

**MINUTES  
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS  
September 25, 2017 – REGULAR MEETING**

The Board of Commissioners of Transylvania County met in regular session on Monday, September 25, 2017 at 7:00 p.m. in Commissioners Chambers at the County Administration Building, located at 101 S. Broad Street, Brevard, NC.

Commissioners present were Chairman Larry Chapman, Jason Chappell, and Mike Hawkins. Vice-Chairwoman Page Lemel was attending a course at the UNC School of Government related to her work in early childhood. Commissioner Kelvin Phillips was absent due to illness. Also present were County Manager Jaime Laughter, County Attorney Misti Bass, and Clerk to the Board Trisha Hogan.

Media: *The Transylvania Times* – Derek McKissock

There were approximately 15 people in the audience.

**CALL TO ORDER**

Chairman Larry Chapman presiding declared a quorum was present and called the meeting to order at 7:03 p.m.

**WELCOME**

Chairman Chapman welcomed everyone to the meeting and thanked the members of the audience for participating in their local government. He introduced Commissioners and staff in attendance.

**PUBLIC COMMENT**

There were no comments from the public.

**AGENDA MODIFICATIONS**

**Commissioner Chappell moved to approve the agenda as submitted, seconded by Commissioner Hawkins and unanimously approved.**

**CONSENT AGENDA**

**Commissioner Hawkins moved to approve the Consent Agenda, seconded by Commissioner Chappell and unanimously approved.**

The following items were approved:

**DISCOVERY, RELEASE AND MONTHLY SETTLEMENT REPORT**

Each month the Tax Administrator prepares a listing of proposed releases for that month. The Board of Commissioners has the responsibility of approving the releases. For the month of August, total tax dollars released was \$9,445.05 and refunds totaled \$2,898.82. Commissioners approved the August 2017 Discovery, Release and Monthly Settlement Report as submitted.

**AMERICAN RED CROSS CENTENNIAL PROCLAMATION**

The American Red Cross has served Transylvania County for 100 years. Representatives from this organization requested the Board of Commissioners proclaim the month of September as “American Red Cross Month”. Chairman Chapman read aloud the proclamation for the benefit of the public and then

presented it to organization representative Alli Trask. Proclamation 25-2017 American Red Cross Centennial is hereby incorporated by reference and made a part of these minutes.

### AUTHORIZE COUNTY MANAGER TO NEGOTIATE REAL PROPERTY PURCHASE CONTRACTS

The Board of Commissioners authorized the County Manager to enter into real property purchase contracts. They stipulated that any such contract shall provide sufficient time during due diligence to allow Commissioners to consider property and terms in an open session in compliance with all applicable laws and with the opportunity to withdraw from the contract without penalty during that time. The Manager's authority to enter into real property purchase contracts will expire March 31, 2018.

### **PRESENTATIONS/RECOGNITIONS**

#### UPDATE ON MISSION HEALTH/BLUE CROSS BLUE SHIELD CONTRACT – MARK BROWDER, BROKER, MARK III EMPLOYEE BENEFITS

In providing health insurance coverage to its employees, Transylvania County is self-insured and contracts with Blue Cross Blue Shield of North Carolina for administrative and stop loss services. In addition to Transylvania County employees, data indicates that Blue Cross Blue Shield provides insurance coverage for approximately 72% of individuals in North Carolina.

Mission Health recently notified Blue Cross Blue Shield that they intended to terminate their network agreement effective October 5, 2017. This has caused great concern in the community about the impact to both County employees and citizens. Transylvania Regional Hospital and a majority of the primary care providers and specialists in this community are affiliated with Mission Health and would therefore become out-of-network providers.

