

BROWN COUNTY

BCBS/TAC

2016-2017 RENEWAL

PAINTER AND JOHNSON

FINANCIAL

July 11, 2016

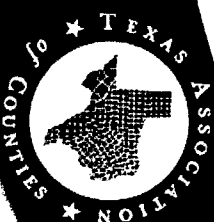
(Exhibit #2)



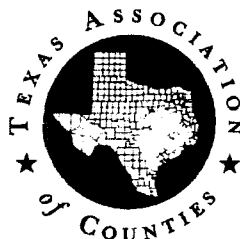
HEBP Updates

Prescription Plan changes

- **Advanced Control Specialty Formulary (ASCP)**
 - Moves from 5 therapeutic classes to 12
 - Formulary updated quarterly rather than annually
 - Day-1 control of new launches
 - Grandfathered Program – steers future utilization
 - Exception Process – trial and failure of covered alternatives will be allowed
- **Maintenance Choice – Phase II**
 - Steers maintenance drugs to most cost effective delivery method (Mail) through benefit plan design
 - Members can fill 90-day supplies via mail order or at a CVS pharmacy for 2 copays (saves one copay every 90 days (for example, for a prescription with a \$30 copay the member would save \$120 annually)
 - Members not utilizing Maintenance Choice will pay 1.5 times the retail copay after the 2nd refill at a non-CVS retail pharmacy (for example, the \$30 copay would become \$45)



June 24, 2016



Hon. Ann Krpoun
Brown County Officials & Employees Treasurer
200 S Broadway St Ste 116
Brownwood, TX 76801-3136

Dear Ms. Krpoun:

The Texas Association of Counties Health and Employee Benefits Pool (TAC HEBP) is pleased to enclose the group health renewal packet for your upcoming plan anniversary date. Here are some highlights of your 2017 Plan Year renewal (explanations are listed by item number, below):

- 1) Projected Combined Medical and Prescription Inflation for Plan Year 2017: 7.5%**
- 2) Brown County Officials & Employees Renewal Rate change(s):**
 - a. Health Plan: + 3.00%
 - b. Dental Plan: Not Applicable.
 - c. Life/AD&D, STD/LTD: Not Applicable
- 3) Brown County Officials & Employees Surplus Distribution for 2015 Fiscal Year (paid in 2016): \$80,753**
- 4) Deadline for returning signed renewal documents to TAC HEBP: August 1, 2016**
- 5) Your Employee Benefits Consultant: Kathy Davenport (kathyd@county.org); (800) 456-5974**

1) Pool Performance. The Pool has stayed below the national average for health plan rate increases (trend) for the past twelve years and has done so again this year.

2) Renewal Rates. Rates are set annually using a comprehensive process which determines the actuarial needs of the Pool for the coming year. We then evaluate each individual group based on a combination of the group's size, claims experience, age, and geographic area.

3) Surplus Distribution. At the end of the 2015 Fiscal Year (FY), TAC HEBP had a surplus of \$13,533,936 available for distribution. The Board of Directors elected to return this to our Pool groups over the next 3 years. Your surplus distribution check will be mailed out by the end of July. For a description of how the distribution is allocated to groups, see the enclosed "2015 FY Surplus Distributions Frequently Asked Questions" notice.

4) Deadline to Return Renewal: Please return signed renewal documents on or before this date.

5) Questions and Concerns. If you have questions about your renewal, are interested in the impact of changes to your plan, or are considering changes to your personnel policies that will affect benefits (e.g.; adding/dropping retiree benefits, changing waiting period, etc.), please be sure to discuss this in advance with your Employee Benefits Consultant so we can coordinate the changes with your renewal.

Other important items to note for the upcoming plan year:

Benefit Year Alignment: Your Benefit Year and Plan Year are now aligned. This means that your Deductible and Co-Insurance “start over” at the same time as your plan year.

Prescription Plan Changes: See attached notice regarding important changes affecting all groups.

Benefits Value Advisor: This service will no longer be offered after September 30, 2016. Information will be provided in the Open Enrollment materials regarding how members can locate providers and get cost estimates.

Affordable Care Act Fees: The Board voted to pay 2016 ACA fees on behalf of Pool groups; see attached ‘Health Care Reform Updates’ document for details.

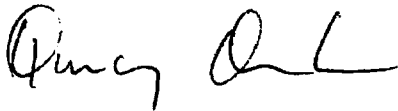
Dental Plans: There is no Open Enrollment for dental coverage this year.

Open Enrollment Toolkit: This will be sent via email and contains the forms and notices your group will need to process employee benefit renewals.

