to take Medicare Part D. Receiving four (4) votes or 3.88%.

Receiving three (3) votes or 2.91%.

- Prescription Assistance Programs to assist in lowering cost of medications to Retirees and group
- Evaluate Medicare Advantage plan with Rx (Part D)
- Evaluate need for lifestyle medications and whether or not non-medically necessary prescriptions should be allowed
- Implement a High Deductible Health Plan with Health Savings Accounts for future Retiree coverage versus actual insurance benefit so the future Retirees can save for future Retiree health care costs outside of the County's benefits

The items ranked 2nd choices by number selected with all the top picks receiving four (4) votes or 5.8%:

- Education
- Implement Medtipster

- Separate plan documents for Retirees and Actives
- Voluntary removals from health insurance, depending on when retired
- Labor negotiations for upcoming Retirees
- County Policy – don't hire back Retirees (potential changes in MERS policy and Board policy) all received four votes.

The following received three (3) votes or 2.90%.

- Chronic and Clinical Care Management Programs
- Conduct Health Risk Assessments with incentive offered
- Offer buyouts to existing Retirees
- Changing the traditional plans to PPO to take advantage of network discounts
- Evaluate Medicare Advantage plan with Rx (Part D)
- Review Actuarial Assumptions

The items ranked in the top for the third round of votes showed the following top votes:

- Education received five (5) votes or 8.33%.
- Offer buyouts to existing Retirees received four (4) votes or 6.67%.
- Implement Medtipster received three (3) votes or 5.00%.
- Prescription Assistance Programs to assister in lowering cost of medications to Retirees and group received three (3) votes or 5.00%.
- Look to other employers/spouses/new job to cover Retiree/family with possible opt in at a later date received five (5) votes or 8.33%.
- Changing the traditional plans to PPO to take advantage of network discounts received three (3) voters or 5.00%.

Members were also allowed to choose one option they desired the County not to consider:

- Changing the traditional plans to PPO to take advantage of network discounts received five (5) votes.
- Do nothing, County accept responsibility for costs received five (5) votes.
- Contract locally to service prescription drug program for possible savings for maintenance/generic medications-possibly with a local hospital received three (3) votes.
- Privatize current employees received three (3) votes.
- Evaluate Individual coverage over group coverage received two (2) votes.
- New millage to cover cost of future Retiree healthcare expenses received two (2) votes.

We, the members of the Retiree Healthcare Task Force submit this report to the Saginaw County Board of Commissioners.

Task Force Committee Members' Signatures

Ann Flattery* withdrew from Committee and did not attend remaining meetings

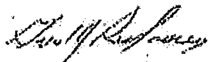
Wade Swalwell did not attend meetings**

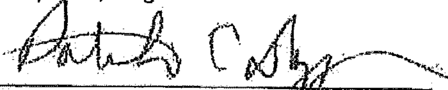
SAGINAW COUNTY RETIREE HEALTHCARE TASK FORCE

January 20, 2016

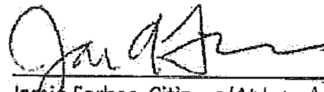
Beth Capen, Union/TPOAM Courthouse

Terry Clark, Judge

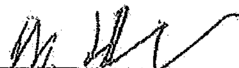

Jerry Desloover, Business/Chamber

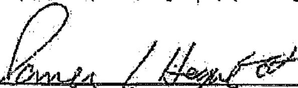

Patrick Duggan, Union/POAM Prosecutors

*
Ann Flattery, Union/UAW

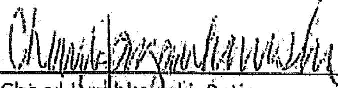

Jamie Forbes, Citizens (At Large)

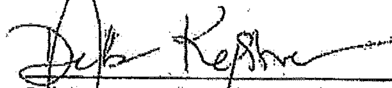
Stephanie Graft, Citizens (At Large)

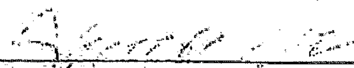

Michael Hanley, Commissioner


James Hogue, Union/POAM Deputies

Craig Irvine, Union/POLC


Cheryl Jarzabkowski, Retiree


Deb Kestner, Citizens (At Large)


James Koski, Retiree

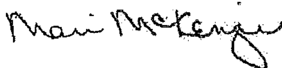
Dennis Krafft, Commissioner

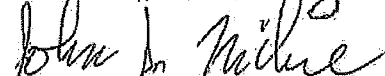
Caroline Lechel, Retiree

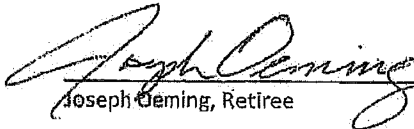
Dennis Lichon, Citizens (At Large)

Kristine Manwell, Retiree

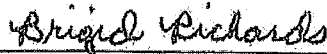
Sue McInerney, Commissioner

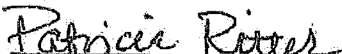

Mari McKenzie, Citizens (At Large)

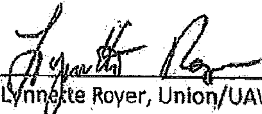

John Milne, Citizens (At Large)


Joseph Oeming, Retiree

Kathleen Packard, Retiree


Brigid Richards, Retiree

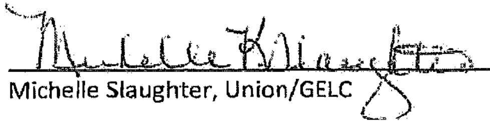

Patricia Ritter, Union/Teamsters


Lynnette Royer, Union/UAW

Carl Ruth, Commissioner

SAGINAW COUNTY RETIREE HEALTHCARE TASK FORCE

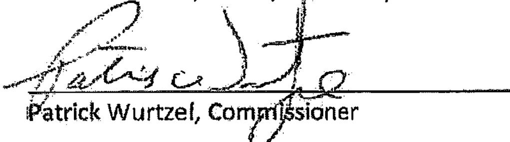
January 20, 2016



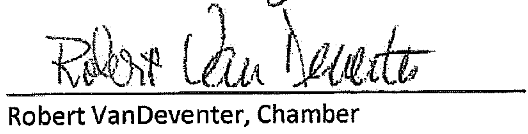
Michelle Slaughter, Union/GELC

**

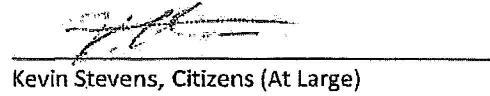
Wade Swalwell, Union/POAM Deputies



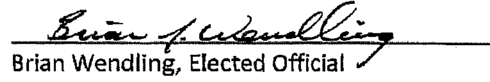
Patrick Wurtzel, Commissioner



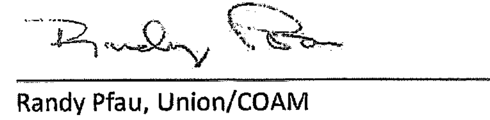
Robert VanDeventer, Chamber



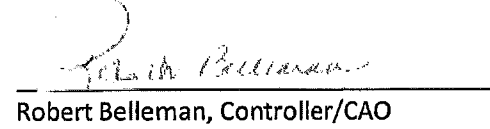
Kevin Stevens, Citizens (At Large)



Brian Wendling, Elected Official



Randy Pfau, Union/COAM



Robert Belleman, Controller/CAO

Background Information

Saginaw County has steadily seen its retiree healthcare unfunded liability rise, with a high of $136.1 million dollars and most recently a slight decrease to $127.5 million, and post-employment health benefits trust fund holding $15 million. With declining general purpose revenue sources and increasing costs, the County, like other public entities is looking for options when considering how to address this unfunded liability.

OPEB Unfunded Accrued Liabilities

Year	Amount
2003	$83,968,301
2005	$80,277,842
2006	$79,209,992
2007	$71,978,765
2008	$83,490,320
2009	$86,957,031
2010	$118,892,005
2011	$124,971,418
2012	$136,190,004
2014	$127,512,197

Saginaw County is currently self-insured with Blue Cross Blue Shield (BCBS) as its third party administrator and network provider for its medical and pharmacy benefits covering both its active employees and retired employees and their dependents. The County also offers a fully insured HMO offering for the active employees. Saginaw County self-insures its benefits with BCBS as the Claim Administrator, Network Provider, and Reinsurance Carrier. This means the County pays claims up to a certain stop loss level plus administrative and stop loss fees, along with other required taxes and fees directly to BCBS. In ~~2018~~ 2020, when the federal government places an excise tax on plans exceeding maximum amounts paid annually for health insurance coverage, the County's plans may exceed allowed maximums. If the County's plan does exceed, there will be a 40% excise tax also known as the Cadillac Tax (Appendix 3 includes the caps). These fees may be passed onto retirees.

NOTE: On December 18, 2015 President Obama signed legislation that will delay the Cadillac/excise tax for two years. The delay of the Cadillac/excise tax is effective for 2018 and 2019, meaning that without further legislative adjustment or repeal, the tax will now be scheduled to take effect beginning in January 2020.

The Cadillac tax, initially set to go into effect in 2018, calls for a 40% excise tax on health plans that exceed certain cost thresholds. Specifically, the law calls for a 40% excise tax on the amount the aggregate monthly premium of each primary insured individual that exceeds the year's applicable dollar limit, which will be adjusted annually to the Consumer Price Index plus

1%. Many employers found their current premiums would exceed the 2018 thresholds ($10,200 for individuals and $27,500 for families) when HSA, FSA, HRA, and other cost-containment measures required by the provision are included in the annual cost calculation. Although the tax was designed to incent employers from offering the most benefit rich plans, in reality the tax would impact a majority of plans, including those that aren't benefit rich and were not intended targets of this provision. The delay of the Cadillac/excise tax will likely bring short term relief to many employer groups, especially those with retiree coverage.

The County currently has seven (7) different retiree divisions with over 422 retiree contracts. Contracts represent individuals, husbands and wives, and/or retiree and their dependent(s) with or without spouses. The County offers coverage to surviving spouses in some cases. Each of the seven plans exists today based upon when the employees retired from coverage and the benefits that were in place at that time. The County is in process of adding one additional retiree division based upon recent changes to active employee benefits.

Retiree benefits are based upon contract language from when an individual retired from County employment. Existing contracts today also provide language as to future retirement benefits for active employees.

The County has implemented changes to its retiree healthcare offerings over the years. The table below indicates the year and what change occurred.

Retiree Healthcare Changes

Date	Event
Prior to 1993	0% Premium for retiree healthcare
1994 & 2014	Implemented and modified premium cost sharing for new retirees (range is between 0 and 20% based upon date of retirement)
1993 – 1999	Cut off dates for only single coverage (employee only) upon retirement
2004	First of 16 unions discontinued retiree healthcare coverage for new hires
2004	Adopted Health Care Savings Plan for those waiving coverage and new hires
2005	Offered a one-time $15,000 buyout of retiree health care coverage to active employees. 180 employees opted out between 2005 and 2013 depending upon the contract language sunset clause
2006-2015	Applied for Medicare Part D Subsidy through CMS each year to assist the County in paying for Medicare eligible members prescription drugs
2008	Offered early out to retire with insurance plans without premium sharing to actives agreeing to retire by a certain date
2010-2011	Applied for and received Early Retiree Reinsurance Program or ERRP monies offered by the Federal Government under the Affordable Care Act. Received minimal reimbursement in 2010 and 2011 for retirees aged 55-64.
2013	Changed BCBS coverage for new retirees from a 1 tier prescription

	drug copay to a 2 tier prescription drug copay, modifying office visit copays as well.
2014	Changed BCBS coverage for new retirees from a 2 tier prescription drug copay to a 3 tier prescription drug copay, modifying office visit copays as well.

On March 17, Robert Belleman, Saginaw County Controller/Chief Administrative Officer, proposed to the Saginaw County Board of Commissioners, and they approved, that a 35 member retiree health care task force be established. The Committee was established to address the long-term cost of retiree healthcare.

Over the course of the next two months, the County asked for commissioners, retirees, active employees both union and nonunion, citizens at large, business/chamber members, and a representative from higher education. In the end, five (5) commissioners, one (1) elected official, one (1) judge, one (1) nonunion employee, nine (9) union employees, six (6) citizens at large, seven (7) retirees, and three (3) business/chamber members were chosen. Applications were accepted for the committee and those appointed were approved by the Board of Commissioners. In addition, the County chose an outside facilitator for the process.

Members were notified of the meeting schedule with all meetings to be held at the Saginaw County Community Mental Health Authority in the A & W Professional Development and Business Center. Meetings were held from 4 pm to 6 pm on a total of ten (10) occasions between June and November 2015.

The members of the Task Force, reviewed details of the healthcare plans and history, costs involved, and heard from various speakers to expand the base of knowledge regarding the complexity of the issue of retiree healthcare costs.

The focus of the initial meetings included education and information about the existing retiree benefits including total cost, benefit design, total contracts, and utilization within each of the divisions. Additionally, a foundation of material was presented and discussed offering insight as to what other entities or groups do regarding health insurance coverage.

Members of the public were notified of the meetings and asked to attend with any comments they may have. They were given an open forum to speak to the members of the committee prior to each meeting.

The Committee was asked to brainstorm ideas, listing pros and cons and ultimately ranking their recommendations for consideration by the Board of Commissioners and legal counsel. Included within this Task Force Report are those options and rankings.

In addition, included as appendixes to this report is the 2014 Actuarial Report (Appendix 1) and the past four years of Retiree Illustrative Rates (Appendix 2). Also included is a comparison of the 2015-16 Rates to the Excise (Cadillac) Tax (Appendix 3).

Committee Members

Commissioners: Carl Ruth, Sue McInerney, Dennis Kraft, Pat Wurtzel and Michael Hanley

Elected Official: Brian Wendling, Public Works

Judge: Terry Clark, District Court

Nonunion: Robert Belleman, Controller/Chief Administrative Officer

Union Members (active employees): Craig Irvine-POLC, Patricia Ritter-Teamsters, Lynnette Royer-UAW, Ann Flattery-UAW, Michelle Slaughter-GELC, Beth Capen-POAM-Courthouse, Pat Duggan-POAM-Prosecutors, Jim Hogue-POAM-Deputies, Kevin Stevens-COAM-Command Officers

Citizens at Large: Deb Kestner, Stephanie Graft, Mari McKenzie, Jamie Forbes, Dennis Lichon, John Milne

Retirees: Jim Koski, Kristine Manwell, Kathleen Packard, Cheryl Jarzabkowski, Joe Oeming, Brigid Richards, Carol Lechel

Business/Chamber Member: Jerry Desloover, Robert Van Deventer

Higher Education: Declined to Participate

Facilitator: Angela Garner, Executive Vice President, Brown & Brown of Central Michigan

Membership Changes during Sessions: Kevin Stevens moved from Union Members to Citizens at Large, Ann Flattery left without replacement, Jim Hogue replaced by Wade Swalwell, Randy Pfau replaced Kevin Stevens .

Attendance Roster

First	Last	Representing	June 17, 2015	June 25, 2015	July 16, 2015	July 30, 2015	August 20, 2015	August 26, 2015	September 17, 2015	October 15, 2015	October 29, 2015	December 17, 2015	January 20, 2016
Robert	Belleman	Controller/CAO	X	X	X	X	X	X	X	X	X	X	X
Beth	Capen	Union-POAM Courthouse	X	X	X	X	X	X	X	X	X	X	X
Terry	Clark	Judge	X	X	X	X		X		X	X	X	X
Jerry	Desloover	Business/Chamber	X	X			X	X	X			X	
Pat	Duggan	Union-POAM Prosecutors	X	X	X	X	X	X	X	X	X	X	X
Ann	Flattery	Union-UAW	X	X	X		X	X	X				
Jamie	Forbes	Citizen at Large	X		X	X		X	X				
Stephanie	Graft	Citizen at Large	X	X	X						X		
Michael	Hanley	Commissioner	X	X	X		X	X	X	X	X	X	X
Jim	Hogue	Union-POAM Deputies	X	X	X	X	X	X	X				
Craig	Irvine	Union-POLC	X		X	X		X		X	X		X
Cheryl	Jarzabkowski	Retiree			X	X	X		X	X	X	X	X
Deb	Kestner	Citizen at Large	X	X	X	X	X		X	X	X	X	
Jim	Koski	Retiree	X		X	X		X	X		X	X	X
Dennis	Kraft	Commissioner	X	X	X	X				X	X	X	X
Carol	Lechel	Retiree	X	X	X	X		X	X		X	X	X
Dennis	Lichon	Citizen at Large	X	X	X	X	X	X	X	X	X	X	X
Kristine	Manwell	Retiree	X	X	X	X	X	X	X	X	X	X	X
Sue	McInerney	Commissioner	X	X	X	X	X	X	X		X	X	X
Mari	McKenzie	Citizen at Large			X	X			X	X	X	X	
John	Milne	Citizen at Large	X	X	X	X	X	X	X	X	X	X	
Joe	Oeming	Retiree	X	X	X	X		X	X	X	X	X	X
Kathleen	Packard	Retiree	X		X	X	X	X	X		X	X	X
Randy	Pfau	Union-COAM								X			X
Brigid	Richards	Retiree	X	X	X	X	X	X	X	X	X	X	X
Patricia	Ritter	Union-Teamsters	X	X	X	X	X	X	X	X		X	X
Lynette	Royer	Union-UAW		X	X	X	X	X	X	X	X	X	X
Carl	Ruth	Commissioner		X	X	X	X	X	X	X	X	X	X
Michelle	Slaughter	Union-GELC		X	X	X	X		X	X	X	X	X
Kevin	Stevens	Union-COAM	X	X	X	X		X	X	X	X		X
Wade	Swalwell	Union-POAM Deputies									X		
Robert	VanDeventer	Chamber											X
Brian	Wendling	Dept of Public Works	X	X		X	X				X	X	X
Pat	Wurtzel	Commissioner	X			X						X	X

X indicates present, and black box indicates absence

Purpose of the Retiree Healthcare Task Force

The Retiree Healthcare Task Force, a 35 member committee, charged with identifying cost containment opportunities and making recommendations to the Board of Commissioners on how to address its unfunded retiree healthcare liability.

Summary of each Meeting by date of Meeting

All meetings were called to attention, with attendance taken, public comments invited, review and approval of minutes, along with discussion items for the day, followed by note of next meeting date, and lastly, a motion to adjourn. Michael Hanley, Saginaw County Board of Commissioners Chairman, chaired the meetings. Robert Belleman, Saginaw County Controller/Chief Administrative Officer, and Angela Garner, Brown & Brown Executive Vice President, provided information and insight as to the County's structure and retiree benefit offerings. Amy Deford, the County's Benefit Manager, took notes and attendance for each meeting.

June 17, 2015

Robert Belleman, Controller/Chief Administrative Officer for Saginaw County, explained the purpose and intent of the meeting. Initial introductions of the task force members were made. Each member was provided with a binder with multiple tabs identified for Agendas, Legal, GASB, Retiree Healthcare Forecast, 5 Year Forecast, Miscellaneous Articles, Local Government Study, and County Analysis. As members of the Task Force, we were asked to review materials presented during the meetings along with self-review of various articles provided.

Michael Spickard, Executive Vice President from CBIZ Retirement Plan Services, explained the data used to perform the work in developing an actuarial report in accordance with current Governmental Accounting Standards Board (GASB) requirements. Alex Johnson from CBIZ reviewed the summary of the Actuarial Valuation that was provided in the Task Force binder for year end December 31, 2014. (See Appendix 1 for a copy of this report) Information regarding the changes in the actuarial report over the years was also provided to us.