Mark Browder with Mark III Employee Benefits informed Commissioners on how the contract termination will impact employees and citizens. This is a summary of his presentation which he gave via Power Point:

#### **Overview of Dispute between Mission Health and Blue Cross Blue Shield of North Carolina (BCBSNC)**

- Dispute is economic; concerns reimbursement for services to Mission Health
- Agreement terminates October 5, 2017
- Mission has expressed need for annual increases in its reimbursement arrangement with BCBSNC and other payors
- Transylvania County is self-funded and any increase in reimbursements to Mission negatively impacts Transylvania County's medical plan costs
- BCBSNC is trying to pause the annual increases that Mission expects in an attempt to positively impact its clients' medical trend, and on behalf of Transylvania County and other large employers
- BCBSNC has several customers (counties, cities, school systems) in WNC that will also be impacted

#### **Services Provided by Mark III Employee Benefits to County Government**

- Independent consultant that works with over 50 counties and cities across the State
- Impartial advisory that works with multiple payors based on the needs of their clients and the vendors that deliver the best overall solutions for their customers
- Has been serving the public sector since 1977
- Has been serving Transylvania County since 2006 (also serves City of Brevard, Henderson County, Polk County, Asheville City Schools, and Yancey County)
- Tracks claims
- Makes plan recommendations

- Manages requests for proposal
- Recommends wellness strategies
- Reviews pooling and administration costs
- Reviews pharmacy services
- Considers tiered networks
- Compares provider discounts
- Reviews dependent claims

#### **Annual Budgeting Process**

- Tracks claims to look for trends
- Provides renewal estimates nine months in advance
- Prior to client receiving renewal from carrier/vendor, Mark III evaluates the initial experience and develops renewal, separate from the carrier/vendor
- Once initial evaluation completed, meets with client to discuss initial assessment
- At renewal meeting, compares their estimates against carrier/vendor using the following several criteria

#### **BCBSNC Insurance Service to County Government**

- Administers the benefits chosen by the County for medical and pharmacy services to the employees, retirees, and dependents of Transylvania County
- Provides reinsurance for high claims

#### **Mission Health-related Entities Services to County Government**

- Inpatient services
- Outpatient services
- Emergency room services
- Primary care physician services
- Specialty physicians services

#### **Non-Mission Providers**

- While not always convenient, there are non-Mission facilities and providers in the area
- Nearest facility locations are in Hendersonville
- Over 1,300 providers in the Transylvania County area not associated with Mission, the bulk of which are located in Hendersonville

#### **Mission Health Hospitals No Longer In Network**

- Angel Medical Center – Macon County
- Blue Ridge Regional Medical Center – Mitchell County
- CarePartners Rehab Hospital-Buncombe County
- Highlands Cashiers Hospital – Macon County
- Mission Hospital – Buncombe County
- The McDowell Hospital – McDowell County
- Transylvania Regional Hospital – Transylvania County

#### **Possible Local Impacts to Mission-Related Providers**

- In the near term it is unlikely there will be an economic impact locally
- Mark III believes the dispute will be resolved

#### **Possible Impacts to BCBSNC**

- Could lose customers
- Would lose new business opportunities

### What Will Citizens With BCBSNC Coverage Do For Healthcare After the Contract Ends?

- Beginning October 5, in-network coverage at Mission Health facilities will be only for emergency care, services that qualify for BCBSNC's Continuity of Care program, and care that is not reasonably available at other area facilities
- If the member meets the Continuity of Care approval based on criteria (acute/chronic/terminal/pregnant in 2<sup>nd</sup> or 3<sup>rd</sup> trimester), member is authorized for 90 days extension in order to allow them time to transition to an in-network provider
- Caveats – terminal illness will be extended through the end of life; pregnancy cases get longer periods
- Benefits apply to members' in-network benefits, but provider is still considered out-of-network and paid at charge/per fee schedule
- Payment sent to member who must reimburse provider
- In case of emergency, BCBSNC customers should go to the nearest hospital; emergency care always covered as an in-network benefit; prior authorization never required, unless admitted
- Most BCBSNC plans allow customers to receive covered services from out-of-network providers; however, customers typically must pay higher out-of-pocket costs for out-of-network care
- Note: although the contract dispute is ongoing, both Mission and BCBSNC are trying to accommodate their customers

Commissioner Hawkins asked if Mr. Browder had reviewed with employees the process for gaining approval for the Continuity of Care program. Human Resources Director Sheila Cozart was in the audience. She reported that she worked with Mark III to identify those employees who qualify for the Continuity of Care program and met with those employees individually to explain what they need to do.