ACTION REQUIRED: Please present the renewal to the Commissioners Court for approval, complete and sign the enclosed Renewal Notice and Benefit Confirmation forms, and return to TAC no later than August 1, 2016.

TAC HEBP understands how valuable medical coverage is for your employees and their families. We appreciate your partnership with the Pool, and want to continue helping your county or district offer this important benefit. Again, we thank you for your membership in the Pool and look forward to working with you for the upcoming plan year.

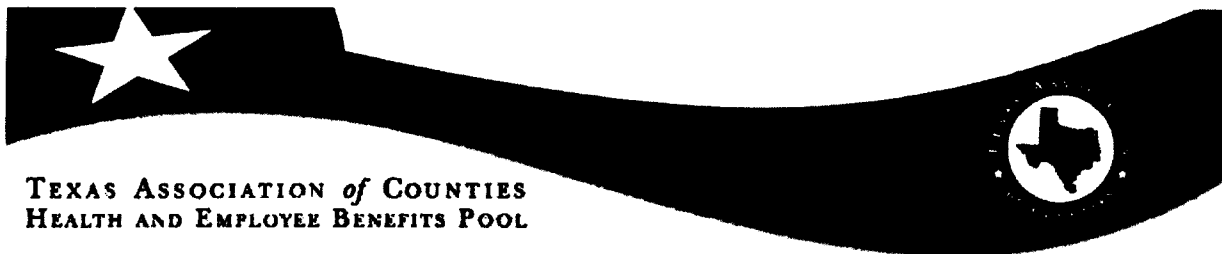
Sincerely,



Quincy Quinlan, Director
Health and Benefits Services Department
Texas Association of Counties

Enclosures:

- Renewal Checklist
- Renewal Calendar
- Renewal Notice and Benefit Confirmation (RNBC)
- 2015-16 Plan Year Claims Reports
- Prescription Plan Changes
- Surplus Distribution FAQs
- Health Care Reform Updates for 2016-17 Plan Year
- Grandfathered Plan FAQs
- TAC HEBP Private Exchange Product Grid and FAQs
- HEBP Territory Map and Contact Info



**TEXAS ASSOCIATION of COUNTIES
HEALTH AND EMPLOYEE BENEFITS POOL**

2016 - 2017 Renewal Notice and Benefit Confirmation

Group: 36896 - Brown County

Anniversary Date: 10/01/2016

Return to TAC by: 08/01/2016

Please initial and complete each section confirming your group's benefits and fill out the contribution schedule according to your group's funding levels. Fax to 1-512-481-8481 or email to Melissal@County.org

For any plan or funding changes other than those listed below, please contact Melissa Lopez at 1-800-456-5974.

MEDICAL

Medical: Plan 700 \$25 Copay, \$500 Ded, 90%, \$2000 OOP Max

RX Plan: Option 5B \$10/30/50, \$100 Ded

Your % rate increase is: 3.00%

Your payroll deductions for medical benefits are: **Pre Tax**

Tier	Current Rates	New Rates Effective 10/1/2016	New Amount Employer Pays	New Amount Employee Pays	New Amount Retiree Pays (if applicable)
Employee Only	\$693.58	\$714.38	\$	\$	\$
Employee + Child(ren)	\$1,742.14	\$1,794.40	\$	\$	\$
Employee + Spouse	\$1,742.14	\$1,794.40	\$	\$	\$
Employee + Family	\$1,742.14	\$1,794.40	\$	\$	\$

_____ Initial to accept Medical Plan and New Rates.



TEXAS ASSOCIATION *of* COUNTIES
HEALTH AND EMPLOYEE BENEFITS POOL

2016 - 2017 Alternate Plan Proposal

Group: 36896 - Brown County

Effective Date: 10/01/2016

	Current Plan Year	Renewal Rates	Option 1
Plan:	700	700	700-G
Option:	RX-5B	RX-5B	RX-5B-G
Rates			
Employee Only	\$693.58	\$714.38	\$700.00
Employee + Child(ren)	\$1,742.14	\$1,794.40	\$1,757.22
Employee + Spouse	\$1,742.14	\$1,794.40	\$1,757.22
Employee + Family	\$1,742.14	\$1,794.40	\$1,757.22
Medical Plan			
Deductible In/Out Network	\$500/750	\$500/750	\$800/900
Co-insurance % In/Out	90/70	90/70	90/70
Co-insurance Maximum	\$2000/4000	\$2000/4000	\$2400/4800
Office Visit	\$25	\$25	\$30
Emergency Room Hospital	\$90	\$90	\$90
Prescription Plan			
Prescription Card Co-Pay	10/30/50	10/30/50	10/30/60
Deductible	\$100	\$100	\$100

Proposal rates are based on the following information:

- Rates based upon current benefits and enrollment. A substantial change in enrollment (10% over 30 days or 30% over 90 days) may result in a change in rates.
- Rates are based on a minimum employer contribution of 100% of the employee only rate or current funding level.
- Retirees pay the same premium as active employees regardless of age for medical and dental.
- Form must be received by 08/01/2016 in order to avoid a delay in implementation of benefits and/or late processing fees.