Angela Garner, Executive Vice President of Brown & Brown of Central Michigan, introduced herself as the group's facilitator. Brown & Brown is a national employee benefit consulting and insurance agency representing employer groups across the country. She has over ten years' experience in employee benefits in Michigan's public sector having prior governmental work experience as well.

Ms. Garner reviewed material in the Legal tab beginning with the Timeline of the Post-Employment Benefits changes, differences between self-funded and fully-insured plans, Glossary of Health Coverage and Medical Terms, what determines premium costs, breakdown of costs and BCBS fee analysis. She concluded the day's topics by reviewing the information contained under the County Analysis tab.

June 25, 2015

Mr. Belleman reviewed the Post Employment Health Actuarial Assumptions chart for the members of the committee. He also discussed the Graczyk-Dijak Health Account History chart for the years 2003 through 2014. The maximum liability during this time reached a high of just over $136 million, while the County only holds approximately $15 million in a post-employment health benefits trust fund.

Ms. Angela Garner informed the committee about Medicare Part D. Angela reviewed the Retiree Healthcare tab of the Task Force binder as well as the Retiree Illustrative Rates chart of Saginaw County retiree divisions (Appendix 2). She then gave a summary of taxes and fees assessed by the Affordable Care Act. Ultimately, the Affordable Care Act will affect the County's retiree health insurance plans when the costs exceed the caps as outlined under that Act. The Federal Government has identified thresholds wherein if the cost of healthcare exceeds those thresholds, a 40% excise tax (also known as the Cadillac Tax) will be applied by the Internal Revenue Service. Ms. Garner discussed the hand out on BCBS Prescription Drug – Key Indicators for the retiree plans.

July 16, 2015

Angela Garner explained to the Committee what Affordable Care Act Cadillac (Excise) Tax of ~~2018~~ 2020 was and how it will affect the County's medical benefit plans. She reviewed the Retiree Illustrative Rates with Taxes and Fees chart in the Miscellaneous tab of the Task Force binder. Ms. Garner then moved on to the handout PPACA and State of Michigan Impact on Employer Group's Health Plan. She spoke about the items listed on the spreadsheet and what impact it has on fees that are required to be paid by employers.

Ms. Garner continued to the next several topics which pertain to drug counts and formularies. She reviewed the top 50 drugs that are ranked by payment within the retiree divisions. Discussion continued with the Custom Drug List Quick Guide, specifically reviewing division 990 which has a 3-tier prescription drug benefit. She stated how this suffix has step therapy, prior authorization and quantity limits provisions to help contain some of the cost.

At the end of the meeting, Ms. Garner discussed Medicare Part D and the fact that county retirees who are Medicare eligible are not required to enroll in Part D as they have a benefit level that is creditable (meaning at least as good as if not better than what is provided under Medicare Part D). She explained that some Medicare programs require Part D and that there are deductibles and donut holes which can result in out-of-pocket costs to members between different coverage limits. She also reviewed the fact that employer plans, group plans, are different than individual coverage plans.

July 30, 2015

Angela Garner discussed pharmacy programs that could save retirees and the County money. She explained programs like Medtipster.com and how it could benefit the County and retirees via pharmacy copay savings. Handouts were provided and an explanation of how it works.

Additional requests for any questions were asked from us prior to beginning the brainstorming session. We were each provided with a blank document set up with general headings leaving room for any idea that we came up with individually or within small groups. The brainstorming session was noted as open ended and that there were no wrong answers and that any idea was permissible. The document outlined some headings based upon the initial meetings and included Medical, Pharmacy, Education, Early Retirees (those that are not yet Medicare Eligible), Medicare Eligible Retirees, Future Retirees (active employees who are currently eligible for Retiree coverage upon retirement), Bonding; Third Party Administration, and Other Considerations or Miscellaneous Ideas.

Ms. Garner read the purpose of the Task Force that was indicated from the onset of the committee formation. Thorough review and instructions were provided with regard to the brainstorming session for the meeting. We, the task force members, were divided into five groups in order to jointly generate ideas for each topics of consideration. Each group was given one hour and thirty minutes during this initial meeting to brainstorm ideas. We then regrouped and each individual group was asked for their input for each area of consideration. Ms. Garner stated she would tabulate the results and have them available at the next meeting.

August 20, 2015

Ms. Garner created a spreadsheet of the brainstorming ideas from the previous meeting for the committee. The spreadsheet included columns for pros and cons. We, the Task Force members, were given 30 minutes to review the ideas and to add our own pros and cons for each brainstorming idea listed. We then broke up into four groups to come up with a consolidated listing of pros and cons for each item.

August 26, 2015

At this point in the meetings, it was decided that some additional education was needed to review additional topics as identified by the members for further understanding. For this meeting, Ms. Angela Garner reviewed a document on Private Exchanges and the differences between the Individual Marketplace and Private Exchanges and how they work. She reviewed the key features of a private health exchange and that there are hundreds of plan options to choose from, however, when

looking at one employer, typically five to ten are reasonable. It was explained that there are three types of Retirees and the County could offer different exchanges or benefit offerings based upon each group: Pre-Medicare, Medicare Eligible and Split Policies where one contract may have both pre and post Medicare Eligible individuals.

Following the review of private exchanges and the individual marketplace, Ms. Garner reviewed the Pros and Cons from the list of ideas generated from the prior two meetings. Additional comments and feedback were made by our members and adjustments were recorded for the future pro and con document.

September 17, 2015

Mr. Paul Wyzgoski from Dickinson Wright PLLC provided a presentation to our members on the ability to bond out for its retiree health care. Mr. Wyzgoski has worked for more than 20 years in this field and acted as bond counsel on various county borrowings regarding capital improvements and cash flow purposes.

Mr. Wyzgoski set forth the legal requirements of issuing bonds. The Municipal Finance Act (2001 PA 34 or "Act 34") through December 2018 permits a county, village, township or city to issue bonds to pay all or part of the cost of unfunded accrued health care liability. He stated that unfunded accrued liability is the difference between the assets and the liabilities as stated in annual actuarial valuations. He stated that the proceeds of the bonds issued are required to be deposited in a health care trust fund, a trust created by the County, or a restricted fund within a trust that would only be used to pay healthcare costs.

Mr. Wyzgoski also went on to explain the requirements for issuing bonds under Act 34. He listed the four steps: Publications of notice of intent to issue bonds, preparation of a comprehensive financial plan, Michigan Department of Treasury approval and nationally recognized rating agency. Mr. Warren Creamer, R. W. Baird, discussed the outstanding liability to the County if a solution is not found to fund the retiree healthcare liability.

Mr. Creamer discussed the pros and cons associated with bonding the unfunded accrued liability. The presentation discussed the fact that if the County does not bond it out, the unfunded retiree healthcare liability will continue to increase. Bonding out retiree healthcare comes with some potential risks. He explained the potential risks associated with bonding. One of the issues may be getting the public to agree with the act of bonding out retiree healthcare liability. It would turn a soft cost into a hard cost and it counts against issuer's legal debit margin, the return on trust assets could be lower than the rate on the bonds as well as, unfunded liability and annually required contributions may reappear or increase.

October 15, 2015

Ms. Garner separated the Task Force into 5 groups. She provided each group a handout that listed the Ideas with Definitions, Pros and Cons grouped into five general topics: Alternative Carriers, Education/Wellness/Incentives, Restructure/Plan Design, Existing Actives and Revenue Options. The groups were asked to use one master handout to add, delete or make comments on each idea presented.

One of the items that came out of the review of prior meetings was that there still seemed to be confusion on some of the ideas so definitions or descriptions were added to each item that came out of the brainstorming sessions to help those reviewing in adding anything to those descriptions, the pros or the cons. We had the remainder of the time to change or modify any issues, pros, or cons. In addition, we were asked to provide further feedback following the meeting as well.

October 29, 2015

This meeting had been set aside for the Task Force to individually rank our preferences for the County to consider in regards to identifying cost containment opportunities and making recommendations to the Board of Commissioners on how the County should address its unfunded retiree healthcare liability. Mr. Belleman explained that there were some modifications and clarification on some of the items after the last meeting.

Mr. Belleman explained that the next step in the process was to prioritize the issues/recommendations. Each committee member received five blue dots, five yellow dots and five green dots. Blue represented a first priority, yellow second priority and green third priority. Each committee member also received one red dot to indicate a "No Go". Members were given time to review the items to decide where they wished to place their dots on the posters created from the ideas the committee generated. We were allowed to place the blue, yellow and green dots first. Lastly, we were each provided with their red dot to place on an idea that they wanted the County to not consider. Mr. Belleman explained that the next step would be for Ms. Garner to compile a draft report to be distributed to members for review and to make recommendations to the board of commissioners based upon the top responses.

Following this meeting, Pat Duggan provided an incentive idea for us to review as a possibility that could be included in the recommendations under incentives.

December 17, 2015

We, the members of the task force, were presented with a copy of the Executive Summary for review and asked to come to this meeting with additional comments and

recommendations for the final report. It was decided that copies of the Executive Summary would be shared with all Retirees along with an invitation to a meeting that Retirees could attend in order to make additional commentary regarding its content prior to going to the Board of Commissioners.

January 20, 2016

The Retirees of Saginaw County were invited to attend a session of the Retiree Healthcare Task Force. Retirees had been previously mailed a copy of the Executive Summary with details of the meeting.

Retirees were allowed to speak during public comment and allowed each task force member to speak about their experience surrounding the task force. Ms. Garner was also asked to present the final updates to the report to the members which included updates to the Affordable Care Act and the Excise (Cadillac) Tax.

Ideas with Definitions Pros and Cons

Final Version of Ideas Generated following meeting on October 29, 2015

Provided with a copy of the Purpose of the Retiree Healthcare Task Force

Alternative Carriers

1. Bid out health insurance
Description: The County would submit a request for proposal (RFP), through a bidding process, to health insurance carriers and stop loss vendors that might be interested in providing health insurance to the County. When bidding out everything, individual parts must have full explanation of desired outcome; and carriers/vendors bidding must be allowed access to all information necessary.
Potential Savings Impact: Unknown
Pros:
- County is required to go out to bid every three years, allow us to see if alternative carriers could provide deeper discounts, savings, plan alternatives
- Health insurance carriers have reimbursement contracts (discounts) with health care providers
- The average discount varies from health insurance carrier to health insurance carrier and the larger the discounts the more the Retiree saves in terms of out of pocket expenses if there are additional discounts over and beyond BCBS. The savings could be on deductibles and coinsurances if discounts are larger.

Cons:
- Difficult to obtain providers of another health insurance carrier that can beat BCBS discounts in the State of Michigan
- Would require actives to consider other carriers as well
- In order to continue this option, group may have to regularly move carriers
- Network with deepest discount not always better as plan could have additional restrictions like pre authorizations
- Could potentially affect active employees cost sharing through Public Act 152

2. Contract locally to service prescription drug program for possible savings for maintenance/generic medications-possibly with a local hospital.
Description: Retirees would be able to pick up maintenance/generic medications at the designated facility(ies) like local hospitals or pharmacies at a discounted price.
Potential Savings Impact: Unknown
Pros:
- Standardized Rx plans
- Tiered RX Co-pays
- Utilize County Health Department
- Encourage bidding out

Cons:
- Hospitals may not want to participate
- May not save money
- Retirees not living in the area would not have access
- By not offering all pharmacies in network, there is less freedom of choice and more chance for drug interaction

Education/Wellness/Incentives

3. Chronic and Clinical Care Management Programs
Description: Provides assistance and education to help Retirees with Chronic conditions better understand their condition and how to effectively manage it.
Potential Savings Impact: Positive
Pros:
- Could provide savings to program if people are treating conditions correctly by reducing unnecessary procedures and prescriptions

Cons:
- May only get some Retirees to participate as would be difficult to make mandatory unless carrier has programs requiring this

4. Coaching for lifestyle management changes and Preventive Program on certain diseases to help control costs
Description: Work with carriers/vendors to reach out to members to manage their conditions and make suggestions for improvements. A Preventative Program is a proactive approach to health care that stresses prevention; the program would focus on keeping Retirees well and preventing diseases from occurring.
Potential Savings Impact: Positive
Pros:
- Cost savings
- Prevention
- Could track through the carrier
- Program can be monitored for participation
- Multiple calls can help a member remember to do certain things
- Coach can review with member any questions from the doctor's offices or things they forget to ask at doctor's office
- Some programs may be better suited for savings than others

Cons:
- Won't be effective if Retiree doesn't want to change
- Additional cost to program for coaches
- Preventative programs do not necessarily guaranteed savings or control costs.
- Some members may not elect to participate

5. Conduct Health Risk Assessments with incentive offered
Description: Health screening to promote health and wellness and to provide Retirees with an evaluation of their health risks and quality of life.
Potential Savings Impact: Unknown
Pros:

- Get current Retirees to get Health Assessment by getting gifts for wellness assessment
- Healthier group equals less costs
- Good idea as long as incentive(s) do not outweigh savings
- Retirees completing the Health Risk Assessment could receive an incentive for completing the assessment such as cash, lower deductible, gift certificates, merchandise, etc.
- If enough participated, County could get an aggregate report to compile future activities based upon members responses
- Biometrics (blood pressure, cholesterol, blood sugar) all measured by doctor in advance to enter into Health Assessment forces member to go in for a physical

Cons:

- Privacy issues
- Cost of incentives
- Cost of program (if any)
- Can't force Retiree to go and get health assessment
- Won't work if Retirees don't buy into idea
- Health assessments are not a guaranteed return on affordability
- Not everyone will participate
- Have to make sure following guidelines under law
- What will County do with an aggregate report to assist members

6. Coordinate incentives for certain items like obtaining and reducing cholesterol, weight loss, lowering blood pressure

Description: As part of the Wellness Program, Retirees would be rewarded for improving their numbers in the above mentioned health areas. These numbers can be obtained from the Health Risk Assessment. Most incentive programs include a two to three year evaluation period.

Potential Savings Impact: Unknown

Pros:

- Improvements to a member's health could provide a cost reduction
- Long term help member with quality of life

Cons:

- Can't make Retirees change, Retirees will change healthy habits only if they want to change
- As part of HIPAA could need a vendor to provide results or incentives so that the County wouldn't be aware of changes made
- Cost of program versus reward
- Challenges by the Federal Government between Affordable Care Act Legislation and Equal Employment Opportunity Commission which has added some restrictions to incentive programs

7. Education

A: Educate Retirees of the cost of prescription drugs and medical expenses

Description: The cost of insurance premium and employee medical and pharmacies claims continue to rise. Biometric or specialty medications are being introduced everyday increasing pharmaceutical costs to the County's plan.

Potential Savings Impact: Unknown

Pros:

- Will help the Retirees understand the problem
- Education will help Retirees make sound decision
- Evaluate formulary with carrier/vendor to make sure that it is properly set up

Cons:

- Difficult to get everyone to attend/participate
- Medications change and therefore educational efforts/programs would need to be provided on a regular basis

B: Educate Retirees on the state of finances and communication of the bigger picture including the implication to the County on the overall costs of the plans, OPEB liability, proper financing, health care trusts, etc.

Description: Retirees are unaware of the financial state of the county and the cost of the plans today. Encourage Retirees to assist where they can and make changes that are allowable.

Potential Savings Impact: Unknown

Pros:

- Help members understand the total cost of the health insurance plan and its impact on the County long term
- This committee and the board could help educate members on the cost impact of Retiree benefits so that some changes may be more acceptable than others
- Increase communication between the County and the Retirees

Cons:

- Perception could be that it is a scare tactic, that bankruptcy is near
- Changes could bring about some harm to Retirees

C: Education Letter and Meetings

Description: Education letters will be mailed to Retirees for them to read and become more educated on the subjects contained in the letter. Retirees could be required to attend education sessions. Start quarterly newsletter to Retirees with "tips" and "points of interest".

Potential Savings Impact: Positive

Pros:

- Updates helpful to Retirees
- Retirees will receive the information

- Topics can be widespread and used as a way to communicate possible savings to members
- Make meetings regular to have open dialog with Retirees to discuss ways to save money
- Keep Retirees informed on the severity of the cost of healthcare
- Increase lines of communication

Cons:

- Will Retirees read the materials
- Retirees may read but not act
- How do you make meetings mandatory
- Mandatory could be a turn off
- Not all Retirees live in the area anymore
- Timing for some may be better than others
- Low probability of getting Retirees to meeting
- Low percentage of Retirees still live in the area
- Low participation
- Could just be wasting papers, could not be read by Retirees

D: Education of Pharmacy Utilization including RX copay, actual drug cost and alternatives.

Description: Many medications have alternatives on the market and the design of some of the existing plans does not encourage members to take lower costing alternatives. Members may not even be aware that other medications are available to them. Many medications have therapeutic alternatives or generic options that are as effective as their counterparts. Education of programs like Medtipster which shows members alternatives and where to find medications at a reduced price (depending on member copay level)

Potential Savings Impact: Positive

Pros:

- Retirees who currently pay for their benefits will understand that with increased costs comes increased premiums
- Raise awareness of alternatives
- Promote programs like Medtipster which allows members to see prescription options available to them
- Retirees unaware of programs like Medtipster to see alternatives and if medication is cheaper elsewhere
- Generics and alternative medications can save the plan and member money
- With many drugs recently going generic, members may not even be aware a generic or alternative is available
- Education or coaching could assist Retirees when certain drugs go generic

Cons:

- Plans do not require utilization of alternatives unless a generic is available (State law requires generic fill if available, however some plans do not penalize member for requesting brand)

- Some Retirees do not have access to a computer to consistently look at and remember to look for options
- Could require additional coaching or education of members.
- Medications consistently change

E: Start building trust with the Retirees as there is a general mistrust of administration and what are seen by some as favors granted in the past

Description: Retirees do not trust administration and administrators as there is a perception that administration has granted favors to some Retirees in the past which has contributed to the mistrust.

Potential Savings Impact: Unknown

Pros:

- Open up communications and partnerships with Retirees for transparency

Cons:

- Past decisions affect future decisions and impact of those decisions
- Misconceptions and conceptions of past practice interfere with any changes
- Even positive change can be perceived as negative

8. Implement Medtipster

Description: Medtipster can assist with finding Retirees a generic equivalent and therapeutic alternative to their current prescription. Retiree's type in their drug name, dosage and zip code, and Medtipster finds affordable equivalent to the prescription, including free and/or $4 generic drugs.

Potential Savings Impact: Positive

Pros:

- Save money by reducing costs to members on copays and the County for reduced cost medications on its stop loss program
- Allows Retirees to shop around to get the best price on their RX
- Educate the Retirees on how the program works and how to use it so they understand how it works and benefits both them and the County
- Possibly provide incentives to individuals to use Medtipster

Cons:

- Retirees not in a position travel far for RX
- New medications must be looked up to locate savings
- Travel to multiple pharmacies may be required to find cheaper medication
- Continuity of care/concern with Retirees having drug complication with multiple systems and pharmacies filling scripts
- Some prescriptions may not run through pharmacy program and unless member tells pharmacist and doctor other medications member is on, some medications could counteract each other

9. Implement a Health Center or wellness center/clinic to reduce cost
Description: Have a health center where Retirees can obtain certain services and prescriptions at a free or at a reduced rate.
Potential Savings Impact: Unknown
Pros:

- Offers an alternative form of care to members possibly reducing their out of pocket expenses
- Members may be more likely to return for care if at reduced costs as an alternative to their health insurance plan
- Saginaw County could contract with existing health center to provide services

Cons:

- Not all Retirees are local
- Family doctor not available at a health center, however, member could provide health center contact information of family doctor to share health information with if done so according to HIPAA
- Members may still have to seek care outside of center
- Increase utilization to plan on additional members seeking preventative and diagnostic care that may not have done so, thus increasing additional medical costs until they are in control of any newly diagnosed conditions
- Additional costs to operate the wellness center
- Costs included and are added onto the cost of health insurance for the calculation of the Cadillac Tax

10. Look at a Wellness Program for Retirees and offer incentives for doing healthy activities.
Description: Aimed at improving Retirees' health by including activities such as exercise, competitions, educations seminars and health screenings. The wellness program can offer incentives for Retirees who participate in the activity(ies).
Potential Savings Impact: Unknown
Pros:

- Reduces long term costs
- Retirees will have fewer health issues
- Encourages healthy living and personal responsibility
- Good for the Retirees' overall health
- Additional education opportunities could be offered through health activity participation

Cons:

- Difficult to make Retirees change their health habits
- Hard to determine exact financial benefit
- Incentives will cost the County money
- How much do the incentives have to be to encourage change
- Older Retirees will have a hard time participating in Wellness Program
- May only impact those who are already doing healthy activities
- Additional time and cost to County to run program

11. Offer buyouts to existing Retirees

Description: The County will pay the Retiree a lump sum in exchange for the Retiree dis-enrolling from the County's health insurance plan.

