

MINUTES – combined work session and regular meeting
Thursday, August 23, 2018

Summit County Board of Developmental Disabilities

MINUTES

Thursday, August 23, 2018
5:30 p.m.

The **combined work session and regular monthly meeting** of the Summit County Developmental Disabilities Board was held on Thursday, August 23, 2018 at the Summit DD administrative offices located at 89 East Howe Road, Tallmadge, Ohio 44278. The **work session** convened at 5:30 p.m.

BOARD MEMBERS PRESENT

Randy Briggs, Board President
Meghan Wilkinson, Board Vice President
Denise Ricks, Board Secretary
Dave Dohnal
Allyson V. Lee
Tom Quade
Tami Gaugler

ALSO PRESENT

John J. Trunk, Superintendent
Mira Pozna, Director of Fiscal
Lynn Sargi, Director of HR
Maggi Albright, Recording Secretary

Joe Eck, Director of Labor Relations &
Risk Management
Russ DuPlain, Director of IT, Records
and Facilities
and others

I. 2019 EMPLOYEE INSURANCE

Local government entities in Ohio can participate in inter-governmental collaborations to reduce costs and enhance services through cost sharing arrangements. Relative to purchasing health insurance, Ohio's State Employee Relations Board (SERB) has documented widespread participation in health benefit consortia by local government entities. The 2017 SERB Health Insurance Survey indicates that almost 61% of statewide public employers currently belong to a consortia, with the primary goal of saving money by increasing the health benefit risk pool. Prior to 2012, Summit DD had 569.5 employees and the Agency participated in Summit County's Health Insurance plan, a health benefit consortia. The County proposed a 30% increase for 2013 and, as a result, Summit DD sought proposals from various carriers. The Insurance Committee recommended, and the Board approved, exiting the County program and selecting Aetna as its carrier for its fully-insured program. For benefit year 2018, Summit DD faced a proposed 47% rate increase from Aetna due to high claims experience. The Insurance Committee recommended, and the Board approved, switching to Medical Mutual of Ohio (MMO) with significant plan design changes such as increased deductibles, co-pays and out-of-pocket maximums to offer a program that fell within 2018 budget parameters.

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WORK SESSION *(continued)*

I. 2019 EMPLOYEE INSURANCE *(continued)*

In 2019, Summit DD will now employ 280.5 employees which is approximately a 50% reduction from its 2013 headcount, the year Summit DD left the Summit County consortium and shifted its program to Aetna. As a significantly smaller stand-alone entity, Summit DD is less able to withstand the volatility of the health care market as well as inevitable high claim years. As a result, Human Resource and Fiscal staff began to explore health benefit consortia options as a potential mechanism to offer a competitive health care plan and increase the health benefit risk pool. Initial research focused on the size, structure, application and termination processes, plan design and rates, as well as compliance and reporting support of several consortia. Three consortia were explored in depth; all have MMO as the carrier:

1. CBA Benefits (Summit DD's current dental plan provider) is a fully insured program that covers approximately 1,700 lives. Initial rates are determined by underwriting and plan design. Members/employers are re-rated annually.
2. Summit County Health Connection is a self-insured program with approximately fifteen members/employers that covers 8,000 lives. Initial rates are determined by underwriting and plan design. Members/employers receive the same percentage increase for the first two years of a three-year agreement period and then are individually re-rated every third year based on claims and premiums paid.
3. Stark County Schools Council of Governments health benefits program is a partially self-insured program with 115 members/employers that covers 50,000 lives. All members pay the same rate for the single plan design offered. There is no individual member underwriting or re-rating process. Stark members must also purchase its ancillary insurance options (i.e., dental, vision, and life). The cost of the ancillary programs is anywhere from 2-5 times higher than Summit DD's current rates. Stark does provide a Section 125 Flexible Spending Account program at no cost to its members.

An overview of these three options was shared with the Insurance Committee, which is comprised of representatives of each of the bargaining units as well as representatives from administration. Insurance Committee members expressed strong interest in meeting with representatives from the Stark County Schools program. Summit DD and union leadership met with representatives of Stark County Schools on July 18th. The Stark Health Plan design as compared to Summit DD's current plan is outlined in attachment #1. Below is additional information regarding Stark's program:

- Individual members/employers may negotiate the employee cost-sharing structure (currently 15% employee - 85% Summit DD).
- Summit DD currently offers \$100 per month opt-out waiver payment to employees as well as domestic partner coverage. Stark prohibits both an opt-out waiver and domestic partner coverage.