Please indicate the selected plan here _____
Fax the signed document to 1-512-481-8481.

Signature _____ Date _____

WAITING PERIOD

Waiting period applies to all benefits.

Employees

90 days - Day following waiting period

_____ Initial to confirm.

Elected Officials

90 days - Day following waiting period

COBRA ADMINISTRATION

Please indicate how your group manages COBRA administration:

County/Group processes COBRA on OASYS

**County/Group is responsible for fulfilling COBRA notification process and requirements.*

BCBS COBRA Department processes COBRA

**BCBS COBRA Department administers via COBRA contract with the County/Group*

_____ Initial to confirm COBRA Administration.

PLAN INFORMATION

Broker or Consultant Information

Please confirm your broker or consultant's name, if applicable: **C. Bart Johnson**

Agency Name: _____

Agency Address: _____

Number and Street

City

State

Zip

Broker Representative or Consultant's Name: _____

Contact Phone Number: _____

Contact Email Address: _____

_____ Initial to confirm Broker or Consultant information

- Please update broker or consultant's information.
- Broker commissions are included in rates listed on page 1.
- Retirees pay the same premium as active employees regardless of age for medical and dental.
- Rates based upon current benefits and enrollment. A substantial change in enrollment (10% over 30 days or 30% over 90 days) may result in a change in rates.
- Form must be received by **08/01/2016** in order to avoid additional administrative fees.
- Signature on the following page is required to confirm and accept your group's renewal.

**TAC HEBP Member Contact Designation
Brown County**

CONTRACTING AUTHORITY

As specified in the Interlocal Participation Agreement, each Member Group hereby designates and appoints, as indicated in the space provided below, a Contracting Authority of department head rank or above and agrees that TAC HEBP shall NOT be required to contact or provide notices to ANY OTHER person. Further, any notice to, or agreement by, a Member Group's Contracting Authority, with respect to service or claims hereunder, shall be binding on the Member. Each Member Group reserves the right to change its Contracting Authority from time to time by giving written notice to TAC HEBP.

Please list changes and/or corrections below.

Name/Title Honorable Ann Krpoun, CIO/Treasurer

Address 200 South Broadway Street, Ste. 116
Brownwood, TX 76801-3136

Phone 325-646-6033

Fax 325-646-6033

Email treasurer@browncountytexas.org

BILLING CONTACT

Responsible for receiving all invoices relating to HEBP products and services.

Please list changes and/or corrections below.

Name/Title Honorable Ann Krpoun, CIO/Treasurer

Address 200 South Broadway Street, Ste. 116
Brownwood, TX 76801-3136

Phone 325-646-6033

Fax 325-646-6033

Email treasurer@browncountytexas.org

HIPAA Secured Fax

PRIMARY CONTACT

HEBP's main contact for daily matters pertaining to the health benefits.

Please list changes and/or corrections below.

Name/Title Honorable Ann Krpoun, CIO/Treasurer

Address 200 South Broadway Street, Ste. 116
Brownwood, TX 76801-3136

Phone 325-646-6033

Fax 325-646-6033

Email treasurer@browncountytexas.org

Date: _____

Signature of County Judge or Contracting Authority

Please PRINT Name and Title

The Texas Association of Counties would like to thank you for your membership in the only all county-owned and county directed Health and Employee Benefits Pool in Texas.