Potential Savings Impact: Positive

Pros:

- Reduce number on insurance
- Long term savings for the County
- Eliminate long term expenses for the County
- Retirees can go to the exchange or Medicare plans
- Offer flexibility to the buyout based upon some tiers of years of service, pension, age of Retiree, etc.

Cons:

- Small impact if a large number of Retirees don't take the buyout
- High upfront cost to County
- County offered a buy out to active employees in the past and it didn't solve the budget problem
- Must be offered in the Fall with effective dates of January 1 to comply with guidelines for entry into the marketplace and Medicare open enrollment

12. Prescription Assistance Programs to assist in lowering cost of medications to Retirees and group

Description: Prescription Assistance Programs can help reduce the out of pocket expenses for Retirees and the County.

Potential Savings Impact: Positive

Pros:

- Plans through Meijer's, Walmart, etc.
- Education of plans through pharmaceutical manufacturers as well for coupon savings
- Cost savings to County
- Manufacturer Prescription Drug coupons sometimes offer steep discounts
- Assistance Programs available for federally recognized low income individuals

Cons:

- Retirees not familiar with this type of program and education required
- Could require changing pharmacy vendor for actives and Retirees
- Have to change plan copays in order for County to benefit from Coupons offered by pharmaceutical manufacturers
- Coupons may not always be available

13. Add Step Therapy and other pharmacy programs to determine if lesser costing medication could be obtained.

Description: Step therapy is a type of prior authorization. In most cases, you must first try a less expensive drug on the plan's drug list that has been proven effective for most people with your condition before you can move up a "step" to a more expensive drug.

Potential Savings Impact: Positive

Pros:

- Steer members to lower costing medications with similar effectiveness could save costs
- If grandfather existing, then only new medications are affected
- Evaluate any programs available for pricing and compliance savings
- Relationship with Pharmacists
- Save money

Cons:

- Not currently on some of the benefit options and if not grandfathered would impact members
- Some medications have no alternatives
- Several steps may need to occur prior to final selection of medication
- Requires Physician participation or mailing letters to members
- How do you coach members directly
- Will members act on suggestions for change
- Additional costs for coaching programs
- Watch for HIPAA concerns if coming straight from County

14. Assisted living at home

Description: Have assisted living covered in the benefit design to help the Retirees who need some assistance with daily activities. Today's medical plan has skilled nursing care benefits in place. Assisted living at home could be an additional benefit and could add cost, but evaluation of the existing benefits for opportunities could be considered.

Potential Savings Impact: Negative

Pros:

- Review as part of plan design

Cons:

- Add cost to the plan for benefits not covered today
- Cost benefit ratio

15. Changing the traditional plans to PPO to take advantage of network discounts

Description: PPO plans contract with 'preferred provider' who offer services to plan members at reduced rates. Retirees can take advantage of the reduced rates by seeking services from a PPO provider.

Potential Savings Impact: Positive

Pros:

- Reduce costs via network savings of provider

- Some Retirees would benefit from a PPO as some added benefits would occur

Cons:

- Retirees may have to switch doctors because their doctor doesn't participate with the PPO
- Difficult to convince Retirees to switch coverage to PPO

16. Evaluate Cost Sharing and existing benefits to determine if can lower or cut benefits in an effort to reduce costs

Description: Requires the Retiree to pay part of the cost of health care expenses such as deductibles, copayments, coinsurance and monthly premiums. Research which benefits work best for the Retirees and provide benefits at an affordable price.

Potential Savings Impact: Positive

Pros:

- Reduce County costs
- Higher co-payment on brand name prescriptions will encourage use of generic
- This is being done for active employees
- Higher brand name co-payment to increase the use generic rather than brand name prescriptions
- Offer fewer plans

Cons:

- Some Retirees may not be able to afford cost sharing
- Legal review might have to be conducted
- Go back on promises made at retirement
- Litigation if not agreed to by Retirees
- Resistance from Retirees; Retirees may not want to give up certain benefits

17. Evaluate Individual coverage over group coverage

Description: The County would no longer offer group health insurance to its Retirees.

Potential Savings Impact: Positive or Negative

Pros:

- Must review this option
- County get out of health care business for Retirees
- County could offer Health Reimbursement Arrangements to cover cost of coverage outside of a group plan
- Many options available on individual market

Cons:

- Some Retirees may not be able to afford individual coverage or buying up to same benefit level
- Legal review might have to be conducted
- Go back on promises made at retirement
- Litigation possible if not agreed to by Retirees
- Resistance from Retirees; Retirees may not want to give up certain benefits

18. Evaluate Medicare Advantage plan with Rx (Part D)
Description: Research Medicare Advantage Plans with Rx and compare current coverage with a Medicare Advantage Plan.
Potential Savings Impact: Positive
Pros:
- Biggest immediate savings, this option saves both current and future cost concerns
- Members receive similar benefits
- Can have multiple plans
- Some Medicare Advantage plans offer additional benefits
- Align us with other entities offering Retiree coverage
- Could perhaps be included in contract negotiations for future Retirees

Cons:
- Financial exposure to Retiree when plan isn't same
- Eliminates Drug Subsidy County receives under Retiree drug subsidy program
- Members may have different carriers
- Actives may be required to change carriers
- Pre Medicare Retirees are still very costly to County
- Cost could be a factor

19. Evaluate need for lifestyle medications and whether or not non-medically necessary prescriptions should be allowed.
Description: Lifestyle medications are not used to treat life threatening or medically necessary conditions; however, these medications are costing the County extra money. A decision needs to be made as to whether the County should continue covering lifestyle medications.
Potential Savings Impact: Positive
Pros:
- Save money
- Complete review of plans

Cons:
- Retirees may not want to give up their lifestyle medication
- May not be worth the effort

20. Look at changing segments/reducing number of benefits programs offered
Description: Reduce number of segments/division and reduce number of different plan offerings.
Potential Savings Impact: Positive
Pros:
- Reduce number of plans offered to make it more cost effective

Cons:
- Legal challenges may arise
- Retires may lose some benefits

21. Look at offering different plan networks
Description: Retirees would have choices when considering different health insurance plans. Retirees can look at different health insurance carriers as well as the type of insurance such as an HMO, PPO, POS and a High Deductible Health Plan. Deductible, coinsurance and copayments should be considered when looking at offering different plans.
Potential Savings Impact: Unknown
Pros:
- Reduce costs through managed care
- Offer fewer plans

Cons:
- Difficult to do with Retiree CBA's currently in place
- Legal ramifications

22. Look at Retirees and people identifying characteristics that could allow for changes in benefits (i.e. by pension/retirement, etc)
Description: Consider pension levels to tie to benefit levels. If pension is higher could allow for a lesser benefit. If pension is lower, could allow for a higher benefit level.
Potential Savings Impact: Unknown
Pros:
- Could reduce some costs if changing members plans and reducing benefits
- Allocate resources according to pension levels

Cons:
- Contract language
- Possible litigation
- Review of contracts necessary
- Inequitable

23. Move Drugs to a Part D Provider/Carve out prescription drugs or require Retiree to take Medicare Part D
Description: Remove prescription coverage from current plan and place prescription coverage with a Medicare Part D prescription drug plan. When a person becomes Medicare eligible, the Retiree will be required to sign up for Part D as part of the contingency of County coverage.
Potential Savings Impact: Positive
Pros:
- Cost savings both short and long term
- Reduction in OPEB liability
- Question of whether or not Retirees should have been required to take Part D when first offered like they take Part A and B

Cons:
- Some prescriptions that Retirees are currently taking may not be covered by Part D formularies
- May cause Actives and Early Retirees to change their pharmacy vendor

- Loss of Retiree Drug Subsidy
- Retiree has to pay Part D premium through Center for Medicare and Medicaid Services
- Some drugs may not be covered due to a different formulary

24. Offer Closed Formulary
Description: A formulary is a list of brand name and generic drugs that are covered under your prescription drug benefit. With a closed formulary, some costly medications may be removed from the formulary while more inexpensive therapeutic alternatives are covered under the program.
Potential Savings Impact: Positive
Pros:
- Cost Savings

Cons:
- Restrictive
- Loss of some generic and brand name Rx for some Retirees

25. Retiree health care exchange
Description: Could move Retirees to a health exchange which would allow members to access additional carriers/plans and options for health care coverage specific to their individual needs. County could develop a defined contribution approach to Retiree health care setting a maximum premium allowable with member paying difference.
Potential Savings Impact: Unknown
Pros:
- If Retirees select options that are less money than existing plans, County and Retiree could save money
- Some plans could be similar benefits for less costs
- Pre and post Medicare eligible Retirees could be offered different plans
- Take advantage of reduced premiums for Medicare advantage and supplemental plans
- Some exchanges offer individual consultant services to offer one on one and group education resources

Cons:
- Might require actives to change carriers
- Why would Retirees select a lesser plan option
- Could adversely impact active costs as to how much money is needed for stop loss protection and administrative fees for actives when splitting up group
- Requires members to be educated as to choices and how do you get some or all to participate in an exchange
- Some Retirees may not be knowledgeable enough to choose on own

26. Separate Plan Documents for Retirees and Actives.
Description: Separate the Retirees from the Actives via plan documents, possible trust agreements, or by splitting carriers.
Potential Savings Impact: Unknown
Pros:

- Possible way to eliminate or reduce some ACA taxes and fees (Cadillac tax still applies to early Retirees-not yet Medicare Eligible)
- Ability to divide segments in order to get the best rates possible for each segment individually
- Possibility to offer some additional plan options that could provide savings but still have similar benefits

Cons:

- Splitting groups by plan could cause separate carriers and additional administrative requirements including time
- Potential increase in stop loss and administrative fees on the Actives and early Retirees
- Separating early Retirees you will have an issue with finding a stop loss provider for that segment as stand alone
- BCBS dictating that they would kick out early Retirees from the plan if Medicare Eligibles are taken elsewhere

27. Voluntary removals from health insurance, depending on when retired
Description: Ask for volunteers to be dis-enrolled from the healthcare coverage if not needed and have other coverage. Some Retirees may have access to other coverage and not need the County's plan. For every person enrolled, there are additional administrative and stop loss fees. The County's plan could be secondary or tertiary depending upon other coverage available to the Retiree.
Potential Savings Impact: Positive
Pros:

- Reduced costs to County

Cons:

- Who would remove themselves from the plan even if have other coverage in case that coverage goes away.

Existing Actives

28. Changing plan to allow for same coverage as Actives (as Active coverage is changed, so does Retiree coverage)
Description: Actives and Retirees will have the same benefit plan(s), when a plan design occurs it will be effective for both Active and existing Retired employees.
Potential Savings Impact: Positive
Pros:
- Control contract costs and future Retiree health care costs at the same time
- Immediate impact at negotiations

Cons:
- Difficult to negotiate into CBA
- Not fair to those on a fixed income, county should not change Retiree benefits
- If not done for only new Retirees, existing Retirees will not receive what was promised to them at time of retirement

29. Extend current retirement thresholds delaying receipt of Retiree healthcare
Description: Active employees would not be eligible for Retiree health insurance until they have reached a stated age and/or certain number of years of service which could be later than existing policy
Potential Savings Impact: Positive
Pros:
- Delay retirements

Cons:
- Older employees could cause other risks like higher worker's compensation and disability claims

30. Implement a High Deductible Health Plan with Health Savings Accounts for future Retiree coverage versus actual insurance benefit so the future Retirees can save for future Retiree health care costs outside of the County's benefits
Description: Change existing Active benefits to a high deductible health plan with a health savings account.
Potential Savings Impact: Positive
Pros:
- Reduce health care costs of Actives to afford Retiree health care coverage

Cons:
- Changing Active benefits to offset future health care costs for Retirees
- Some changes in benefits may make it harder for the County to hire qualified, competent employees

31. Labor negotiations for upcoming Retirees
Description: Begin negotiations with/for upcoming Retirees to modify contracts and access to health insurance at retirement. Define eligibility requirements for future Retiree health care. Eliminate Retiree health care for future Retirees.

Potential Savings Impact: Unknown

Pros:

- This will be a big part of the negotiations for future Retiree health care cost control
- Modify contracts for future Retirees

Cons:

- Some people didn't retire yet, because they know they will have Retiree coverage

32. Privatize current employees

Description: The County would not have employees of their own; they would use a vendor(s) for employees.

Potential Savings Impact: Unknown

Pros:

- Potential savings to pay for Retiree health care costs

Cons

- Issues with Affordable Care Act and Department of Labor definitions of employees
- Employee benefits may still be required to be offered depending upon situation

Revenue Options

33. Bond first, address cost savings opportunities after to take advantage of current interest rates

Description: Municipal bonds (or "munis" for short) are debt securities issued by states, cities, counties and other governmental entities to fund day-to-day obligations and to finance capital projects such as building schools, highways or sewer systems.

Potential Savings Impact: Unknown

Pros:

- Need to consider this idea as an option to take advantage of lower interest rates

Cons:

- Base cost could change after initial bond request as health care trends increase
- How to fund future bond payments and health care costs

34. Change State and Federal Law and GASB requirements

Description: By changing the requirements to report GASB liability, it could impact how Retiree health care cost is accounted for.

Potential Savings Impact: Unknown

Pros:

- Keep future liability off books

Cons:

- Future Retiree health care costs still exist
- Costly to change law

35. Consolidate governments (blend with other municipalities) in an effort to reduce administrative fees and other fees

Description: Consolidation of benefits of multiple entities in an effort to reduce overall costs.

Potential Savings Impact: Unknown

Pros:

- Evaluate any potential cost reductions

Cons:

- Different needs/income in each county
- Administrative fees do not necessarily get reduced
- Not in charge of own plan
- Laws require certain conditions be met in order to pool insurance

36. County Policy – don't hire back Retirees (potential changes in MERS policy and Board policy)

Description: Once County employee Retirees, the County can't hire them back.

Potential Savings Impact: Unknown

Pros:

- Possibility for savings

- Retiree already on health care replacing a new worker that might need insurance.

Cons:
- Does not move Retiree insurance costs to current budget. That is why employees retired in 2008 with insurance plans without premium sharing and to reduce labor and other costs in that year's budget.

37. Do nothing, County accept responsibility for costs

Description: Do not change or alter benefits at all

Potential Savings Impact: Negative

Pros:
- Eliminates potential law suits
- Retirees maintain benefits
- Promises to Retirees remain intact

Cons:
- Not acceptable practice
- Cost of health care will cause County to reduce services to unacceptable levels
- Burden of Retiree health care to the County and its citizens is not acceptable
- Potential cost issue down the road with funding healthcare
- Cannot continue to pay as you go

38. Evaluate Stop Loss Level on medical and pharmacy program

Description: The amount of risk assumed through self-funding depends on how much stop loss coverage the County chooses. Purchasing the optimum level of stop loss insurance coverage can help wisely manage risk and keeping the medical plan cost within a narrow cost band.

Potential Savings Impact: Unknown

Pros:
- Ensure County has appropriate Stop Loss Level coverage
- Protect against catastrophic medical and pharmacy costs

Cons:
- May not directly benefit OPEB calculators
- Cost of increased stop loss protection may outweigh pharmacy costs
- Costs change as medications change

39. Look to other employers/spouses/new job to cover Retiree/family with possible opt in at a later date

Description: If the Retiree or spouse is offered health insurance from current employer, the Retiree and/or spouse must take that health insurance but can enroll in the County's insurance should they lose coverage. If the spouse is offered coverage from current or former employer, they must take that coverage. If that coverage ceases, then allow Retiree back onto County's plan.

Potential Savings Impact: Positive

Pros:
- Initial savings depending upon how many participate

Cons:
- Retirees may not trust County to allow them back on in the future
- Retiree will want something in exchange like a cash option

40. New millage to cover cost of future Retiree healthcare expenses.
Description: Create a millage to fund the cost of future Retiree healthcare expenses.
Potential Savings Impact: Unknown
Pros:
- Establish a revenue source for health care expenses

Cons:
- Voters unlikely to pass
- Support of millage might be low
- Voters get lesser benefits than do the Retirees

41. Purchase Life Insurance
Description: Purchase individual Life Insurance policies on existing Retirees to offset future costs of healthcare. Use the proceeds to pay off future health care costs.
Potential Savings Impact: Unknown
Pros:
- Offset Retiree health care costs

Cons:
- Difficult to obtain on older Retirees
- Cost prohibitive-cost of life insurance coverage could be more than the proceeds of the policies
- How do you get life insurance on someone else who isn't an employee? There may not be an insurable interest.

42. Review Actuarial Assumptions
Description: Review the estimates made for the assumptions for the Other Post Employment Benefit actuarials to determine if any changes need to be made in order to lower costs. Current assumptions utilized follow requirements under GASB
Potential Savings Impact: Unknown
Pros:
- Review assumptions to determine if similar assumptions are made by other plans and actuarials

Cons:
- Additional cost to look at multiple vendors to determine future costs

43. Review outside consultant costs and contracts.
Description: Review any consulting fees the County pays for services to determine if any money that could go towards paying for Retiree healthcare costs is an opportunity.

Potential Savings Impact: Unknown
Pros:
- Identify savings
- Review annually

Cons:
- Time to review
- Contracts negotiated may be long term

44. Review Transparency in claims cost for appropriate discounts and utilization of benefits.
Description: Medical claims review is the process used to assure that provider billings are accurate, reasonable and appropriate for the services that have actually been provided.
Potential Savings Impact: Unknown
Pros:
- Could find significant cost savings to the plan
- Early identification of potential case management patients
- Increased ability to trend possible questionable billing practices
- Review for duplicate claims
- Increased accuracy in claims processing

Cons:
- Cost for claims review
- What if nothing notable is found

45. Sell assets to help offset cost of Retiree benefits, this includes selling Harry Browne Airport or HealthSource.
Description: The County could sell Harry Browne Airport, HealthSource, etc. in an effort to receive revenue to offset future Retiree health care costs.
Potential Savings Impact: Unknown
Pros:
- Sell unnecessary buildings
- Generate revenue

Cons:
- Once the building is sold, it is no longer the County's building
- Often when property is sold it is for $1
- Inability to liquidate grant funded assets

46. Transferring risk like autos did to the Retirees as a group to control own plans.
Description: The County could transfer the Retiree healthcare risk to a formalized Retiree group so they could continue to offer Retiree healthcare.
Potential Savings Impact: Unknown
Pros:

- County gets out of Retiree healthcare business

Cons:

- County would have to generate enough initial revenue to fund the transfer
- Retirees might not want this risk, control or liability

47. Use a VEBA to fund or pay for Retiree health care costs

Description: A VEBA is a tax-exempt plan created pursuant to Internal Revenue Code (Code) § 501(c)(9), and may include health benefit plans, life insurance, disability insurance, accident insurance, vacation, or other employee benefits.