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WORK SESSION *(continued)*

I. 2019 EMPLOYEE INSURANCE *(continued)*

- Stark has a spousal carve-out requirement. Spouses of Summit DD employees, as of the date of entry into the program, are grandfathered in and are eligible for coverage. Spouses of future employees are ineligible if they are eligible for employer provided coverage elsewhere.
- Stark's program has averaged a 4.8% rate increase over the last ten years.
- Stark requires members to contribute to its reserve. This reserve requirement can be achieved in one of two ways: buy in – pay an upfront amount equivalent to 30% of claims paid over the last three years, which equates to approximately \$1.58 million for Summit DD, or achieve the reserve requirement over an up to five year period. When a member achieves the reserve requirement, it becomes eligible for premium holidays.
- Premium holidays are defined as a month where neither the employer nor employee is responsible for paying for medical, dental and vision coverage (life insurance premiums must be paid). The Stark program averages 2.4 premium holidays per plan year (July 1-June 30). A single premium holiday for Summit DD would equate to its current monthly premiums for medical and dental of approximately \$435,000. Vision is 100% employee-paid.

In anticipation of a potential change in health insurance, the 2019 proposed budget includes:

- 5% increase for the health insurance line item
- 50% increase for dental and life insurance line items
- line item equivalent to the reserve requirement buy-in amount of \$1,584,084.90

The health insurance rates offered by Stark are comparable to current rates, however, the plan design is far superior. While Stark's dental, vision and life insurance rates are significantly higher, the dental plan design is better and the employer costs of these coverages are modest compared to health care costs. In addition, if Summit DD shifted to the Stark program there would be cost savings of approximately \$90,000 in 2019 and beyond associated with terminating a number of contracts/relationships (insurance consultant/broker, FSA/HSA/COBRA administrator, and on-line enrollment system). Staff anticipates that if the Agency associates itself with a large, well-respected health benefit consortia such as Stark with a track record of annual increases in the 5% range, Summit DD will be better able to control its future health insurance costs while providing an important benefit to its employees. Joining the Stark plan would be contingent upon reaching agreements with the three unions (WWSA, WEA I and WEA II) adopting contract language. Any changes in the union contracts would be brought to the Board. Mr. Briggs asked if the Insurance Committee would be dismantled if the Agency becomes part of the Stark consortia. Mrs. Sargi confirmed that it would no longer be needed. Mr. Briggs asked about prescription coverage and if Stark provided a formulary list.

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WORK SESSION *(continued)*

I. 2019 EMPLOYEE INSURANCE *(continued)*

Mrs. Sargi responded that prescription benefits are part of the plan and will be the same as the current MMO coverage. Mrs. Lee asked if it is best practice to prepay into a plan. Mrs. Sargi explained the Board does not have to prepay, that option is up to the organization. If the Board decides to allocate resources to prepay, it and staff will benefit by receiving premium holidays. If the Board elects not to prepay then it will take approximately five years to reach the reserve. Mr. Quade asked if annual increases are higher if the Board does not prepay. Mrs. Sargi confirmed that increases would be higher and added the plan is designed to allow organizations to recover upfront costs sooner by prepaying the reserve. Mr. Eck added that the Agency has not yet received language from Stark that the unions and Board would need to ratify. Mr. Trunk thanked Mrs. Sargi and Mr. Eck for taking the lead on this very sophisticated topic and doing a great job compiling information. Funds are available in the budget and the August HR/LR and Finance & Facilities Committees recommend approval of joining the Stark County Schools Council of Governments health plan for 2019 benefit coverages.

II. COMDOC CONTRACTS

Summit DD has worked with ComDoc since 2014 to provide customized technical support and consulting services to expand document management and paperless processes. There is \$100,000 budgeted for consulting work in 2018 although the work done so far has been covered by 2017 funds that were approved last year. Other expenses with ComDoc include annual maintenance for software packages, printer support and annual software maintenance and licensing fees. The request is to enter into contracts with ComDoc for these services and approve additional funds not to exceed \$99,344 to cover the scope of work through 2018. Funds are available in the budget and the ComDoc contracts have been recommended for approval by the August Finance & Facilities Committee.