Commissioner Hawkins noted that Mission's website indicates they will have a program to provide some financial assistance to those customers having to pay out-of-network charges. He asked about the details of the program. Mr. Browder did not have the details, but suspected it would involve discounted services to meet in-network reimbursement or no balance billing. He noted that the challenge is the out-of-pocket limits are greater. There are a lot of factors that need to be considered in order to hold members harmless.

#### Copay Plan

	In Network	Out-of-Network
<b>Deductible</b>		
Individual	\$1,500	\$4,500
Family	\$3,000	\$9,000
<b>Out-of-Pocket Limit</b>		
Individual	\$3,500	\$8,500
Family	\$9,000	\$21,000

Mr. Browder reported there is no cross application of deductibles. Customers may have to satisfy both the in-network and out-of-network deductibles. He stressed the importance of customers being cautious and making sure to review all of the medical options available to them.

#### Deductible Plan

	In Network	Out-of-Network
<b>Deductible</b>		
Individual	\$1,000	\$2,000
Family	\$3,000	\$6,000
<b>Out-of-Pocket Limit</b>		
Individual	\$3,000	\$6,000
Family	\$9,000	\$18,000

### **Options for County Government to Insure Staff Has Adequate and Accessible Health Insurance Coverage**

- Educational sessions held for employees on September 21; provided employees with update of current situation, information and their options when seeking care

### **Summary**

- Contract expected to terminate October 5, 2017
- While this contract dispute could be painful, in the long run, it is in the best interest of the County and its employees that it is successfully negotiated in favor of Transylvania County

Chairman Chapman asked if it was possible to change insurance carriers. Mr. Browder reported that the County is under contract through June 30, 2018 and the contract does not include an opt-out clause. He pointed out that changing carriers mid-year is not an easy process. Mr. Browder emphasized that most employees will not be impacted because they are not receiving a lot of medical services. Some employees may change providers, but some will not have to make any changes. County employees are fortunate to have the Wellness Center on campus where they can access basic care. Also, the contract issue does not impact pharmacy benefits.

Commissioner Hawkins wanted to communicate to BCBSNC the County's dissatisfaction with their agreement because they are in violation of the contract with the County by not negotiating with Mission. Mr. Browder pointed out there have been a lot of changes in the healthcare environment over the last few years. Typically the provider and carrier agree to a fee for service and a reimbursement rate. The Affordable Care Act stipulates reimbursement should be paid based on performance (health of population) and outcomes. Essentially, it is difficult to lay blame because both parties are responsible. He pointed out that a contract dispute occurred with another large healthcare provider in North Carolina and the dispute lasted five months.

Commissioner Chappell pointed out that if the Wellness Center did not exist, the impact to County employees would be greater. He has advocated for the need to continuously evaluate the effectiveness of the Wellness Center and this contract dispute issue shows that having it is a positive for employees.

Commissioners thanked Mr. Browder for his presentation and asked him to keep the County informed of any contract resolution.

## **APPOINTMENTS**

### **BREVARD BOARD OF ADJUSTMENT AND APPEAL**

Tom Tartt's term on the Brevard Board of Adjustment and Appeal expires at the end of September. He is eligible and willing to serve another term. It is the recommendation of the City of Brevard's Planning Department for him to be reappointed.