Potential Savings Impact: Unknown

Pros:

- Further review this idea to determine in the long term can save money
- Allow a retirement board to administer Retiree benefits

Cons:

- Large upfront costs
- How to fund the VEBA
- Depending upon set up, VEBA requirements to get fully funding before accessing funds to pay for benefits
- Cost to administratively set up a VEBA

Task Force Committee's Top Ranked Items

The next few pages provide the top choices based upon 1st priority, 2nd priority, 3rd priority, and items identified by individuals of the Task Force as items they wished to be removed from consideration. Those top selections are the initial items being presented to the Board of Commissioners as recommendations for review by the Board as possible items for the purpose of final recommendations for legal review for possible implementation. A preview of the Top Ten first choices is below (noting that more than 10 are shown due to the total number of votes being the same.

1st Choice Ranked Topics

Blue: Items 33, 7, 11, 4, 2

The items ranking 1st by number selected as the top five picks were as follows:

- Revenue Options
  1. Bond first, address cost savings opportunities after to take advantage of current interest rates received nineteen (19 -18.45%) votes.

- Education/Wellness/Incentives
  2. Education received twelve (12-11.65%) votes.
  3. Offer buyouts to existing Retirees received nine (9-8.74%) votes.
  4. Coaching for lifestyle management changes and Preventative Program on certain disease to help controls costs received eight (8-7.77%) votes.

- Alternative Carriers
  5. Contract locally to service prescription drug program for possible savings for maintenance/generic medications-possibly with a local hospital received seven (7-6.8%) votes.

Additionally in the Top Ten:

Receiving five votes (5-4.85%)

- Coordinate incentives for certain items like obtaining and reducing cholesterol, weight loss, lowering blood pressure

Receiving four votes (4-3.88%)

- Look at a Wellness Program for Retirees and offer incentives for doing healthy activities.
- Move Drugs to a Part D Provider/Carve out prescription drugs or require Retiree to take Medicare Part D

Receiving three votes (3-2.91%)

- Prescription Assistance Programs to assist in lowering cost of medications to Retirees and group
- Evaluate Medicare Advantage plan with Rx (Part D)
- Evaluate need for lifestyle medications and whether or not non-medically necessary prescriptions should be allowed.
- Implement a High Deductible Health Plan with Health Savings Accounts for future Retiree coverage versus actual insurance benefit so the future Retirees can save for future Retiree health care costs outside of the County's benefits

2nd Choice Ranked Topics

Yellow: Items 7, 8, 26, 27, 31, 36

Within the Yellow Group all the top picks received four (4-5.8%) votes:

- Education/Wellness/Incentives
  - Education
  - Implement Medtipster

- Restructure/Plan Design
  - Separate plan documents for Retirees and Actives
  - Voluntary removals from health insurance, depending on when retired

- Existing Actives
  - Labor negotiations for upcoming Retirees

- Revenue Options
  - County Policy – don't hire back Retirees (potential changes in MERS policy and Board policy) all received four votes.

Receiving three votes (3-2.90%)

- Chronic and Clinical Care Management Programs
- Conduct Health Risk Assessments with incentive offered
- Offer buyouts to existing Retirees
- Changing the traditional plans to PPO to take advantage of network discounts
- Evaluate Medicare Advantage plan with Rx (Part D)
- Review Actuarial Assumptions

3rd Choice Ranked Topics

Green: Items 7, 39, 11, 8, 12, 15

The Green Group received their top votes in:

- Education/Wellness/Incentives
  - Education received five (5-8.33%) votes.
  - Offer buyouts to existing Retirees received four (4-6.67%) votes.
  - Implement Medtipster received three (3-5.00%) votes.
  - Prescription Assistance Programs to assister in lowering cost of medications to Retirees and group received three (3-5.00%) votes.

- Revenue Options
    - Look to other employers/spouses/new job to cover Retiree/family with possible opt in at a later date received five (5-8.33%) votes.

- Restructure/Plan Design
    - Changing the traditional plans to PPO to take advantage of network discounts received three (3-5.00%) votes.

Multiple items received two (2-3.33%) votes:

- Bid out health insurance
- Implement a Health Center or wellness center/clinic to reduce cost
- Assisted living at home
- Evaluate Cost Sharing and existing benefits to determine if can lower or cut benefits in an effort to reduce costs
- Look at offering different plan networks
- Move Drugs to a Part D Provider/Carve out prescription drugs or require Retiree to take Medicare Part D
- Voluntary removals from health insurance, depending on when retired
- Implement a High Deductible Health Plan with Health Savings Accounts for future Retiree coverage versus actual insurance benefit so the future retirees can save for future Retiree health care costs outside of the County's benefits
- Labor negotiations for upcoming Retirees
- Bond first, address cost savings opportunities after to take advantage of current interest rates
- Sell assets to help offset cost of Retiree benefits, this includes selling Harry Browne Airport or HealthSource

Items identified as Red or Not an Option

Red: 15, 37, 2, 32, 17, 40

In the Red Group the tops votes were received in:

- Restructure/Plan Design
    - Changing the traditional plans to PPO to take advantage of network discounts received five (5) votes.
    - Evaluate Individual coverage over group coverage received two (2) votes.

- Revenue Options

  - Do nothing, County accept responsibility for costs received five (5) votes.
  - New millage to cover cost of future Retiree healthcare expenses received two (2) votes.

- Alternative Carriers
  - Contract locally to service prescription drug program for possible savings for maintenance/generic medications-possibly with a local hospital received three (3) votes.

- Existing Actives.
  - Privatize current employees received three (3) votes.

There were some similarities between the rankings:

- Between the Blue, Yellow, and Green a similar top vote was Education.
- In Yellow and Green they both had implement Medtipster.
- Between Blue and Green they had alike to offer buyouts to existing Retirees.
- Red and Green had in common changing the traditional plans to PPO to take advantage of network discounts.
- The similarity between Red and Blue was to contract locally to service prescription drug program for possible savings for maintenance/generic medication-possibly with local hospital.

Idea List Ranking

The following pages provide details on how the items were ranked by the members of the committee. The Chair, Controller/CAO, Facilitator, and Benefit Manager did not participate in the ranking. All items are shown first by total number of votes and then by number listed in the ideas section to correlate back to the description/definition of each topic.

Ranking: 1st Choice Items-Blue

1st Choice Items	BLUE	%
33. Bond first, address cost savings opportunities after to take advantage of current interest rates	19	18.45%
7. Education	12	11.65%
11. Offer buyouts to existing Retirees	9	8.74%
4. Coaching for lifestyle management changes and Preventive Program on certain diseases to help control costs	8	7.77%
2. Contract locally to service prescription drug program for possible savings for maintenance/generic medications-possibly with a local hospital.	7	6.80%
6. Coordinate incentives for certain items like obtaining and reducing cholesterol, weight loss, lowering blood pressure	5	4.85%
10. Look at a Wellness Program for Retirees and offer incentives for doing healthy activities.	4	3.88%
23. Move Drugs to a Part D Provider/Carve out prescription drugs or require Retiree to take Medicare Part D	4	3.88%
12. Prescription Assistance Programs to assist in lowering cost of medications to retirees and group	3	2.91%
18. Evaluate Medicare Advantage plan with Rx (Part D)	3	2.91%
19. Evaluate need for lifestyle medications and whether or not non-medically necessary prescriptions should be allowed.	3	2.91%
30. Implement a High Deductible Health Plan with Health Savings Accounts for future retiree coverage versus actual insurance benefit so the future retirees can save for future retiree health care costs outside of the County's benefits	3	2.91%
9. Implement a Health Center or wellness center/clinic to reduce cost	2	1.94%
16. Evaluate Cost Sharing and existing benefits to determine if can lower or cut benefits in an effort to reduce costs	2	1.94%
20. Look at changing segments/reducing number of benefits programs offered	2	1.94%
25. Retiree health care exchange	2	1.94%
26. Separate Plan Documents for Retirees and Actives.	2	1.94%
31. Labor negotiations for upcoming retirees	2	1.94%
1. Bid out health insurance	1	0.97%
5. Conduct Health Risk Assessments with incentive offered	1	0.97%
8. Implement Medtipster	1	0.97%
13. Add Step Therapy and other pharmacy programs to determine if lesser costing medication could be obtained.	1	0.97%
14. Assisted living at home	1	0.97%

17. Evaluate Individual coverage over group coverage	1	0.97%
21. Look at offering different plan networks	1	0.97%
27. Voluntary removals from health insurance, depending on when retired	1	0.97%
28. Changing plan to allow for same coverage as actives (as active coverage is changed, so does retiree coverage)	1	0.97%
29. Extend current retirement thresholds delaying receipt of retiree healthcare	1	0.97%
37. Do nothing, County accept responsibility for costs	1	0.97%
3. Chronic and Clinical Care Management Programs	0	0.00%
15. Changing the traditional plans to PPO to take advantage of network discounts	0	0.00%
22. Look at Retirees and people identifying characteristics that could allow for changes in benefits (i.e. by pension/retirement, etc.)	0	0.00%
24. Offer Closed Formulary	0	0.00%
32. Privatize current employees	0	0.00%
34. Change State and Federal Law and GASB requirements	0	0.00%
35. Consolidate governments (blend with other municipalities) in an effort to reduce administrative fees and other fees	0	0.00%
36. County Policy – don't hire back retirees (potential changes in MERS policy and Board policy)	0	0.00%
38. Evaluate Stop Loss Level on medical and pharmacy program	0	0.00%
39. Look to other employers/spouses/new job to cover retiree/family with possible opt in at a later date	0	0.00%
40. New millage to cover cost of future retiree healthcare expenses.	0	0.00%
41. Purchase Life Insurance	0	0.00%
42. Review Actuarial Assumptions	0	0.00%
43. Review outside consultant costs and contracts.	0	0.00%
44. Review Transparency in claims cost for appropriate discounts and utilization of benefits.	0	0.00%
45. Sell assets to help offset cost of retiree benefits, this includes selling Harry Browne Airport or HealthSource.	0	0.00%
46. Transferring risk like autos did to the retirees as a group to control own plans.	0	0.00%
47. Use a VEBA to fund or pay for retiree health care costs	0	0.00%
Total:	103	100.00%

Ranking: 2nd Choice Items-Yellow

2nd Choice Items	YELLOW	%
7. Education	4	5.80%
8. Implement Medtipster	4	5.80%
26. Separate Plan Documents for Retirees and Actives.	4	5.80%
27. Voluntary removals from health insurance, depending on when retired	4	5.80%
31. Labor negotiations for upcoming retirees	4	5.80%
36. County Policy – don't hire back retirees (potential changes in MERS policy and Board policy)	4	5.80%
3. Chronic and Clinical Care Management Programs	3	4.35%
5. Conduct Health Risk Assessments with incentive offered	3	4.35%
11. Offer buyouts to existing Retirees	3	4.35%
15. Changing the traditional plans to PPO to take advantage of network discounts	3	4.35%
18. Evaluate Medicare Advantage plan with Rx (Part D)	3	4.35%
42. Review Actuarial Assumptions	3	4.35%
2. Contract locally to service prescription drug program for possible savings for maintenance/generic medications-possibly with a local hospital.	2	2.90%
6. Coordinate incentives for certain items like obtaining and reducing cholesterol, weight loss, lowering blood pressure	2	2.90%
9. Implement a Health Center or wellness center/clinic to reduce cost	2	2.90%
10. Look at a Wellness Program for Retirees and offer incentives for doing healthy activities.	2	2.90%
16. Evaluate Cost Sharing and existing benefits to determine if can lower or cut benefits in an effort to reduce costs	2	2.90%
21. Look at offering different plan networks	2	2.90%
23. Move Drugs to a Part D Provider/Carve out prescription drugs or require Retiree to take Medicare Part D	2	2.90%
28. Changing plan to allow for same coverage as actives (as active coverage is changed, so does retiree coverage)	2	2.90%
38. Evaluate Stop Loss Level on medical and pharmacy program	2	2.90%
39. Look to other employers/spouses/new job to cover retiree/family with possible opt in at a later date	2	2.90%

4. Coaching for lifestyle management changes and Preventive Program on certain diseases to help control costs	1	1.45%
13. Add Step Therapy and other pharmacy programs to determine if lesser costing medication could be obtained.	1	1.45%
19. Evaluate need for lifestyle medications and whether or not non-medically necessary prescriptions should be allowed.	1	1.45%
30. Implement a High Deductible Health Plan with Health Savings Accounts for future retiree coverage versus actual insurance benefit so the future retirees can save for future retiree health care costs outside of the County's benefits	1	1.45%
35. Consolidate governments (blend with other municipalities) in an effort to reduce administrative fees and other fees	1	1.45%
45. Sell assets to help offset cost of retiree benefits, this includes selling Harry Browne Airport or HealthSource.	1	1.45%
46. Transferring risk like autos did to the retirees as a group to control own plans.	1	1.45%
1. Bid out health insurance	0	0.00%
12. Prescription Assistance Programs to assist in lowering cost of medications to retirees and group	0	0.00%
14. Assisted living at home	0	0.00%
17. Evaluate Individual coverage over group coverage	0	0.00%
20. Look at changing segments/reducing number of benefits programs offered	0	0.00%
22. Look at Retirees and people identifying characteristics that could allow for changes in benefits (i.e. by pension/retirement, etc.)	0	0.00%
24. Offer Closed Formulary	0	0.00%
25. Retiree health care exchange	0	0.00%
29. Extend current retirement thresholds delaying receipt of retiree healthcare	0	0.00%
32. Privatize current employees	0	0.00%
33. Bond first, address cost savings opportunities after to take advantage of current interest rates	0	0.00%
34. Change State and Federal Law and GASB requirements	0	0.00%
37. Do nothing, County accept responsibility for costs	0	0.00%
40. New millage to cover cost of future retiree healthcare expenses.	0	0.00%
41. Purchase Life Insurance	0	0.00%
43. Review outside consultant costs and contracts.	0	0.00%
44. Review Transparency in claims cost for appropriate discounts and utilization of benefits.	0	0.00%
47. Use a VEBA to fund or pay for retiree health care costs	0	0.00%
Total:	69	100%

Ranking: 3rd Choice Items-Green

3rd Choice Items	GREEN	%
7. Education	5	8.33%
39. Look to other employers/spouses/new job to cover retiree/family with possible opt in at a later date	5	8.33%
11. Offer buyouts to existing Retirees	4	6.67%
8. Implement Medtipster	3	5.00%
12. Prescription Assistance Programs to assist in lowering cost of medications to retirees and group	3	5.00%
15. Changing the traditional plans to PPO to take advantage of network discounts	3	5.00%
1. Bid out health insurance	2	3.33%
9. Implement a Health Center or wellness center/clinic to reduce cost	2	3.33%
14. Assisted living at home	2	3.33%
16. Evaluate Cost Sharing and existing benefits to determine if can lower or cut benefits in an effort to reduce costs	2	3.33%
21. Look at offering different plan networks	2	3.33%
23. Move Drugs to a Part D Provider/Carve out prescription drugs or require Retiree to take Medicare Part D	2	3.33%
27. Voluntary removals from health insurance, depending on when retired	2	3.33%
30. Implement a High Deductible Health Plan with Health Savings Accounts for future retiree coverage versus actual insurance benefit so the future retirees can save for future retiree health care costs outside of the County's benefits	2	3.33%
31. Labor negotiations for upcoming retirees	2	3.33%
33. Bond first, address cost savings opportunities after to take advantage of current interest rates	2	3.33%
45. Sell assets to help offset cost of retiree benefits, this includes selling Harry Browne Airport or HealthSource.	2	3.33%
3. Chronic and Clinical Care Management Programs	1	1.67%
4. Coaching for lifestyle management changes and Preventive Program on certain diseases to help control costs	1	1.67%
10. Look at a Wellness Program for Retirees and offer incentives for doing healthy activities.	1	1.67%
13. Add Step Therapy and other pharmacy programs to determine if lesser costing medication could be obtained.	1	1.67%
17. Evaluate Individual coverage over group coverage	1	1.67%
18. Evaluate Medicare Advantage plan with Rx (Part D)	1	1.67%

19. Evaluate need for lifestyle medications and whether or not non-medically necessary prescriptions should be allowed.	1	1.67%
20. Look at changing segments/reducing number of benefits programs offered	1	1.67%
26. Separate Plan Documents for Retirees and Actives.	1	1.67%
28. Changing plan to allow for same coverage as actives (as active coverage is changed, so does retiree coverage)	1	1.67%
29. Extend current retirement thresholds delaying receipt of retiree healthcare	1	1.67%
36. County Policy – don't hire back retirees (potential changes in MERS policy and Board policy)	1	1.67%
38. Evaluate Stop Loss Level on medical and pharmacy program	1	1.67%
43. Review outside consultant costs and contracts.	1	1.67%
47. Use a VEBA to fund or pay for retiree health care costs	1	1.67%
2. Contract locally to service prescription drug program for possible savings for maintenance/generic medications-possibly with a local hospital.	0	0.00%
5. Conduct Health Risk Assessments with incentive offered	0	0.00%
6. Coordinate incentives for certain items like obtaining and reducing cholesterol, weight loss, lowering blood pressure	0	0.00%
22. Look at Retirees and people identifying characteristics that could allow for changes in benefits (i.e. by pension/retirement, etc.)	0	0.00%
24. Offer Closed Formulary	0	0.00%
25. Retiree health care exchange	0	0.00%
32. Privatize current employees	0	0.00%
34. Change State and Federal Law and GASB requirements	0	0.00%
35. Consolidate governments (blend with other municipalities) in an effort to reduce administrative fees and other fees	0	0.00%
37. Do nothing, County accept responsibility for costs	0	0.00%
40. New millage to cover cost of future retiree healthcare expenses.	0	0.00%
41. Purchase Life Insurance	0	0.00%
42. Review Actuarial Assumptions	0	0.00%
44. Review Transparency in claims cost for appropriate discounts and utilization of benefits.	0	0.00%
46. Transferring risk like autos did to the retirees as a group to control own plans.	0	0.00%
Total:	60	100%

Ranking: Items selected as items to NOT Implement-Red

Items selected by Task Force Members to NOT Implement	RED	%
15. Changing the traditional plans to PPO to take advantage of network discounts	5	20.83%
37. Do nothing, County accept responsibility for costs	5	20.83%
2. Contract locally to service prescription drug program for possible savings for maintenance/generic medications-possibly with a local hospital.	3	12.50%
32. Privatize current employees	3	12.50%
17. Evaluate Individual coverage over group coverage	2	8.33%
40. New millage to cover cost of future retiree healthcare expenses.	2	8.33%
9. Implement a Health Center or wellness center/clinic to reduce cost	1	4.17%
16. Evaluate Cost Sharing and existing benefits to determine if can lower or cut benefits in an effort to reduce costs	1	4.17%
34. Change State and Federal Law and GASB requirements	1	4.17%
35. Consolidate governments (blend with other municipalities) in an effort to reduce administrative fees and other fees	1	4.17%
1. Bid out health insurance	0	0.00%
3. Chronic and Clinical Care Management Programs	0	0.00%
4. Coaching for lifestyle management changes and Preventive Program on certain diseases to help control costs	0	0.00%
5. Conduct Health Risk Assessments with incentive offered	0	0.00%
6. Coordinate incentives for certain items like obtaining and reducing cholesterol, weight loss, lowering blood pressure	0	0.00%
7. Education	0	0.00%
8. Implement Medtipster	0	0.00%
10. Look at a Wellness Program for Retirees and offer incentives for doing healthy activities.	0	0.00%
11. Offer buyouts to existing Retirees	0	0.00%
12. Prescription Assistance Programs to assist in lowering cost of medications to retirees and group	0	0.00%
13. Add Step Therapy and other pharmacy programs to determine if lesser costing medication could be obtained.	0	0.00%
14. Assisted living at home	0	0.00%
18. Evaluate Medicare Advantage plan with Rx (Part D)	0	0.00%

19. Evaluate need for lifestyle medications and whether or not non-medically necessary prescriptions should be allowed.	0	0.00%
20. Look at changing segments/reducing number of benefits programs offered	0	0.00%
21. Look at offering different plan networks	0	0.00%
22. Look at Retirees and people identifying characteristics that could allow for changes in benefits (i.e. by pension/retirement, etc.)	0	0.00%
23. Move Drugs to a Part D Provider/Carve out prescription drugs or require Retiree to take Medicare Part D	0	0.00%
24. Offer Closed Formulary	0	0.00%
25. Retiree health care exchange	0	0.00%
26. Separate Plan Documents for Retirees and Actives.	0	0.00%
27. Voluntary removals from health insurance, depending on when retired	0	0.00%
28. Changing plan to allow for same coverage as actives (as active coverage is changed, so does retiree coverage)	0	0.00%
29. Extend current retirement thresholds delaying receipt of retiree healthcare	0	0.00%
30. Implement a High Deductible Health Plan with Health Savings Accounts for future retiree coverage versus actual insurance benefit so the future retirees can save for future retiree health care costs outside of the County's benefits	0	0.00%
31. Labor negotiations for upcoming retirees	0	0.00%
33. Bond first, address cost savings opportunities after to take advantage of current interest rates	0	0.00%
36. County Policy – don't hire back retirees (potential changes in MERS policy and Board policy)	0	0.00%
38. Evaluate Stop Loss Level on medical and pharmacy program	0	0.00%
39. Look to other employers/spouses/new job to cover retiree/family with possible opt in at a later date	0	0.00%
41. Purchase Life Insurance	0	0.00%
42. Review Actuarial Assumptions	0	0.00%
43. Review outside consultant costs and contracts.	0	0.00%
44. Review Transparency in claims cost for appropriate discounts and utilization of benefits.	0	0.00%
45. Sell assets to help offset cost of retiree benefits, this includes selling Harry Browne Airport or HealthSource.	0	0.00%
46. Transferring risk like autos did to the retirees as a group to control own plans.	0	0.00%
47. Use a VEBA to fund or pay for retiree health care costs	0	0.00%
Total:	24	100%

Meeting Minutes

RETIREE HEALTHCARE TASK FORCE
MINUTES
ALBERT AND WOODS PROFESSIONAL DEVELOPMENT AND BUSINESS CENTER

WEDNESDAY, JUNE 17, 2015
4:00 P.M. – 6:00 P.M.