**TEXAS ASSOCIATION of COUNTIES
HEALTH AND EMPLOYEE BENEFITS POOL**

12 Month Report - Medical

Group Number: Brown County - 036896
Claims Paid Through: 4/30/2016

Month / Year	Total EEs	Total Members	Contribution	Paid Medical	Paid RX	Total Paid
Apr-2016	170	379	\$210,520.48	\$94,373.38	\$36,947.19	\$131,320.57
Mar-2016	168	379	\$208,084.76	\$86,144.50	\$31,004.18	\$117,148.68
Feb-2016	168	380	\$208,439.74	\$63,239.03	\$35,050.35	\$98,289.38
Jan-2016	166	379	\$207,052.58	\$96,793.01	\$29,986.80	\$126,779.81
Dec-2015	164	376	\$204,616.86	\$120,653.54	\$38,998.08	\$159,651.62
Nov-2015	164	373	\$201,826.16	\$247,259.61	\$44,559.46	\$291,819.07
Oct-2015	162	368	\$200,439.00	\$139,884.05	\$44,150.30	\$184,034.35
Sep-2015	162	365	\$193,076.74	\$655,808.92	\$54,292.89	\$710,101.81
Aug-2015	162	365	\$193,076.74	\$108,953.02	\$39,221.51	\$148,174.53
Jul-2015	163	371	\$194,784.72	\$84,907.14	\$45,349.94	\$130,257.08
Jun-2015	161	371	\$195,812.72	\$99,043.64	\$39,827.13	\$138,870.77
May-2015	160	365	\$193,424.76	\$70,091.02	\$30,365.35	\$100,456.37
Total for 12 months			\$2,411,155.26	\$1,867,150.86	\$469,753.18	\$2,336,904.04



**TEXAS ASSOCIATION of COUNTIES
HEALTH AND EMPLOYEE BENEFITS POOL**

Large Claimant Summary

Claimants Over: \$10,000

Group Number: Brown County - 036896

Claims Paid: 5/1/2015 - 4/30/2016

Product Type: PPO

Claimant Number	Status	Medical Claims	Rx Claims	Total Paid Claims
1116571G	Active	\$816,805.00	\$2,335.97	\$819,140.97
1307126G	Active	\$76,942.37	\$68,936.82	\$145,879.19
12139G	Active	\$58,643.11	\$4,661.40	\$63,304.51
1657966G	Active	\$13,650.17	\$43,299.42	\$56,949.59
1332688G	Active	\$11,969.28	\$34,307.74	\$46,277.02
11846G	Active	\$3,173.77	\$40,175.58	\$43,349.35
1297956G	Active	\$30,592.06	\$1,847.00	\$32,439.06
1277430G	Active	\$22,715.41	\$5,365.05	\$28,080.46
1305915G	Active	\$26,819.04	\$669.57	\$27,488.61
21502G	Active	\$26,394.85	\$0.00	\$26,394.85
1563370G	Active	\$24,129.29	\$1,055.33	\$25,184.62
1302814G	Active	\$14,114.46	\$9,256.25	\$23,370.71
1304037G	Active	\$15,484.59	\$7,713.19	\$23,197.78
10534G	Active	\$1,204.73	\$21,697.64	\$22,902.37
1297135G	Active	\$12,029.34	\$10,321.45	\$22,350.79
1310637G	Active	\$14,884.77	\$4,588.65	\$19,473.42
1113909G	Active	\$15,350.79	\$3,700.16	\$19,050.95
1288926G	Active	\$18,571.43	\$272.76	\$18,844.19
1293393G	Active	\$11,376.91	\$6,783.60	\$18,160.51
1212295G	Active	\$15,088.56	\$2,778.44	\$17,867.00
1341458G	Active	\$15,152.31	\$2,655.48	\$17,807.79
1323728G	Active	\$15,458.30	\$1,133.21	\$16,591.51
1418644G	Active	\$15,836.26	\$336.53	\$16,172.79
1608871G	Active	\$12,456.86	\$876.72	\$13,333.58
1400049G	Active	\$11,786.23	\$733.47	\$12,519.70
1407593G	Active	\$6,730.86	\$4,864.69	\$11,595.55



TEXAS ASSOCIATION OF COUNTIES
HEALTH AND EMPLOYEE BENEFITS POOL

Large Claimant Summary

Claimants Over: \$10,000

Group Number: Brown County - 036896

Claims Paid: 5/1/2015 - 4/30/2016

Claimant ID	Status	Claim Amount	Benefit Amount	Balance
1629179G	Active	\$11,291.85	\$23.19	\$11,315.04
1585765G	Active	\$10,127.25	\$995.72	\$11,122.97
1300894G	Active	\$10,046.33	\$791.05	\$10,837.38
37107G	Active	\$4,537.91	\$6,198.35	\$10,736.26
1288999G	Active	\$1,749.30	\$8,981.86	\$10,731.16
1303698G	Active	\$10,341.22	\$301.37	\$10,642.59
1011454G	Active	\$10,609.03	\$0.00	\$10,609.03
TOTAL CLAIMANTS				