**Commissioner Hawkins moved to reappoint Tom Tartt to the Brevard Board of Adjustment and Appeal, seconded by Commissioner Chappell and unanimously approved.**

### **JURY COMMISSION**

It is the responsibility of the Board of Commissioners to appoint one of the three members that make up the Jury Commission. The other two members are appointed by the Resident Superior Court Judge and Clerk of Superior Court. Longtime member Gay Phillips resigned upon her term ending on June 30, 2017. The Clerk to the Board worked with Clerk of Superior Court Kristi Brown to recruit for the vacancy. The applicant, former County Manager Artie Wilson was serving on the Jury Commission as the Clerk of Superior Court's appointment; however, in order to fill the County Commissioners' vacancy

she recruited another citizen to fill her appointment and shifted Mr. Wilson to be the County Commissioners' appointment.

**Commissioner Chappell moved to appoint Artie Wilson as the County Commissioners' appointment to the Jury Commission, seconded by Commissioner Hawkins and unanimously approved.**

#### PARKS AND RECREATION COMMISSION

In August, there was a resignation from the Parks and Recreation Commission. Through recruitment efforts, the Clerk received one new application. There are also four applications on file. Parks and Recreation Director Carleen Dixon recommended the appointment of Gregory Copeland to fill the vacancy on the Parks and Recreation Commission.

**Commissioner Hawkins moved to appoint Gregory Copeland to fill the vacancy on the Parks and Recreation Commission, seconded by Commissioner Chappell and unanimously approved.**

#### TRANSYLVANIA NATURAL RESOURCES COUNCIL

The terms of Dan Hodges, Lee McMinn, Woody Noland and Justin Pettit-Mee expire at the end of September. All are eligible to serve another term; however, Justin Pettit-Mee does not wish to serve a second term. Through the quarterly advertisement, the Clerk received two applications. The recommendation is to reappoint Dan Hodges, Lee McMinn, and Woody Noland. In addition, it is the TNRC's recommendation to appoint applicant RK Young to replace Justin Pettit-Mee at the end of his term.

**Commissioner Chappell moved to reappoint Dan Hodges, Lee McMinn, and Woody Noland to the Transylvania Natural Resources Council, seconded by Commissioner Hawkins and unanimously approved.**

**Commissioner Hawkins moved to appoint RK Young to replace Justin Pettit-Mee at the end of his term, seconded by Commissioner Chappell and unanimously approved.**

### **NEW BUSINESS**

#### VACCINE FEE SCHEDULE UPDATE

Public Health Director Elaine Russell presented this item. A recent review of current vaccine fees and acquisition costs identified several for adjustment. The increases will allow the agency to cover acquisition costs associated with the vaccines. Ms. Russell presented the list to the Board of Health on September 12, 2017 for approval. In response to a question from Commissioner Chappell, these prices are competitive with other counties.

The following chart shows the vaccines identified for increase:

Vaccine	Current Vaccine Fee	Vaccine Purchase Price	Recommended New Vaccine Fee
Influenza high dose	37.00	42.70	43.00
Gardasil HPV 9	174.00	182.96	185.00
MMR	63.00	66.97	68.00
Pneumonia	79.00	83.15	85.00
Rotateq	78.00	81.20	83.00
Varicella	108.00	115.04	117.00
Zostavax (Shingles)	185.00	219.77	221.00

**Commissioner Hawkins moved to approve the adjusted vaccine fees, seconded by Commissioner Chappell and unanimously approved.**

MANAGER'S REPORT

The Manager reported the following:

- Ecusta Road bids have come in and staff is working through them at this stage
  - TEA working to gain property control from the City
  - Performance agreement, financial allocation and contract award scheduled for second Commissioners' meeting in October

**PUBLIC COMMENT**

There were no comments from the public.

**COMMISSIONERS' COMMENTS**

Chairman Chapman thanked Commissioner Lemel for her commitment to early childhood efforts. He noted that Transylvania County is being recognized across the State for its work in this area.

**ADJOURNMENT**

There being no further business to come before the Board, **Commissioner Hawkins moved to adjourn the meeting at 7:45 p.m., seconded by Commissioner Chappell and unanimously carried.**

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Larry Chapman, Chairman  
Transylvania County Board of Commissioners

ATTEST:

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Trisha Hogan, Clerk to the Board