Members in Attendance: Susan McInerney, Dennis Krafft, Pat Wurtzel, Michael Hanley, Brian Wendling, Terry Clark, Robert Belleman, Craig Irvine, Patricia Ritter, Ann Flattery, Beth Capen, Pat Duggan, Jim Hogue, Kevin Stevens, Deb Kestner, Stephanie Graft, Jamie Forbes, Dennis Lichon, John Milne, Jim Koski, Kristine Manwell, Kathleen Packard, Joe Oeming, Brigid Richards, Carol Lechel, Jerry Desloover

Not Present: Carl Ruth, Lynnette Royer, Michelle Slaughter, Mari KcKenzie, Cheryl Jarzabkowski, Bob VanDeventer Tim Hausbeck

Others In Attendance: Amy Deford, Angela Garner

Michael Hanley introduced himself and welcomed everyone to the meeting. He opened the meeting by introducing Robert Belleman, Controller/CAO.

Mr. Belleman asked that everyone introduce themselves and in what capacity they serve on the committee. He then explained the purpose and intent of the meeting and encouraged discussion on ways to address and control retiree healthcare costs. He took a moment to go through the binders that were distributed to each member and discussed what was included behind each tab. He asked the committee to read the enclosed material before the next meeting.

Mr. Belleman introduced Michael Spickard and Alex Johnson with CBIZ Retirement Plan Services. Michael Spickard explained what data is used to perform the work in developing an actuarial report. He also discussed certain areas that affect the results of a valuation.

Alex Johnson from CBIZ reviewed the summary of the Actuarial Valuation that was provided in the binder for year ended December 31, 2014. Mr. Spickard then explained current Governmental Accounting Standards Board (GASB) requirements. He also reviewed the assumptions that are used in a valuation report.

Mr. Belleman explained the history of liability and "pay as you go." There was a lengthy discussion on how underfunding may have occurred.

Mr. Belleman introduced Angela Garner with Brown & Brown of Central Michigan, Inc., who will be the Facilitator of the Task Force Committee.

Ms. Garner reviewed material in the Legal tab of the binder. She began with the Timeline of Other Post-Employment Benefits, differences between self-funded and fully-insured plans, Glossary of Health Coverage and Medical Terms, what determines premium costs, breakdown of costs and BCBS fee analysis.

Ms. Garner concluded by reviewing the information contained under the County Analysis tab.

Public Comment – None.

Next meeting is scheduled for Thursday, June 25, 2015 at 4:00 p.m. at the Albert and Woods Professional Development and Business Center.

Meeting adjourned at 5:53 p.m.

RETIREE HEALTHCARE TASK FORCE
MINUTES
ALBERT AND WOODS PROFESSIONAL DEVELOPMENT AND BUSINESS CENTER

THURSDAY, JUNE 25, 2015

4:00 P.M. – 6:00 P.M.

Members in Attendance: Michael Hanley, Robert Belleman, Carl Ruth, Sue McInerney, Dennis Krafft, Brian Wendling, Judge Clark, Patricia Ritter, Lynette Royer, Ann Flattery, Michelle Slaughter, Beth Capen, Pat Duggan, Jim Hogue, Kevin Stevens, Deb Kestner, Stephanie Graft, Dennis Lichon, John Milne, Kristine Manwell, Joe Oeming, Brigid Richards, Carol Lechel, Jerry Desloover

Not Present: Patrick Wurtzel, Craig Irvine, Mari McKenzie, Jamie Forbes, Jim Koski, Kathleen Packard, Cheryl Jarzabkowski, Bob VanDeventer, Tim Hausbeck

Others In Attendance: Amy Deford, Angela Garner

Michael Hanley called the meeting to order and informed committee we would approve minutes of June 17, 2015 at the July 16, 2015 meeting.

Public Comment: None

Robert Belleman explained that the Facilitator, Angela Garner would pick up where she left off after last meeting.

Ms. Garner advised the committee to make sure everyone had the handouts that were available and that she would be going over them during the meeting.

Mr. Belleman reviewed the Post Employment Health Actuarial Assumptions chart and the Graczyk-Dijak Health Account History chart for the years 2003 through 2014.

Ms. Garner asked the committee if there were any questions regarding the articles that were included in the binder. There were several questions and a lengthy discussion

regarding the article titled, "Managing Public Sector Retiree Healthcare Benefits under the Affordable Care Act." Ms. Garner informed the committee about Medicare Part D. There was some discussion regarding Medicare supplemental and Medicare Advantage-type plans also known as Employer Group Waiver Plans.

A question was asked regarding Part D drug carriers and if there is a provider listing. Also, the Committee requested if a review could be done comparing Part D with the County's current coverage. Drug formularies were discussed as far as being open or closed. The County's plans today are open utilizing the Express Script network.

Ms. Garner continued to the RHC tab and reviewed the Retiree Illustrative Rates chart of Saginaw County retiree divisions. She then gave a summary of taxes and fees assessed by the Affordable Care Act. Several questions were raised regarding these taxes and fees.

Ms. Garner analyzed the handout on Blue Cross Blue Shield Prescription Drug – Key Indicators. This prompted several questions, which took us to the end of the meeting.

Mr. Oeming asked whether there was a stop-loss on prescription drugs.

In conclusion, Ms. Garner requested that the committee read the NACO article on Excise Tax before the next meeting.

Next meeting is scheduled for Thursday, July 16, 2015 at 4:00 p.m. at the Albert and Woods Professional Development and Business Center.

Meeting adjourned at 6:05 p.m.

RETIREE HEALTHCARE TASK FORCE
MINUTES
ALBERT AND WOODS PROFESSIONAL DEVELOPMENT AND BUSINESS CENTER

THURSDAY, JULY 16, 2015
4:00 P.M. – 6:00 P.M.

Members in Attendance: Michael Hanley, Robert Belleman, Carl Ruth, Sue McInerney, Dennis Krafft, Judge Clark, Patricia Ritter, Craig Irvine, Mari McKenzie, Jamie Forbes, Jim Koski, Kathleen Packard, Cheryl Jarzabkowski, Lynette Royer, Ann Flattery, Michelle Slaughter, Beth Capen, Pat Duggan, Jim Hogue, Kevin Stevens, Deb Kestner, Stephanie Graft, Dennis Lichon, John Milne, Kristine Manwell, Joe Oeming, Brigid Richards, Carol Lechel

Absent: Patrick Wurtzel, Bob VanDeventer, Tim Hausbeck, Brian Wendling, Jerry Desloover

Others In Attendance: Amy Deford, Angela Garner

Michael Hanley called the meeting to order. Michael Hanley asked that we approve Minutes of June 25, 2015 meeting. Joe Oeming motioned to approve Minutes of June 25, 2015 meeting and was seconded by Susan McInerney.

Public Comment: None

Ms. Garner began meeting talking about items on the agenda. The first item was Cadillac Tax. She explained to the Committee what Cadillac Tax was and how it would affect the various retiree plans. She reviewed the Retiree Illustrative Rates with Taxes and Fees chart in the Miscellaneous tab of the binder. Mr. Duggan asked if there was anything happening now that would alter these numbers. Mr. Belleman commented that we would not know the true impact will be for a few years.

Mr. Milne asked if an insurance company limits coverage just under threshold for Cadillac Tax, how can they collect this tax? Ms. Garner replied that it would come from self-insured policies.

Ms. Garner moved on to the next handout PPACA and State of Michigan Impact on Employer Group's Health Plan. She spoke about the items listed on the spreadsheet and what impact it has on fees that are required to be paid by employers. Mr. Duggan asked if

all fees went to the Federal Government. Ms. Garner replied that most go to the Federal Government and mentioned that the burden of ACA is on the employer.

Ms. Garner continued to the next several topics which pertain to drug counts and formularies. She reviewed the top 50 drugs that are used ranked by payment. Mr. Lichon stated that the cost of certain drug was $9.71 one month and the next month it was $103.00. He asked if there was a difference between self-insured and fully-insured costs. Ms. Garner stated that it could be that the drug is no longer being manufactured by the provider. She also mentioned that there is a website called Medtipster where you can enter a drug and find where you can purchase it at the lowest cost to you.

Ms. Garner continued on to the next topic Custom Drug List Quick Guide. She specifically talked about suffix 990 which has a 3-tier prescription drug benefit. She stated how this suffix has a prior authorization and quantity limit provision. Mr. Duggan inquired as to what approval is needed if the physician prescribes a certain drug for you. Ms. Garner explained how the pharmacist will contact your physician to see if there is an alternate drug that can be substituted to try first.

Ms. Garner moved on to the next topic of Medicare Part D coverage gap. She explained what the "Donut Hole" was and what the out-of-pocket costs would be when you get to certain coverage limits. Mr. Lichon questioned on what amount does the member and Medicare pay for prescription drugs, what is the base? Ms. McInerney stated for individual plans it is the total of Medicare plus member payments that goes toward donut hole.

Mr. Belleman assigned homework for the Committee before the next meeting to come up with ideas to encourage discussion as the Committee will be breaking up into small groups for brainstorming. Additional meetings will be the discussion of pros and cons of the brainstorming ideas and presentations on bonding.

Next meeting is scheduled for Thursday, July 30, 2015 at 4:00 p.m. at the Albert and Woods Professional Development and Business Center.

Meeting adjourned at 5:12 p.m.

RETIREE HEALTHCARE TASK FORCE
MINUTES
ALBERT AND WOODS PROFESSIONAL DEVELOPMENT AND BUSINESS CENTER

THURSDAY, JULY 30, 2015

4:00 P.M. – 6:00 P.M.

Members in Attendance: Robert Belleman, Carl Ruth, Sue McInerney, Dennis Krafft, Judge Clark, Patricia Ritter, Craig Irvine, Mari McKenzie, Jamie Forbes, Jim Koski, Kathleen Packard, Cheryl Jarzabkowski, Lynette Royer, Michelle Slaughter, Beth Capen, Pat Duggan, Jim Hogue, Kevin Stevens, Deb Kestner, Stephanie Graft, John Milne, Kristine Manwell, Joe Oeming, Brigid Richards, Carol Lechel

Absent: Michael Hanley, Bob VanDeventer, Tim Hausbeck, Jerry Desloover, Ann Flattery, Stephanie Graft

Others In Attendance: Amy Deford, Angela Garner, Cindy Vanderlip

Sue McInerney called the meeting to order at 4:00 p.m. Sue McInerney gave a moment for the Committee to review the Minutes of the last meeting. She then asked for approval of the July 16, 2015 Minutes. Mari McKenzie motioned to approve Minutes of July 16, 2015 meeting and was seconded by John Milne. Motion passed.

Public Comment: None

Ms. Garner began meeting by explaining the Medtipster handout and how it works. She asked if anyone had any questions concerning it. There were none.

Ms. Garner read the purpose of the Task Force as was indicated on the handout. She then proceeded to give instructions and reviewed the areas of consideration/discussion for the brainstorming session scheduled for this meeting.

The Committee divided into five groups to come up with ideas for each topic of consideration. They were given one hour and thirty minutes beginning at 4:15 p.m. Before they began Mr. Belleman inquired if there were any questions. There were none.

The Committee reconvened at 5:25 p.m. and Ms. Garner asked each group individually for their input on each topic for consideration. Once the groups gave their ideas on all topics, Ms. Garner stated that she will tabulate the results and will have them available at the next meeting.

Ms. Garner asked the Committee if they had additional ideas to add to the list that they could email them directly to her.

Ideas from the brainstorming session are posted as an attachment to these minutes.

Next meeting is scheduled for Thursday, August 20, 2015 at 4:00 p.m. at the Albert and Woods Professional Development and Business Center.

A motion to adjourn was made by Kathleen Packard and seconded by Beth Capen. Meeting was adjourned at 5:55 p.m.

RETIREE HEALTHCARE TASK FORCE
MINUTES
ALBERT AND WOODS PROFESSIONAL DEVELOPMENT AND BUSINESS CENTER

THURSDAY, AUGUST 20, 2015
4:00 P.M. – 6:00 P.M.

Members in Attendance: Robert Belleman, Michael Hanley, Carl Ruth, Sue McInerney, Brian Wendling, Patricia Ritter, Kathleen Packard, Cheryl Jarzabkowski, Lynette Royer, Michelle Slaughter, Beth Capen, Pat Duggan, Jim Hogue, Deb Kestner, Dennis Lichon, John Milne, Kristine Manwell, Brigid Richards, Jerry Desloover, Ann Flattery

Absent: Patrick Wurtzel, Dennis Krafft, Kevin Stevens, Judge Clark, Craig Irvine, Mari McKenzie, Jamie Forbes, James Koski, Joe Oeming, Carol Lechel, Bob VanDeventer, Tim Hausbeck, Stephanie Graft

Others In Attendance: Amy Deford, Angela Garner

Michael Hanley called the meeting to order at 4:02 p.m. Mr. Hanley gave a moment for the Committee to review Minutes of last meeting. He then asked for approval of the August 20, 2015 Minutes. Patrick Duggan motioned to approve Minutes of July 30, 2015 meeting and was supported by Brian Wendling. Motion passed.

Public Comment: None

Ms. Garner began meeting by explaining how with Committee will proceed with brainstorming ideas from the last meeting. Ms. Garner created a spreadsheet of the ideas that included columns for pros and cons.

Members were given 30 minutes to review the ideas and to add their own pros and cons for each brainstorming idea listed. The Committee broke out into five groups to come up with consolidated pros and cons for each group. The lists were then given to Ms. Garner, as she will consolidate group responses into a single document.

Ms. Garner collected all handouts. She stated an original will be emailed to all members, those present and absent, in order to complete in its entirety. She also commented that members could add additional ideas which will be discussed at the next meeting on August 26, 2015.

Ms. Garner explained the next meeting will consist of reviewing Healthcare Exchanges.

Next meeting is scheduled for Wednesday, August 26, 2015 at 4:00 p.m. at the Albert and Woods Professional Development and Business Center.

A motion to adjourn was made by Deb Kestner and supported by Kathleen Packard. Meeting was adjourned at 5:20 p.m.

RETIREE HEALTHCARE TASK FORCE
MINUTES
ALBERT AND WOODS PROFESSIONAL DEVELOPMENT AND BUSINESS CENTER

WEDNESDAY, AUGUST 26, 2015

4:00 P.M. – 6:00 P.M.

Members in Attendance: Robert Belleman, Michael Hanley, Carl Ruth, Sue McInerney, Judge Clark, Craig Irvine, Patricia Ritter, Lynnette Royer, Ann Flattery, Beth Capen, Pat Duggan, Jim Hogue, Kevin Stevens, Jamie Forbes, Dennis Lichon, John Milne, Jim Koski, Kristine Manwell, Kathleen Packard, Joseph Oeming, Brigid Richards, Carol Lechel, Jerry Desloover

Absent: Patrick Wurtzel, Dennis Krafft, Brian Wendling, Michelle Slaughter, Deb Kestner, Stephanie Graft, Mari McKenzie, Cheryl Jarzabkowski, Bob VanDeventer, Tim Hausbeck

Others In Attendance: Angela Garner, Amy Deford

Michael Hanley called the meeting to order at 4:02 p.m. Mr. Hanley gave the Committee time to review Minutes of last meeting. Mr. Hanley asked for approval of the August 20, 2015 meeting Minutes. Sue McInerney motioned to approve Minutes of August 20, 2015 meeting and was supported by James Koski. Motion passed.

Public Comment: Mr. Miller asked if there were any doctors on the Committee. Ms. Garner replied that there were none.

Ms. Garner began the meeting by reviewing a document on Private Exchanges and the differences between the Marketplace and Private Exchanges. She explained that a private exchange is a marketplace facilitated by private companies also called a benefit shop. Carriers differ and groups can choose their own parameters. She went on to explain how it works.

Ms. Garner reviewed the key features of a private health exchange and that there are hundreds of plan options to choose from, typically five to ten are reasonable. Ms. Garner

stated that there are three types of exchanges: Pre-Medicare, Medicare Eligible and Split Policies.

Ms. Royer asked if anyone in this area is using a private exchange.Mr. Garner replied that Blue Cross has twelve in Michigan. Ms. Royer asked which states are using exchanges? Ms. Garner replied that California was leading all states. Ms. Garner commented that Michigan is five to ten years behind in implementing exchanges.

The next topic on the agenda was Review of Pros and Cons from the two previous meetings. Ms. Garner began with the retiree group of the Committee and asked them to express their feelings as to reducing benefits. Ms. Manwell pointed out retirees were guaranteed no changes in benefits when they retired. She stated that she would have no problem paying a little more for co-pays and benefits to a certain point.

Ms. Packard stated that promises were made at the negotiation table that by reducing some benefits as an active employee and no raises in salary, you would have good benefits in retirement. She also stated not to solve money problems on the retirees backs. Dialogue ensued regarding comparable benefits and promised benefits.
Mr. Milne stated that landscape has changed and that no one knew what was to come when contracts were negotiated. There was no ACA, Part D, expensive drugs back then.

