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**MINUTES  
SUMNER COUNTY BOARD OF COUNTY COMMISSIONERS  
October 9, 2012**

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The Board of County Commissioners of Sumner County, Tennessee met in special session on Tuesday, October 9, 2012, in the Commission Chambers of the Sumner County Administration Building in Gallatin, Tennessee at 6:30 p.m. Present and presiding was the Chairman Merrol Hyde. Also present were the County Clerk Bill Kemp and County Law Director Leah Dennen and the following Commissioners to wit:

Mike Akins	Ben Harris	Baker Ring
Paul Decker	Chris Hughes	David Satterfield
Paul D. Freels	Merrol N. Hyde	Jerry F. Stone
Frank E. Freels	David Kimbrough	Jim Vaughn
Billy Geminden	Joe C. Matthews	Shawn Utley
Steve Graves	Kirk Moser	
Michael Guthrie	Trisha LeMarbre	

Having a duly constituted quorum, the meeting was opened in due process by Sheriff Sonny Weatherford. Chairman Hyde noted that with nineteen members seated, a simple majority would be by thirteen votes; and that matters requiring a two-thirds vote would be by sixteen votes during this session. Commissioners Bob Pospisil, Moe Taylor, Paige Brown, Jo Skidmore and Paul Goode were not present for the meeting.

The Invocation was led by Commissioner Baker Ring.

The Pledge of Allegiance was led by the County Clerk, Bill Kemp.

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Chairman Hyde directed the County Clerk to read the following notice into the record:

**NOTICE OF SPECIAL CALLED MEETING  
OF THE  
SUMNER COUNTY  
THE SUMNER COUNTY COMMISSION**

County Executive Anthony Holt, pursuant to T.C.A. Sections 5-5-104 & 5-5-105, hereby calls a **Special Called Meeting of the Sumner County Commission for Tuesday, October 9, 2012, at 6:30 p.m. (local time)** at the Sumner County Administration Building, Commission Chambers, 355 North Belvedere Drive, Gallatin, Tennessee 37066.

The purpose of the special called meeting is to hear a presentation on County Employee Insurance funding and financial needs, to discuss and possibly vote on issues involving the same.

Anyone having an interest, desiring to comment or ask questions concerning the above referenced issues is invited to attend these meetings.

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### **RECOGNITION OF THE PUBLIC**

Chairman Hyde opened the floor to allow the public to speak concerning the matter on the agenda. With no one wishing to speak, recognition of the public was closed.

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Chairman Hyde introduced Bob Shupe, the consultant to the Insurance Trust, who stated that he has met with the Board of Education and the Sumner County Officials Association to field their questions.

Mr. Shupe stated that there were two things he wanted to accomplish in his presentation: 1) to go over the financial position of the fund; and 2) give an outline about what the Trust has decided in order to go forward and strengthen the plan for the future.

He presented a Benefit Re-Design Proposal Summary, which provided a Reserve Analysis Summary from 2007 through 2013. The Summary concluded that the Trust needed a reserve of 13.7 percent for purposes of cash flow and in case the plan is ever shutdown. He said the self-funded program would need a cash infusion of \$3,873,252 plus a reserve of \$2,760,427.72. for a total of \$6.3 million.

He explained how the reduction of premium payments from the Board of Education contributed to overall indebtedness of the Trust.

Mr. Shupe presented the Trust proposals designed to cost shift to avoid going into backward financial position. The proposals will increase the burden of employees for their health care.

Beginning in July 1, 2013, the Trust will require of all employees and dependents (except children) to participate in an annual Health Risk Assessment (HRA). Individuals can use their own doctor to formulate a health plan to deal with any findings, but are responsible for getting the information to the Trust.

Two plans will be introduced in 2013: the preferred and standard plans, but everyone, for a year, will be in the preferred plan. Participants will be placed in either plan beginning July 1, 2014, depending on their compliance with the requirements of their health program and certification by their physician. Mr. Shupe said this is a way for the employee to take charge of their health and cut the cost of health care for all employees.

The difference between the two plans is that the standard plan deductibles will cost three times more than the preferred plan. The co-pay differential will be 10 percent for the preferred plan and a 70 percent for the standard plan. These costs provide financial motive to stay in the preferred plan. The premiums will be the same for both plans. There will be a yearly evaluation to determine whether an employee moves from the standard to the preferred plan.

Five health risk factors will be evaluated from year to year. The factors are Body Mass Index, blood pressure, glucose, blood pressure and tobacco use. Using tobacco products will cost a surcharge of \$50.00 per month per person in addition to being in the standard plan for a maximum total of \$1,200.00 per year. A smoking cessation program will be held. This applies to spouse and employee. Refusing the blood draw automatically puts the employee in the standard plan. There will be a drug plan differential, as well.

Mr. Shupe stated that the only people who see the HRA results are the doctor and patient. He said the plan will give full support to those employees who are trying to improve their health. He said the plan year will be from July to June, unlike the current plan that is the calendar year. He said the employees will receive a one-time benefit of an 18-month deductible period. Beginning July 14, 2014, the annual deductible and the standard plan will begin.

Mr. Shupe said that the Carehere program is working to keep cost in check. He said the number of appointments is going up while the program cost is less per employee. The goal is to increase usage of Carehere up to 90 percent. In the past year out of 2,200 adults only 62 people completed their entire health program. He gave this as an example of why the County needs to provide motivation for employees to follow through.

Mr. Shupe said if the County ceased the self-insurance program, the State plans are much more expensive. Using a blended premium and the best State plan with the same employee and family count as a comparison, the total for the state plan would be almost \$23 million. The County plan costs \$20.4 million. Mr. Shupe stated that the cost of closing the self-insurance program would be expensive.

Chairman Hyde opened the floor for questions, stating that the programs would be managed by the Insurance Trust but may need a cash infusion.

No action was taken by the Commission.

Chairman Hyde declared the Commission meeting adjourned at 8:00 p.m.

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BILL KEMP, CLERK

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MERROL HYDE, CHAIRMAN

Prepared by Maria A. Savage

Approved on \_\_\_\_\_

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