Ms. Capen stated if you want cut benefits for active employees that there is nothing left to cut. Actives are already paying more and receiving less.

Ms. Garner explained the next meeting will be a presentation on bonding by Paul Wyzgoski from Dickinson, Wright.

Next meeting is scheduled for Thursday, September 17, 2015 at 4:00 p.m. at the Albert and Woods Professional Development and Business Center.

A motion to adjourn was made by Pat Duggan and supported by James Koski. Meeting was adjourned at 6:00 p.m.

RETIREE HEALTHCARE TASK FORCE
MINUTES
ALBERT AND WOODS PROFESSIONAL DEVELOPMENT AND BUSINESS CENTER

WEDNESDAY, SEPTEMBER 17, 2015
4:00 P.M. – 6:00 P.M.

Members in Attendance: Robert Belleman, Michael Hanley, Carl Ruth, Sue McInerney, Patricia Ritter, Lynnette Royer, Ann Flattery, Michelle Slaughter, Beth Capen, Pat Duggan, Jim Hogue, Kevin Stevens, Deb Kestner, Mari McKenzie, Jamie Forbes, Dennis Lichon, John Milne, Jim Koski, Kristine Manwell, Kathleen Packard, Cheryl Jarzabkowski, Joseph Oeming, Brigid Richards, Carol Lechel, Jerry Desloover,

Absent: Patrick Wurtzel, Dennis Krafft, Brian Wendling, Judge Clark, Craig Irvine, Stephanie Graft, Bob VanDeventer, Tim Hausbeck

Others In Attendance: Melissa Ramos on behalf of Angela Garner, Amy Deford

Michael Hanley called the meeting to order at 4:02 p.m. Mr. Hanley gave the Committee time to review Minutes of last meeting. Mr. Hanley asked for approval of the August 26, 2015 meeting Minutes. Carl Ruth motioned to approve Minutes of August 26, 2015 meeting and was supported by Kathleen Packard. Motion carried.

Public Comment: None

Mr. Belleman introduced the speakers for this meeting Paul Wyzgoski, Attorney from Dickinson, Wright and Warren Creamer, Financial Advisor from RW Baird.

Mr. Wyzgoski set forth the legal requirements of issuing bonds. The Municipal Finance Act (2001 PA 34 or "Act 34") through December 31, 2018 permits a county, village, township or city to issue bonds to pay all or part of the cost of the unfunded accrued health care liability. He stated unfunded accrued liability is the difference between the assets and liabilities as stated in annual actuarial valuations.

Mr. Wyzgoski stated that the proceeds of bonds issued are required to be deposited in a health care trust fund, a trust created by the County, or a restricted fund within a trust that would only be used to retire the bonds.

Mr. Wyzgoski explained the requirements for issuing bonds under Act 34. He stated there are four steps required for issuance of bonds. The first being Publication of Notice of Intent to Issue Bonds, then the preparation of a comprehensive financial plan, Michigan Department of Treasury approval and the last would be the County's credit rating. The County must have a credit rating of AA or better by at least one nationally recognized rating agency. Once the requirements are met, the Board of Commissioners determines the amount and how to sell the bonds.

James Koski asked how many years can you stretch the bond payments? Mr. Wyzgoski answered you can go up to 30 years. Mr. Creamer stated that going for a longer period of time is beneficial.

Mr. Milne asked if the $14 million we have in assets are in a Trust Fund? Mr. Belleman stated we do not have a Trust Fund established.

Mr. Milne also asked under Section 1 of Act 34, if we go this route, can the benefit structure be changed? Mr. Wyzgoski replied that only on the pension side you cannot change benefits.

Mr. Milne asked about mitigation and Mr. Wyzgoski responded the plan would have to address it.

Mr. Duggan asked if there were any other counties that levied taxes for this purpose. Mr. Wyzgoski replied that he was not aware of any county that levied taxes to pay for retiree healthcare.

Mr. Creamer presented on the potential benefits and risks with bonding. He stated the benefits would be the ability to restructure liabilities for cash flow relief and budget stabilization. The opportunity for positive arbitrage and bond proceeds held in a trust as a dedicated funding source for future benefit payments. This would give employees comfort in knowing the cash is in the account.

Mr. Creamer explained the potential risks associated with bonding. It would turn a soft cost into a hard cost. He stated a soft cost is flexible and hard cost there is no flexibility. Another risk would be that it counts against issuer's legal debt margin, the return on trust

assets could be lower than the rate on the bonds and finally, unfunded liability and annually required contributions may reappear or increase.

Mr. Creamer continued through his presentation touching on what is unfunded actuarial accrued liability, rolling returns, time horizons and asset mix.

Mr. Koski asked about retiring bonds early. Mr. Creamer replied you must have at least 10 years of payments and you could refinance. This would improve likelihood of success.

Mr. Oeming asked if collateral was required? Mr. Wyzgoski replied that there is an obligation for the County to make payments. No assets are pledged.

Ms. Lechel asked when the County sold the DB bonds, was there a task force? Mr. Belleman answered that is was the decision of the Board of Commissioners.

Mr. Lichon asked what happens if costs go up to 30%. What happens to the model? Mr. Creamer explained this is why there is an actuarial study completed. This study will take into consideration assumptions which include compounding and annual increases.

Ms. Kestner asked whether you can change investment managers once you have picked one. Mr. Creamer responded, yes you could.

Next meeting is scheduled for Thursday, September 24, 2015 at 4:00 p.m. at the Albert and Woods Professional Development and Business Center.

A motion to adjourn was made by James Koski and supported by Kevin Stevens. Meeting was adjourned at 5:25 p.m.

RETIREE HEALTHCARE TASK FORCE
MINUTES
ALBERT AND WOODS PROFESSIONAL DEVELOPMENT AND BUSINESS CENTER

THURSDAY, OCTOBER 15, 2015

4:00 P.M. – 6:00 P.M.

Members in Attendance: Robert Belleman, Michael Hanley, Carl Ruth, Dennis Krafft, Terry Clark, Craig Irvine, Patricia Ritter, Michelle Slaughter, Beth Capen, Pat Duggan, Randy Pfau, Kevin Stevens, Deb Kestner, Mari McKenzie, Dennis Lichon, John Milne, Kristine Manwell, Cheryl Jarzabkowski, Joseph Oeming, Brigid Richards, Lynnette Royer (Cindy Vanderlip)

Absent: Susan McInerney, Patrick Wurtzel, Brian Wendling, Lynnette Royer, Kathleen Packard, Wade Swalwell, Stephanie Graft, Jamie Forbes, Jim Koski, Carol Lechel, Jerry Desloover, Bob VanDeventer, Tim Hausbeck

Others In Attendance: Angela Garner, Amy Deford

Michael Hanley called the meeting to order at 4:05 p.m. Mr. Hanley gave the Committee time to review Minutes of last meeting. Mr. Hanley asked for approval of the September 17, 2015 meeting Minutes. Deb Kestner motioned to approve Minutes of September 17, 2015 meeting and was supported by Carl Ruth. Motion carried.

Public Comment: None

Mr. Belleman began by explaining the format of the meeting. Name cards have numbers 1 through 5 assigned to each. Members separated into five groups according to the number assigned. Mr. Belleman gave instructions on the handout regarding Ideas with Definitions, Pros and Cons. The groups were to use one master handout to add, delete or make comments to each idea presented. They had one hour and a half to complete the activity.

Ms. Garner explained that the materials were separated into five topics alphabetically. The five topics were Alternative Carriers, Education/Wellness/Incentives, Restructure/Plan Design, Existing Actives and Revenue Options. Ms. Garner stated from her compilation,

there were items members didn't understand the issue, so definitions were added for clarity. She again stated members now had the opportunity to change or modify any issues. In finishing, the groups were to hand in their master handout and Ms. Garner would compile each group's notes in order for the issues to be prioritized.

Next meeting is scheduled for Thursday, October 29, 2015 at 4:00 p.m. at the Albert and Woods Professional Development and Business Center.

A motion to adjourn was made by Patrick Duggan and supported by Kevin Stevens. Meeting was adjourned at 5:45 p.m.

RETIREE HEALTHCARE TASK FORCE
MINUTES
ALBERT AND WOODS PROFESSIONAL DEVELOPMENT AND BUSINESS CENTER

THURSDAY, OCTOBER 29, 2015

4:00 P.M. – 6:00 P.M.

Members in Attendance: Robert Belleman, Michael Hanley, Carl Ruth, Susan McInerney, Dennis Krafft, Brian Wendling, Terry Clark, Craig Irvine, Lynnette Royer, Michelle Slaughter, Beth Capen, Pat Duggan, Wade Swalwell (Jim Hogue), Deb Kestner, Stephanie Graft, Mari McKenzie, Dennis Lichon, John Milne, Kevin Stevens, James Koski, Kristine Manwell, Kathleen Packard, Cheryl Jarzabkowski, Joseph Oeming, Brigid Richards, Carol Lechel

Absent: Patrick Wurtzel, Patricia Ritter, Randy Pfau, Jamie Forbes, Jerry Desloover, Bob VanDeventer, Tim Hausbeck

Others In Attendance: Angela Garner, Amy Deford

Michael Hanley called the meeting to order at 4:04 p.m. Mr. Hanley gave the Committee time to review Minutes of last meeting. Mr. Hanley asked for approval of the October 15, 2015 meeting Minutes. Deb Kestner motioned to approve Minutes of October 15, 2015 meeting and was supported by Kathleen Packard. Motion carried.

Public Comment: Retirees Tim Metro, Pamela Pawlick, Jean Allen, Benita Snyder, Terry Beagle and Leah Carva all addressed the Committee regarding retiree healthcare.

Prioritize Recommendations:

Mr. Belleman explained that there were some modifications and clarification of some items on the Pros and Cons document after the last meeting. He gave the Committee a few minutes to look at it. He then explained the next step in the process was to prioritize the issues. Each Committee member received five blue dots, five yellow dots and five green dots. The blue stood for 1st set of priorities; yellow, second; and green third. Each member was to place the dots under their top priorities. When done, they all received one red dot, which indicated a "No Go."

Mr. Belleman explained the next step will be to compile a draft report to be distributed to members for review and to make recommendations to the Board of Commissioners.

Next meeting is scheduled for Thursday, November 19, 2015 at 4:00 p.m. at the Albert and Woods Professional Development and Business Center.

A motion to adjourn was made by Kristine Manwell and supported by Beth Capen. Meeting was adjourned at 5:10 p.m.

RETIREE HEALTHCARE TASK FORCE
MINUTES
ALBERT AND WOODS PROFESSIONAL DEVELOPMENT AND BUSINESS CENTER

THURSDAY, DECEMBER 17, 2015
4:00 P.M. – 6:00 P.M.

Members in Attendance: Robert Belleman, Michael Hanley, Carl Ruth, Susan McInerney, Dennis Krafft, Pat Wurtzel, Brian Wendling, Terry Clark, Patricia Ritter, Lynnette Royer, Michelle Slaughter, Beth Capen, Pat Duggan, Deb Kestner, Mari McKenzie, Dennis Lichon, John Milne, James Koski, Kristine Manwell, Kathleen Packard, Cheryl Jarzabkowski, Joseph Oeming, Brigid Richards, Carol Lechel, Jerry Desloover

Absent: Craig Irvine, Wade Swalwell, Randy Pfau, Stephanie Graft, Jamie Forbes, Kevin Stevens, Bob VanDeventer, Tim Hausbeck

Others In Attendance: Angela Garner, Amy Deford

Michael Hanley called the meeting to order at 4:01 p.m. and welcomed everyone in attendance. Mr. Hanley asked for approval of the October 29, 2015 meeting Minutes. Deb Kestner motioned to approve Minutes of October 29, 2015, meeting and was supported by Kathleen Packard. Motion carried.

Public Comment: Retirees Tim Metro, Dave Demand, Connie Barsenas, Vickie Mahan, Jean Allen, Mary Ellen Johnson, Virginia Miller and Peggy Malone addressed the Committee regarding retiree healthcare.

It was requested by Mr. Metro to allow for additional public comment at the end of the meeting to allow the public in attendance an opportunity to speak once they heard the discussion regarding the draft report. Mr. Hanley asked the Committee if they had any objection to this request. There were no objections.

Retiree Healthcare Task Force Draft Report:

Angela Garner explained the details of the Draft Report that the members previously received. She stated that there would be an Executive Summary and a page for signatures of Committee members added to the final report.

Ms. Garner had the Committee break into five groups with instructions to review the report focusing on the top ranked issues and summaries that followed. She asked that the groups add any additional comments or offer any revisions to be included in final report. The Committee broke into groups at 4:25 p.m.

Committee reconvened at 4:52 p.m. Mr. Hanley asked each team for any changes.

Team #1

John Milne spoke for the group and they suggested making the ranking chart look like the detail towards the back of the report. The second suggestion they offered was to try to assign an estimate of cost savings to send to the Board for each top issue.

Mr. Belleman stated he will look at the list and try to quantify the issues. Ms. Garner added that if would be difficult to do because dates of implementation.

Team #2

No changes.

Team #3

No changes.

Team #4

Suggested that on Page 8 – Committee Members – show the attendance record of members and require a minimum number of meetings they needed to attend to be eligible to sign the final report.

Team #5

Team #5 had several comments and revisions and will be forwarding their report to Ms. Garner.

Lengthy discussion took place on who would be eligible to sign final report and whether committee should make a motion to vote on number of meetings required to attend. Mr. Belleman stated that this could not be a motion the Committee can make. It should have been a requirement by the Board of Commissioners at the time the Committee was created.

Ms. Garner summarized the draft report and reviewed the top five in each color-coded category and asked for any final comments.

Mr. Belleman stated that there will be one more Committee meeting scheduled in January. All retirees will receive a letter that will include an Executive Summary of the final report and offer them the opportunity for final comments before it goes to the Board of Commissioners.

Mr. Hanley said there are people in the audience that are apprehensive of what this Committee is trying to accomplish and asked if any Committee members would like to speak. John Milne, Brigid Richards, Lynnette Royer, Kathleen Packard, James Koski and Patrick Duggan all spoke on why the Committee was formed and the goal was not to reduce benefits, but to preserve what retirees have and ways to reduce cost and to pay down the unfunded deficit.

Mr. Hanley asked the Committee to suspend rules and ask for additional public comment. Mr. Duggan moved to allow for more public comment and was supported by Pat Wurtzel.

Mr. Demand and Mr. Metro spoke to not reduce retiree health benefits.
Ms. Ritter commented that there is a misconception that this Committee is negotiating and it is not.
Next meeting is scheduled for Wednesday, January 20, 2016 at 4:00 p.m. at TheDow Red Room.
A motion to adjourn was made by Deb Kestner and supported by Dennis Lichon. Meeting was adjourned at 5:47 p.m.

RETIREE HEALTHCARE TASK FORCE
MINUTES
THE DOW EVENT CENTER

WEDNESDAY, JANUARY 20, 2016

4:00 P.M. – 6:00 P.M.

Members in Attendance: Robert Belleman, Michael Hanley, Carl Ruth, Susan McInerney, Pat Wurtzel, Brian Wendling, Terry Clark, Craig Irvine, Patricia Ritter, Lynnette Royer, Michelle Slaughter, Beth Capen, Pat Duggan, Randy Pfau, Dennis Lichon, Kevin Stevens, James Koski, Kristine Manwell, Kathleen Packard, Cheryl Jarzabkowski, Joseph Oeming, Brigid Richards, Carol Lechel, Bob VanDeventer

Absent: Dennis Krafft, Wade Swalwell, Deb Kester, Stephanie Graft, Mari McKenzie, Jamie Forbes, John Milne, Jerry Desloover, Tim Hausbeck

Others In Attendance: Angela Garner, Amy Deford

Call to Order: Michael Hanley called the meeting to order at 4:00 p.m. and welcomed everyone in attendance.

Public Comment: Retirees Tim Metro and Michael Fitzsimons addressed the Committee regarding retiree healthcare.

Mr. Hanley asked the Committee to allow for additional public comment at the end of the meeting to allow the public in attendance an opportunity to speak at the end of the meeting. Mr. Hanley asked the Committee if they had any objection to this request. There were no objections.

Approval of Minutes: Mr. Hanley asked for approval of the December 17, 2015 meeting Minutes. James Koski motioned to approve Minutes of December 17, 2015, meeting and was supported by Judge Terry Clark. Motion carried.

Mr. Belleman explained the purpose of the Committee was to look at other opportunities such as, education, bonding, other insurance carriers, etc. without reducing retiree benefits. He then introduced Angela Garner who spoke on revisions that were made since the last report.

Mr. Hanley asked the Committee for a motion for additional public comment. Kathleen Packard motioned to allow for additional public comment and was supported by James Koski. Motion carried.

Retirees Curt Jolin and Tim Metro had questions regarding the Cadillac Tax.

Mr. Hanley suggested that each Committee member introduce themselves and what their role was on the Committee.

A motion was made to approve the Final Draft of the Saginaw County Retiree Healthcare Task Force Report dated January 20, 2016. Motion to approve was made by Terry Clark and supported by Kathleen Packard. Motion carried.

A motion to adjourn was made by Carl Ruth and supported by Dennis Lichon. Meeting was adjourned at 4:45 p.m.

Appendix 1-Actuarial Valuation Report

December 31, 2014 Saginaw County Other Postemployment Benefits

Dated April 15, 2015

Saginaw County
Other Postemployment Benefits

ACTUARIAL VALUATION REPORT
AS OF December 31, 2014

April 15, 2015

Prepared By:

CBIZ Retirement Plan Services
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Suite 500
Cleveland, OH 44131
Phone: (216) 447-9000
www.cbiz.com

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CBIZ

April 15, 2015

Amy J. Deford
Retirement Administrator
County of Saginaw
111 S. Michigan
Saginaw, MI 48602

Dear Ms. Deford:

Submitted in this report are the December 31, 2014 actuarial valuation results for the Saginaw County Other Postemployment Benefits.

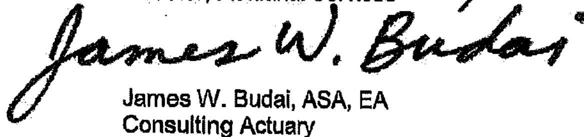
The purposes of this report are to:

- Provide the actuarial information needed to fulfill accounting reporting requirements under Governmental Accounting Standards Board Statement No. 45 (GASB 45); and
- Provide the Annual Required Contribution (ARC) for the fiscal years beginning October 1, 2015 and October 1, 2016.

We are available to answer any questions on the material in this report or to provide explanations or further details as appropriate. The undersigned credentialed actuaries collectively meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. We are not aware of any direct or material indirect financial interest or relationship that would impair the objectivity of our work.

Respectfully submitted,

Richard F. McCleary, EA, MAAA, MSPA
Director, Actuarial Services



James W. Budai, ASA, EA
Consulting Actuary

1. Retiree Premium Rate Development

Starting per capita costs were developed on an experience-rated basis using historic claim experience. Non-Drug Medical and Prescription Drugs were analyzed separately. For pre-Medicare ages, active and retiree plan experience was used to develop premium equivalent rates. These rates were adjusted to reflect that for a pre-Medicare retiree group. The result was then disaggregated into age-specific starting costs based on average ages and assumptions on the relationship between costs and increasing age (i.e., Morbidity). Starting per capita costs include Administrative Expenses. Starting costs for Medicare eligibles were developed using a Medicare Adjustment Factor of 0.40.

Morbidity Factors used are shown below.

Morbidity Factors	
Age	Rate Per Age
Under 65	4.50%
65 – 69	3.00%
70 – 74	2.50%
75 – 85	1.50%
86 & Older	0.00%

It is noted that gender-specific claim cost curves were used in the last GASB 45 actuarial valuation. For this valuation, separate age-specific claim cost curves were developed for Retirees and their Spouses. The revised approach better reflects how costs are tracked and managed.

Sample retiree premium rates developed are shown on the following page.

Retire Premium Rate Development – Illustrative Ages

Pre 65 Retiree Premium Rate Development				
	Future Retirees		Current Retirees	
Age	Male	Female	Male	Female
45	$ 5,562	$ 5,562	$ 5,883	$ 5,883
50	$ 6,931	$ 6,931	$ 7,331	$ 7,331
55	$ 8,638	$ 8,638	$ 9,136	$ 9,136
60	$ 10,764	$ 10,764	$ 11,385	$ 11,385

Post 65 Retiree Premium Rate Development				
	Future Retirees		Current Retirees	
Age	Male	Female	Male	Female
65	$ 5,135	$ 5,135	$ 5,970	$ 5,970
70	$ 5,924	$ 5,924	$ 6,888	$ 6,888
75	$ 6,669	$ 6,669	$ 7,755	$ 7,755

Statement of Actuarial Opinion

This Statement of Actuarial Opinion addresses the Starting Per Capita Costs and Health Care Trend Rates developed for the Actuarial Valuation as of September 30, 2014 of the Postretirement Health Plan for Saginaw County. The primary purpose of the valuation is to determine the obligations and cost as of for the 2015 Fiscal Year in accordance with Government Accounting Standard Board Statement No. 45.

In performing my work, I relied on information and data regarding plan provisions, enrollment, claims, and other related information provided by the County and/or CBIZ Retirement Plan Services. An audit of the information was not performed, but the information was reviewed for reasonableness as appropriate based on the purpose of my work. The accuracy of my results is dependent upon the accuracy and completeness of the underlying information. All of the information was relied upon in drawing conclusions.

I believe that the calculations performed and the results thereof are reasonable and appropriate for the purposes for which they have been used.

To the best of my knowledge, the analysis was conducted in a manner consistent with the Code of Professional Conduct and Qualification Standards of the American Academy of Actuaries and the applicable Standards of Practice of the Actuarial Standards Board, as well as conforming to generally accepted actuarial principles and practices.

I meet the Qualification Standards of the American Academy of Actuaries to render this Actuarial Opinion. There is no relationship between Saginaw County and Menard Consulting, Inc. that impairs objectivity.

John S. Ritchie, ASA, MAAA
Menard Consulting, Inc.

1. Executive Summary

The annual required contribution (ARC) is a component of the annual OPEB cost that is recognized by a plan sponsor under the accounting requirements of the Governmental Accounting Standards Board (GASB) Statement No. 45. The annual required contributions for the next two fiscal years determined by this valuation are:

Fiscal Year Beginning	Annual Required Contribution
October 1, 2015	$11,532,059
October 1, 2016	$12,051,002

Details regarding the derivation of the ARC can be found in Section 3, Valuation Results.

In addition to the ARC, GASB No. 45 requires liabilities and assets to be disclosed in financial statements. The liabilities and assets as of December 31, 2014 are as follows:

Derivation of UAL, Funded Percent, and Amortization Payment

Division	Actuarial Accrued Liabilities	Actuarial Value of Assets	Unfunded Accrued Liabilities (UAL)	Funded Percent	UAL Amortization
All Members Excluding MHA	$142,410,788	$14,898,591	$127,512,197	10.46%	$9,687,071
Mental Health Authority	664,742	0	664,742	0.00%	50,500
Total	$143,075,530	$14,898,591	$128,176,939	10.41%	$9,737,571

Census data used for this valuation were provided by Saginaw County as December 31, 2014. As requested, the results are shown split by division.

2. Important Notices

PURPOSE AND USE OF THIS REPORT

The purposes of this report are to:

- Provide the actuarial information needed to fulfill accounting reporting requirements under Governmental Accounting Standards Board Statement No. 45 (GASB 45); and

- Provide the Annual Required Contribution (ARC) for the fiscal years beginning October 1, 2015 and October 1, 2016.

The calculations contained herein have been made on a basis consistent with our understanding of GASB 45. Computations for purposes other than GASB 45 may be significantly different from these results and may not be appropriate. Decisions about benefit changes, investment policy, funding policy, benefit security and/or benefit-related issues should not be made solely on the basis of this valuation, but only after careful consideration of alternative economic, financial, demographic and societal factors, including financial scenarios that assume future sustained investment losses. Reliance on information contained in this report by anyone for anything other than the intended purpose could be misleading.

Consequently, this report is prepared solely for the internal business use of the Saginaw County. It may not be provided to third parties without our written consent, other than to auditors for use in satisfying accounting reporting requirements or as required due to public record disclosure laws. CBIZ is not responsible for the consequences of any unauthorized use.

LIMITATIONS OF THE VALUATION PROCESS

It is important to note that calculations in this report are mathematical estimates based upon assumptions regarding future events, which may or may not materialize. Actuarial calculations can and do vary from one valuation year to the next, sometimes significantly if the group valued is small. As a result, valuation results may fluctuate over time as the demographics of the group change.

To prepare this valuation report, actuarial assumptions were used to present a single scenario from a wide range of possibilities. Different assumptions or scenarios within the range of possibilities may also be reasonable and results based on those assumptions would be different. Two different actuaries could, quite reasonably, arrive at different results based on the same data and different views of the future. A "sensitivity analysis" shows the degree to which results would be different if you substitute alternative assumptions, from the range of reasonable alternatives possibilities, for those used in

this report. Because we have not been engaged to perform such a sensitivity analysis, the results of such an analysis are not included in this report. At your request, CBIZ is available to perform such a sensitivity analysis.

HOW VALUATIONS IMPACT PLAN COSTS AND CONTRIBUTIONS

Valuations do not affect the ultimate cost of the Plan, only the timing of contributions into the Plan. Plan funding occurs over time. Contributions not made this year, for whatever reason, including errors, remain the responsibility of the Plan sponsor and can be made in later years. If the actuarially calculated contribution amounts are lower or higher over a period of years than necessary, it is normal and expected practice for adjustments to be made to future contribution amounts to account for this, with a view to funding the plan over time.

DATA AND METHODS USED IN PREPARING THIS REPORT

In preparing our report, we have relied on plan provisions, financial information, and employee census data provided by Saginaw County. While we have reviewed the data in accordance with Actuarial Standards of Practice No. 23, we have not verified or audited any of the data or information provided. If any of this information as summarized in this report is inaccurate or incomplete, the results shown could be materially impacted, and this report may need to be revised.

Because modeling all aspects of a situation is not possible or practical, we may use summary information, estimates, or simplifications of calculations to facilitate the modeling of future events in an efficient and cost-effective manner. We may also exclude factors or data that are immaterial in our judgment. Use of such simplifying techniques does not, in our judgment, affect the reasonableness of valuation results for the plan.

PROFESSIONAL STANDARDS

To the best of our knowledge and belief, this report has been prepared in accordance with generally accepted actuarial principles and practices. All costs, liabilities, rates of interest, and other factors in this valuation have been determined based on actuarial assumptions and methods which, taking into account the experience of the employer and reasonable expectations, are reasonable both individually and in the aggregate.

Our advice is purely actuarial in nature. It is not intended to serve as a substitute for legal, accounting, or investing advice.

YOUR RESPONSIBILITIES WHEN READING THIS REPORT

You should notify us after receipt of this report if you disagree with anything contained in the report or are aware of any information that would affect the results of the report that have not been communicated to us.

If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this valuation are not described, that conditions have changed since the calculations

were made, that the information provided in this report is inaccurate or is anyway incomplete, or if you need further information in order to make an informed decision on the subject matter of this report, please contact us prior to making such decision or relying on information in the report.

3. Valuation Results

DETERMINATION OF ANNUAL REQUIRED CONTRIBUTION (ARC)

The ARCs for the fiscal year beginning fiscal years beginning October 1, 2015 and October 1, 2016 are shown below. A baseline ARC was determined as of December 31, 2014 and has been increased by 4.50% for the 2015 and 2016 fiscal years.

Division	Normal Cost	UAL Amortization	Interest to Fiscal Year	Baseline ARC for Fiscal Year Beg. 9/30/2015
All Members Excluding MHA	$858,592	$9,687,071	$432,728	$10,978,391
Mental Health Authority	4,316	50,500	2,256	57,072
Total	$862,908	$9,737,571	$434,984	$11,035,463

Division	ARC for Fiscal Year Beg. October 1, 2015	ARC for Fiscal Year Beg. October 1, 2016
All Members Excluding MHA	$11,472,419	$11,988,678
Mental Health Authority	59,640	62,324
Total	$11,532,059	$12,051,002

The derivation of the UAL Amortization, the funded percent, and other actuarial information is shown on the following pages.

PRESENT VALUE OF BENEFITS AS OF December 31, 2014

The Present Value of Benefits (PVB) is the present value of all benefits expected to be paid under the plan to the current and future retirees and beneficiaries. The PVB for this valuation is shown below.

Present Value of Benefits

Division	Active Members	Retirees & Beneficiaries	Total
All Members Excluding MHA	$40,077,321	$109,782,736	$149,860,057
Mental Health Authority	200,726	487,229	687,955
Total	$40,278,047	$110,269,965	$150,548,012

ACTUARIAL ACCRUED LIABILITIES AS OF December 31, 2014

The Actuarial Accrued Liabilities (AAL) is the portion of the PVB attributed to past service. The AAL for this valuation is shown below.

Actuarial Accrued Liabilities

Division	Active Members	Retirees & Beneficiaries	Total
All Members Excluding MHA	$32,628,052	$109,782,736	$142,410,788
Mental Health Authority	177,513	487,229	664,742
Total	$32,805,565	$110,269,965	$143,075,530

Derivation of UAL, Funded Percent, and Amortization Payment

Division	Actuarial Accrued Liabilities	Actuarial Value of Assets	Unfunded Accrued Liabilities (UAL)	Funded Percent	UAL Amortization
All Members Excluding MHA	$142,410,788	$14,898,591	$127,512,197	10.46%	$9,687,071
Mental Health Authority	664,742	0	664,742	0.00%	50,500
Total	$143,075,530	$14,898,591	$128,176,939	10.41%	$9,737,571

The UAL was amortized over a 25 year period assuming level dollar and an interest rate of 6.00% to determine the baseline December 31, 2014 ARC. The amortization factor used is equal to 13.1631 and assumed to be made continuously.

4. Plan Assets

The reported Market Value of Assets used in this valuation as of December 31, 2014 is $14,898,591.03. The actuarial value of assets is equal to the market value of assets.

5. Participant Data

The following pages summarize the census data used in this valuation.

Census Information

Division	Active Count	Average Age	Average Service	Retiree Count
All Members Excluding MHA	235	51.7	19.8	482
Mental Health Authority	1	57.8	21.0	2
Total	236	51.7	19.8	484

All Members Excluding MHA Division

ACTIVE MEMBERS AS OF December 31, 2014 BY ATTAINED AGE AND YEARS OF SERVICE

Attained Age	Service to Valuation Date (Years)							Grand Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
30-34	-	-	3	-	-	-	-	3
35-39	-	-	12	5	-	-	-	17
40-44	-	-	5	23	6	-	-	34
45-49	-	-	4	19	14	4	-	41
50-54	-	-	9	13	12	10	3	47
55-59	-	-	5	9	9	10	8	41
60-64	-	-	4	13	8	4	5	34
65-69	-	-	1	2	2	1	5	11
70-74	-	-	1	3	1	-	1	6
75-79	-	-	-	-	-	1	-	1
Total	-	-	**44**	**87**	**52**	**30**	**22**	**235**

Mental Health Authority Division

ACTIVE MEMBERS AS OF December 31, 2014
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Age	Service to Valuation Date (Years)							Grand Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
55-59	-	-	-	-	1	-	-	1
Total	-	-	-	-	1	-	-	1

TOTAL of ALL ACTIVE MEMBERS AS OF December 31, 2014 BY ATTAINED AGE AND YEARS OF SERVICE

Attained Age	Service to Valuation Date (Years)							Grand Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
30-34	-	-	3	-	-	-	-	3
35-39	-	-	12	5	-	-	-	17
40-44	-	-	5	23	6	-	-	34
45-49	-	-	4	19	14	4	-	41
50-54	-	-	9	13	12	10	3	47
55-59	-	-	5	9	10	10	8	42
60-64	-	-	4	13	8	4	5	34
65-69	-	-	1	2	2	1	5	11
70-74	-	-	1	3	1	-	1	6
75-79	-	-	-	-	-	1	-	1
Total	-	-	44	87	53	30	22	236

RETIRED MEMBERS AS OF December 31, 2014 By ATTAINED AGE

Attained Age	All Members Excluding MHA	Mental Health Authority	Total
45-49	1	-	1
50-54	17	-	17
55-59	50	-	50
60-64	92	-	92
65-69	87	2	89
70-74	76	-	76
75-79	56	-	56
80-84	51	-	51
85-89	29	-	29
90-94	21	-	21
95+	2	-	2
Total	**482**	**2**	**484**

Coverage Information	
Coverage elected (eligible)	236
No coverage	81
Total active employees	317

6. Actuarial methods and policies

Actuarial Cost Method	The actuarial cost method used is the Individual Entry-Age Normal Actuarial Cost Method - Level Percent of Pay.
Amortization of unfunded actuarial accrued liability	The Unfunded Actuarial Accrued Liability (UAL) was amortized over a 25-year period assuming level dollar and an interest rate of 6.00% to determine the baseline December 31, 2014 ARC. The amortization factor used is equal to 13.1631 and assumed to be made continuously.
Method for Determining Actuarial Value of Assets	The reported Market Value of Assets used in this valuation as of December 31, 2014 is $14,898,591.03. The actuarial value of assets is equal to the market value of assets.
Funding Policy	The Funding Policy is to fund the ARC for the OPEB Benefits.
Affordable Care Act (ACA)	Excise taxes on Cadillac plan benefits, if any, were not included in this valuation. Other legislative changes related to ACA were considered in the valuation to the extent they have already been implemented in the plan.
Changes in Actuarial Methods Since Prior Valuation	None.

7. Summary of Actuarial Assumptions

Discount Rates

6.00%

The discount rates used for this valuation have been chosen by Saginaw County and are based their policy to fund the plan and expected long term returns on plan assets.

If future contributions or expected asset returns are less than currently planned, the discount rate used for the valuation may need to be reduced in order to comply with GASB 45, increasing the plan's liabilities and Annual Required Contribution.

Health Care Trend Rates

Years After Valuation	Health Care Trend Inflation
1	9.00%
2	8.50%
3	8.00%
4	7.50%
5	7.00%
6	6.50%
7	6.00%
8	5.50%
9	5.00%
10+	4.50%

Mortality Table

MERS mortality assumption used for the 12/31/2014 pension valuation. Regular: 1994 Group Annuity Mortality Table, 50% M / 50% F Blend
Disabled: Regular table set forward 10 years .

There is no margin for future mortality improvements explicitly incorporated in this valuation.

Marriage

70% of the active members are assumed to be married. Females are assumed to be three years younger than males.

Retirement Rates

The service based retirement table used in this valuation is consistent with the MERS retirement rates used in the 12/31/2014 pension valuation, which are based on retirement income replacement. The service based rates in this valuation used were:

Service	Rates of Retirement
1	3.00%
2	5.00%
3	9.00%
4	11.00%
5	13.00%
6	16.00%
7	18.00%
8	19.00%
9	19.00%
10 to 20	20.00%
21 to 22	21.00%
23 to 26	22.00%
27 to 28	24.00%
29	25.00%
30	26.00%
31	29.00%
32	31.00%
33	33.00%
34	36.00%
35	40.00%
36 or more	42.00%

100% Retirement: Age 70.

Coverage Elected

Married future retirees are assumed to select two-person coverage. Future retirees are assumed to remain with their current active plan coverage.

Participation

100% of actives are assumed to elect coverage for both themselves and their spouse. 60% of active participants are assumed to elect two-person coverage, if eligible. 40% of active participants are assumed to elect single coverage.

Salary Scale

MERS merit and longevity salary scale used for 12/31/2014 pension valuation in addition to a 4.5% wage base.

Early Retirement	MERS early retirement assumptions were not used in this valuation. Instead, the MERS withdrawal assumption was allowed to operate during periods of early retirement.
2011 Public Act 152	It is assumed in this valuation that the County is not voluntarily capping medical benefits pursuant to Act 152.
Withdrawal Rates	MERS withdrawal assumption with scaling factor 0.80 used for the 12/31/2014 pension valuation.
Disability	MERS disability assumption used for the 12/31/2014 pension valuation.
Census Data	Census data were provided by Saginaw County as of 12/31/2014. We have reviewed the data for reasonableness only and have not performed a formal audit of the data used for this valuation.
Decrement Timing	Mid-Year.
Changes in assumptions from the prior report	Assumptions were updated to the current assumptions used by MERS consistent with the pension valuation.

8. Summary of Plan Provisions

Following is a summary of the major plan provisions used in the valuation of this report.

Preface

This description of retiree benefits is intended to be only a brief summary. Details are contained in Summary Plan Descriptions, Plan Documents, labor agreements, and employee booklets, as applicable. This summary describes our understanding of the essential features of the OPEB used in our report. All eligibility requirements and benefits shall be determined in strict accordance with relevant plan documents. To the extent that this summary does not accurately reflect OPEB provisions, the results of this valuation report may be inaccurate.

Participation

Members of the County of Saginaw Retirement System hired prior to March 1, 2005 who have not opted out of coverage and satisfy the following requirements are eligible to receive retiree health care.

Retirement Eligibility

OPEIU (A), SCDPH COA (D), Pub. H. Nurses (E), Animal (J), TPOAM (O), and Pros. (R):

Age 50 with 25 years of service, or
at age 55 with 20 years of service, or
at age 60 with 6 years of service.

POLC Unit II Sgt's (C), POAM Unit III Cpt & Lt's (F), UAW Mgr's (U), Non-Union (blank), Upper Mgmt. (blank), Elec. (blank), and Judges (blank):

Age 55 with 15 years of service, or
at age 60 with 6 years of service, or
at any age with 25 years of service.

POAM Unit I (G), and POAM Non-312(Y):

Age 60 with 6 years of service, or
at any age with 25 years of service.

Juv. Dent. & Supr. (I & T):

Age 50 with 25 years of service, or
at age 55 with 15 years of service, or
at age 60 with 6 years of service.

Juv. Prob. (P), and Dist. Ct. Prob. Office (Q):
Age 55 with 20 years of service, or at age 60 with 6 years of service, or at any age with 25 years of service.

UAW Prof. (V), and UAW Tech's (W):
Age 50 with 25 years of service, or at age 55 with 15 years of service, or at age 60 with 6 years of service.

Early Retirement Members retiring with a reduced pension are not eligible for retiree health care coverage through the County.

Deferred Retirement Members retiring under deferred retirement conditions are not eligible for retiree health care coverage through the County.

Disability Retirement Members retiring under a disability (duty or non-duty) with 6 or more years of service are immediately eligible for subsidized retiree health care coverage.

Death-In-Service Surviving spouses of active members who die while in active employment with the County are not eligible for retiree health care coverage through the County.

Spouse Coverage Subsidized retiree health care coverage is provided to the beneficiary of retirees hired prior to the dates shown below. Beneficiaries of deceased retirees hired prior to the dates shown below are eligible for subsidized retiree health care. Spouses of retirees hired on or after the dates shown below are not eligible for retiree health care coverage.

Change Date

3/31/1996	OPEIU (A)
1/1/1999	POLC Unit II (C), Pub. H. Nurses (E), POAM Unit I (G), TPOAM (O), Dist. Ct. Prob. Office (Q), and POAM Non-312(Y)
1/1/1998	SCDPH COA (D)
1/1/2001	POAM Unit III Cpt & Lt's (F)
1/1/1996	Juv. Dent. & Supr. (I & T)

1/1/1997	Animal (J)
10/1/1999	Juv. Prob. (P), and Pros. (R)
1/1/1993	UAW Mgr's (U), UAW Prof. (V), UAW Tech's (W), Non-Union (blank), Upper Mgmt. (blank), Elec. (blank), and Judges (blank)

Medicare Enrollment

The County of Saginaw provides complementary retiree health care benefits at age 65 when a member becomes Medicare eligible. Member and spouse are required to enroll in Medicare parts A and B when eligible. Member is responsible for payment of Medicare B premiums.

Retiree Health Savings Plan

Employees hired on or after March 1, 2005 will not be eligible for retirement health insurance. They will be offered an employer sponsored health benefit savings plan. The County will contribute 1% of employee's gross wages to this Plan, while participants of the union enrolled in the plan have an option of not contributing or agreeing to a certain percentage. This decision is irrevocable and can only be changed at time of labor agreement negotiations.

Payment in Lieu of Retiree Health Insurance

Members who retire are eligible to receive a monthly cash benefit in place of County subsidized retiree health care coverage ($150 monthly for all divisions except POLC Unit II - C whom receive $75 monthly). If a retiree chooses the cash dollar monthly benefit, they are not eligible to opt back into the County's retiree health care plan.

Cash benefits are not considered OPEB benefits and are not valued in this valuation.

Medical Subsidy

The tables on the next page illustrate the service-related medical subsidy for members retiring after January 1, 1991 in the retiree health care program depending on the group. The County provides fully subsidized retiree health care for members who retired prior to January 1, 1991. OPEIU (A) members hired prior to March 29, 1986 follow the chart on the following page except that members with over 20 years of service receive 100% County paid retiree health care coverage. Pub. H. Nurses (E) members follow slightly different service-related medical subsidy tables depending on their date of retirement.

Service Related Medical Subsidy Percent (All Groups)

Years of Service	Subsidy Percent
0-5	0
6	10
7	15
8	20
9	25
10	30
11	35
12	40
13	45
14	50
15	55
16	60
17	65
18	70
19	75
20+	80

Members retiring after 10/1/2013 with over 20 years of service receive 80% County-paid retiree healthcare coverage.

Changes in plan provisions since prior valuation

All bargaining agreements have been modified since the last actuarial valuation report with respect to premium cost sharing.

Members hired prior to March 1, 2005 are no longer eligible for one-time incentive of $15,000 in lieu of healthcare coverage.

9. Glossary

Actuarial Accrued Liability	The portion of Present Value of Future benefits attributed to prior service periods.
Actuarial Cost Method	A procedure for determining the Actuarial Present Value of plan benefits and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and Actuarial Accrued Liability.
Amortization Payment	The portion of the Annual Required Contribution that is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
Actuarial Present Value	The value of a benefit or series of benefits payable or receivable at various times, determined as of a given date by the application of a particular set of actuarial assumptions.
Implicit Employer Subsidy	The implicit employer subsidy, if applicable, equals the expected health care cost per retiree and dependent, less the gross premiums charged by the insurance carrier for the coverage.
OPEB Plan	An OPEB plan having terms that specify the amount of benefits to be provided at a future date or after a certain period of time. The amount of the benefit specified usually is a function of one or more factors such as years of service and compensation.

Appendix 2-Retiree Illustrative Rates

2012-13 to 2015-16 Retiree Illustrative Rates Comparison

Saginaw County
Retiree Illustrative Rates

		2012-2013				2013-2014		
900-0013	Census	Medical	Pharmacy	Total	Census	Medical	Pharmacy	Total
Two Person	0	$1,068.41	$465.11	$1,533.52	0	$465.63	$192.67	$658.30
Comp	166	$247.38	$561.94	$809.32	166	$260.22	$558.67	$818.89
2 Comp	96	$494.76	$1,123.88	$1,618.64	94	$520.44	$1,117.34	$1,637.78
Reg + Comp	16	$692.55	$755.73	$1,448.28	20	$725.85	$751.34	$1,477.19
2 Reg + Comp	0	$1,313.31	$872.07	$2,185.38	0	$1,375.24	$867.02	$2,242.26
Family + Comp	2	$1,335.51	$872.07	$2,207.58	3	$1,396.90	$867.02	$2,263.92
	280	$102,115.98	$214,697.07	$316,813.05	284	$111,452.91	$215,981.44	$327,434.34
940-0016	Census	Medical	Pharmacy	Total	Census	Medical	Pharmacy	Total
One Person	39	$466.44	$202.24	$668.68	37	$481.26	$198.07	$679.33
Two Person	34	$1,119.45	$485.37	$1,604.82	30	$1,155.00	$475.37	$1,630.37
Family	9	$1,399.31	$606.71	$2,006.02	8	$1,443.76	$594.21	$2,037.97
Comp	5	$224.83	$577.72	$802.55	3	$231.60	$574.36	$805.96
1 Reg + Comp	0	$691.27	$779.96	$1,471.23	1	$712.86	$772.43	$1,485.29
2 Reg + Comp	1	$1,344.28	$910.07	$2,254.35	1	$1,386.60	$891.32	$2,277.92
Family + Comp	1	$1,399.31	$910.07	$2,309.38	1	$1,443.76	$891.32	$2,335.08
2 Comp	1	$449.66	$1,155.44	$1,605.10	1	$463.20	$1,148.72	$1,611.92
	90	$73,447.71	$35,597.55	$109,045.26	81	$67,690.52	$9,548.40	$77,238.92
950-0017	Census	Medical	Pharmacy	Total	Census	Medical	Pharmacy	Total
One Person	11	$455.40	$193.97	$649.37	11	$493.87	$189.95	$683.82
Two Person	10	$1,092.95	$465.52	$1,558.47	7	$1,185.28	$455.88	$1,641.16
Family	6	$1,366.19	$581.90	$1,948.09	6	$1,481.60	$569.85	$2,051.45
Comp	3	$224.41	$554.12	$778.53	2	$231.60	$550.90	$782.50
1 Reg + Comp	1	$679.81	$748.09	$1,427.90	0	$725.47	$740.85	$1,466.32
	31	$25,318.04	$12,656.08	$37,974.11	27	$23,447.62	$10,095.95	$33,543.57
981-0018	Census	Medical	Pharmacy	Total	Census	Medical	Pharmacy	Total
Two Person	1	$1,073.82	$295.87	$1,369.69	2	$1,090.39	$288.54	$1,378.93
1 Reg + Comp	1	$667.91	$475.46	$1,143.37	1	$667.39	$468.91	$1,136.30
	2	$1,877.03	$711.47	$2,588.50	3	$2,625.71	$889.68	$3,515.39
921-0020	Census	Medical	Pharmacy	Total	Census	Medical	Pharmacy	Total
One Person	2	$474.21	$70.93	$545.14	3	$481.77	$69.45	$551.22
Two Person	0	$1,138.08	$170.23	$1,308.31	1	$1,156.23	$166.68	$1,322.91
Family	1	$1,422.61	$212.79	$1,635.40	1	$1,445.29	$208.35	$1,653.64
	3	$2,078.60	$310.91	$2,389.51	5	$4,127.13	$594.96	$4,722.08
989-0021	Census	Medical	Pharmacy	Total	Census	Medical	Pharmacy	Total
One Person	4	$413.42	$73.77	$487.19	8	$420.73	$71.79	$492.52
Two Person	3	$992.20	$177.04	$1,169.24	13	$1,009.75	$172.30	$1,182.05
Family	2	$1,240.26	$221.30	$1,461.56	7	$1,262.18	$215.37	$1,477.55
Comp	4	$178.38	$212.82	$391.20	9	$180.55	$211.59	$392.14
1 Reg + Comp	2	$591.80	$286.59	$878.39	4	$601.28	$283.38	$884.66
2 Reg + Comp	1	$1,170.58	$331.95	$1,502.53	2	$1,190.30	$323.06	$1,513.36
Two Comp	2	$356.76	$425.64	$782.40	4	$361.10	$423.18	$784.28
	17	$9,850.88	$3,609.27	$13,460.15	46	$32,373.32	$8,859.30	$41,232.62
990-0024	Census	Medical	Pharmacy	Total	Census	Medical	Pharmacy	Total
One Person				$0.00				$0.00
	0	$0.00	$0.00	$0.00	0	$0.00	$0.00	$0.00
Monthly Total		$214,688.23	$267,582.35	$482,270.58		$241,717.20	$245,969.72	$487,686.92
Annual Total	422	$2,576,258.79	$3,210,988.19	$5,787,246.98	445	$2,900,606.38	$2,951,636.65	$5,852,243.03
						12.59%	-8.08%	1.12%

Saginaw County
Retiree Illustrative Rates

		2014-2015				2015-2016		
900-0013	Census	Medical	Pharmacy	Total	Census	Medical	Pharmacy	Total
Two Person	1	$1,306.82	$477.49	$1,784.31	1	$1,172.52	$441.42	$1,613.94
Comp	163	$356.13	$554.85	$910.98	163	$383.22	$615.53	$998.75
2 Comp	91	$712.26	$1,109.70	$1,821.96	91	$766.44	$1,231.06	$1,997.50
Reg + Comp	20	$900.64	$753.80	$1,654.44	20	$969.48	$836.24	$1,805.72
2 Reg + Comp	1	$1,662.95	$1,032.34	$2,695.29	1	$1,790.23	$1,145.24	$2,935.47
Family + Comp	3	$1,989.65	$1,151.71	$3,141.36	3	$2,908.43	$2,508.73	$5,417.16
	279	$149,816.37	$211,464.21	$361,280.58	279	$162,116.02	$238,195.50	$401,484.04
940-0016	Census	Medical	Pharmacy	Total	Census	Medical	Pharmacy	Total
One Person	36	$468.09	$196.21	$664.30	36	$504.15	$217.67	$721.82
Two Person	25	$1,123.42	$470.91	$1,594.33	25	$1,209.96	$522.41	$1,732.37
Family	7	$1,404.28	$588.64	$1,992.92	7	$1,512.45	$653.02	$2,165.47
Comp	1	$248.34	$547.18	$795.52	1	$266.51	$607.03	$873.54
1 Reg + Comp	2	$716.43	$743.39	$1,459.82	2	$770.66	$824.70	$1,595.36
2 Reg + Comp	1	$1,371.76	$1,018.09	$2,389.85	1	$1,476.47	$1,129.44	$2,605.91
Family + Comp	1	$1,652.62	$1,135.82	$2,788.44	1	$1,778.96	$1,260.05	$3,039.01
2 Comp	1	$496.68	$1,094.36	$1,591.04	1	$533.02	$1,214.06	$1,747.08
	74	$59,968.96	$28,239.02	$88,207.98	74	$64,581.83	$31,327.49	$95,909.32
950-0017	Census	Medical	Pharmacy	Total	Census	Medical	Pharmacy	Total
One Person	11	$447.05	$186.87	$633.92	11	$481.42	$207.31	$688.73
Two Person	6	$1,072.91	$448.49	$1,521.40	6	$1,155.42	$497.54	$1,652.96
Family	6	$1,341.14	$560.61	$1,901.75	6	$1,444.28	$621.92	$2,066.20
Comp	3	$248.34	$521.11	$769.45	3	$266.51	$578.10	$844.61
1 Reg + Comp	1	$695.39	$707.98	$1,403.37	1	$747.93	$785.41	$1,533.34
	27	$20,842.26	$10,381.48	$31,223.74	27	$22,441.28	$11,516.88	$33,958.16
981-0018	Census	Medical	Pharmacy	Total	Census	Medical	Pharmacy	Total
Two Person	3	$1,072.23	$310.32	$1,382.55	3	$1,154.25	$344.25	$1,498.50
1 Reg + Comp	0	$694.95	$489.87	$1,184.82	0	$747.17	$543.43	$1,290.60
	34	$463.30	$326.58	$789.88	34	$498.12	$362.29	$860.40
921-0020	Census	Medical	Pharmacy	Total	Census	Medical	Pharmacy	Total
One Person	3	$420.26	$90.69	$510.95	3	$452.44	$100.61	$553.05
Two Person	1	$1,008.62	$217.66	$1,226.28	1	$1,085.85	$241.47	$1,327.32
Family	1	$1,260.77	$272.08	$1,532.85	1	$1,357.32	$301.84	$1,659.16
	5	$3,530.17	$761.81	$4,291.98	5	$3,800.49	$845.14	$4,645.63
989-0021	Census	Medical	Pharmacy	Total	Census	Medical	Pharmacy	Total
One Person	8	$413.03	$85.77	$498.80	8	$444.76	$99.37	$544.13
Two Person	13	$991.26	$205.85	$1,197.11	13	$1,067.41	$238.49	$1,305.90
Family	7	$1,239.07	$257.31	$1,496.38	7	$1,334.27	$298.11	$1,632.38
Comp	9	$269.92	$239.18	$509.10	9	$290.51	$277.13	$567.64
1 Reg + Comp	5	$682.95	$324.95	$1,007.90	5	$735.27	$376.50	$1,111.77
2 Reg + Comp	2	$1,261.18	$445.03	$1,706.21	2	$1,357.92	$515.62	$1,873.54
Two Comp	4	$413.03	$86.77	$499.80	4	$581.02	$554.26	$1,135.28
	48	$34,882.62	$10,177.89	$45,060.51	48	$38,105.16	$13,607.05	$51,712.21
990-0024	Census	Medical	Pharmacy	Total	Census	Medical	Pharmacy	Total
One Person				$0.00	5	$444.76	$75.47	$520.23
	0	$0.00	$0.00	$0.00	5	$2,223.80	$377.35	$2,601.15
Monthly Total		**$269,503.68**	**$261,350.99**	**$530,854.67**		**$293,766.70**	**$296,231.70**	**$591,170.91**
Annual Total	**467**	**$3,234,044.15**	**$3,136,211.85**	**$6,370,256.01**	**472**	**$3,525,200.34**	**$3,554,780.35**	**$7,094,050.93**
		11.50%	6.25%	8.85%		9.00%	13.35%	11.36%
						36.83%	10.71%	22.58%

Appendix 3-Retiree Illustrative Rates versus ~~2018~~ 2020 Excise Tax

2015-16 Comparison to ~~2018~~ 2020 Excise Tax maximum including taxes and fees

Saginaw County
Retiree Illustrative Rates with Taxes and Fees
Cadillac Tax Estimate

		2015-2016					2018 Excise/Cadillac Tax Maximum	
900-0013	**Census**	**Medical**	**Pharmacy**	**Taxes and Fees**	**Total**	**ANNUALIZED**	**Early Retiree**	**Age 55-64 Retir**
Two Person	1	$1,172.52	$441.42	$19.98	$1,633.92	$19,607.04	$27,500	$30,950
Comp	163	$383.22	$615.53	$11.18	$1,009.93			
2 Comp	91	$766.44	$1,231.06	$22.36	$2,019.86			
Reg + Comp	20	$969.48	$836.24	$21.36	$1,827.08	$8,169.60	$10,200	$11,850
2 Reg + Comp	1	$1,790.23	$1,145.24	$31.16	$2,966.63	$19,607.04	$27,500	$30,950
Family + Comp	3	$2,908.43	$2,508.73	$41.26	$5,458.42	$24,508.80	$27,500	$30,950
	279	$163,288.54	$238,195.50	$4,459.22	$405,943.26			
940-0016	**Census**	**Medical**	**Pharmacy**	**Taxes and Fees**	**Total**			
One Person	36	$504.15	$217.67	$9.74	$731.56	$8,778.72	$10,200	$11,850
Two Person	25	$1,209.96	$522.41	$18.82	$1,751.19	$21,014.28	$27,500	$30,950
Family	7	$1,512.45	$653.02	$28.76	$2,194.23	$26,330.76	$27,500	$30,950
Comp	1	$266.51	$607.03	$10.53	$884.07			
1 Reg + Comp	2	$770.66	$824.70	$20.27	$1,615.63	$8,778.72	$10,200	$11,850
2 Reg + Comp	1	$1,476.47	$1,129.44	$29.35	$2,635.26	$21,014.28	$27,500	$30,950
Family + Comp	1	$1,778.96	$1,260.05	$39.29	$3,078.30	$26,330.76	$27,500	$30,950
2 Comp	1	$533.02	$1,214.06	$21.06	$1,768.14			
	74	$64,581.83	$31,327.49	$1,163.23	$97,072.55			
950-0017	**Census**	**Medical**	**Pharmacy**	**Taxes and Fees**	**Total**			
One Person	11	$481.42	$207.31	$9.57	$698.30	$8,379.60	$10,200	$11,850
Two Person	6	$1,155.42	$497.54	$18.41	$1,671.37	$20,056.44	$27,500	$30,950
Family	6	$1,444.28	$621.92	$28.24	$2,094.44	$25,133.28	$27,500	$30,950
Comp	3	$266.51	$578.10	$10.38	$854.99			
1 Reg + Comp	1	$747.93	$785.41	$19.95	$1,553.29	$8,379.60	$10,200	$11,850
	27	$22,441.28	$11,516.88	$436.26	$34,394.42			
981-0018	**Census**	**Medical**	**Pharmacy**	**Taxes and Fees**	**Total**			
Two Person	3	$1,154.25	$344.25	$17.61	$1,516.11	$18,193.32	$27,500	$30,950
1 Reg + Comp	0	$747.17	$543.43	$18.68	$1,309.28	$7,580.55	$10,200	$11,850
	34	$498.12	$362.29	$12.45	$872.85			
921-0020	**Census**	**Medical**	**Pharmacy**	**Taxes and Fees**	**Total**			
One Person	3	$452.44	$100.61	$8.86	$561.91	$6,742.92	$10,200	$11,850
Two Person	1	$1,085.85	$241.47	$16.72	$1,344.04	$16,128.48	$27,500	$30,950
Family	1	$1,357.32	$301.84	$26.12	$1,685.28	$20,223.36	$27,500	$30,950
	5	$3,800.49	$845.14	$69.42	$4,715.05			
989-0021	**Census**	**Medical**	**Pharmacy**	**Taxes and Fees**	**Total**			
One Person	8	$444.76	$99.37	$8.81	$552.94	$6,635.28	$10,200	$11,850
Two Person	13	$1,067.41	$238.49	$16.61	$1,322.51	$15,870.12	$27,500	$30,950
Family	7	$1,334.27	$298.11	$25.98	$1,658.36	$19,900.32	$27,500	$30,950
Comp	9	$290.51	$277.13	$8.94	$576.58			
1 Reg + Comp	5	$735.27	$376.50	$17.75	$1,129.52	$6,635.28	$10,200	$11,850
2 Reg + Comp	2	$1,357.92	$515.62	$25.55	$1,899.09	$15,870.12	$27,500	$30,950
Two Comp	4	$581.02	$554.26	$17.88	$1,153.16			
	48	$38,105.16	$13,607.05	$760.10	$52,472.31			
990-0024	Census	Medical	Pharmacy	**Taxes and Fees**	Total			
One Person	5	$444.76	$75.47	$8.69	$528.92	$6,347.04	$10,200	$11,850
	5	$2,223.80	$377.35	$43.45	$2,644.60			
Monthly Total		**$294,939.22**	**$296,231.70**	**$6,944.13**	**$598,115.04**			
Annual Total	**472**	**$3,539,270.58**	**$3,554,780.35**	**$83,329.60**	**$7,177,380.53**			

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