III. SUMMIT DD 2019 BUDGET REQUEST

The 2019 Summit DD budget requires Board approval prior to submission to the Social Services Advisory Board (SSAB) and County Council. The 2019 Budget request is in the amount of \$69,877,409 for the Operating Fund, \$157,980 for the Gifts and Donations Fund and \$729,405 for the Permanent Improvement Fund. The 2019 projected revenue is \$66,668,418, which is 1.7% higher than the 2018 budget due to anticipation of an extra cost report audit settlement which helps offset the loss of Medicaid reimbursements due to the transition out of direct services. Reimbursements include approximately \$2.6 million dollars in state subsidy, about \$4.5 million dollars in targeted case management (TCM), \$1.5 million dollars in Medicaid Administrative Claims (MAC) and \$4.8 million dollars in cost report settlements.

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WORK SESSION *(continued)*

III. SUMMIT DD 2019 BUDGET REQUEST *(continued)*

Grants are increased as a result of Holly Brugh securing a \$200,000 grant for multi-system youth and a slight increase in the Help Me Grow (HMG) appropriation. The 2019 request for operating expenditures is projected to be \$68,877,409, which is relatively flat in comparison to the 2018 budget. Net revenues and expenditures result in deficit spending of approximately \$3.2 million dollars. The 2019 budget for salaries is projected at approximately \$2.7 million dollars less than 2018 due to a net reduction of 116.50 FTEs versus the 2018 budget and is the effect of closing the Ellet, Tallmadge, Cuyahoga Falls and Barberton Centers and the Dream Out Loud Studio. A reduction in salary costs is offset by anticipated exit cost payouts and an on average 2.5% pay increase. A direct effect of salary cost reductions is a reduction in benefit costs, however, this is offset by the anticipation of a one-time health insurance reserve payment which results in an overall increase in employee benefits when compared to the 2018 budget. Staff have been reviewing health insurance options and considering joining a large consortium. There is an option to prepay the reserve payment which would qualify the Agency for premium holidays. The increase in direct service contracts is primarily due to additional local levy dollars allocated to services for eligible individuals so that service needs are met. Increased waiver match is due to the transition out of services in addition to typical waiver growth. The Family Support Services (FSS) Program state subsidy allocation will be used as match for Medicaid waivers. The FSS has been replaced with the Family Engagement Program (FEP) which is entirely funded with local levy dollars. Most other 2019 budget expenditure categories are reduced when compared to the 2018 budget. The 2018 budgeted ending fund balance of \$45,636,382 less projected 2019 deficit spending results in a projected fund balance of \$421,427,391 at the end of 2019. The July Finance & Facilities Committee recommends approval of the 2019 budget request.

IV. AKRON CHILDREN'S HOSPITAL CONTRACT

Part C is Ohio's Early Intervention (EI) system serving children with developmental disabilities under the age of three. The primary role is to conduct developmental evaluations to identify delays in the areas of adaptive, cognitive, communication, physical and social-emotional development and to use service coordinators to develop Individualized Family Service Plans (ISP) to address the individual needs of each child and family. As the lead agency for the Family and Children First Council (FCFC), which is the local authority over Part C services, Summit County Public Health has contracted with Summit DD to oversee the contract and manage the service coordination portion of Part C EI services. Through an RFP process, Summit DD selected Akron Children's Hospital (ACH) to provide service coordination. Early this year, the Summit DD staff who was serving as the contract manager left the Agency. At that time, a joint decision was made to move the contract manager role to the current Part C supervisor at ACH with no increase to the current contract.

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IV. AKRON CHILDREN'S HOSPITAL CONTRACT *(continued)*

Summit DD was able to keep the remaining funds allocated for the contract manager and use them toward reimbursement for Part C evaluations which have previously been provided 100% in-kind. The recommendation is to enter into a one year contract with ACH for the period July 1, 2018 through June 30, 2019 in an amount not to exceed \$761,518. For this contract period, ACH has proposed absorbing the cost of salary increases for service coordination staff, allowing \$22,762 of the total grant allocation to remain with Summit DD for evaluations. The total grant allocation is \$807,184, which is the same as the current year. This contract serves an average of 800 children in Summit County annually and ACH has met or exceeded all expectations as a service provider. Funds are available in the budget and will be supported by grant funds and the contract with ACH has been recommended for approval by the July Services & Supports and Finance & Facilities Committees.

V. SURPLUS INVENTORY

There is a large amount of surplus items and equipment from the Tallmadge Center that are no longer needed by Summit DD, as identified in attachment #5. The request is to conduct an internet auction, through a vendor who specializes in this area, and sell the surplus items in accordance with Ohio Revised Code. Any unsold items would be disposed of in an environmentally safe manner. Mr. Briggs asked if items are offered to other county entities prior to auction. Mr. DuPlain replied that it is not a requirement to offer surplus items to other county organizations, however, if Summit DD was not utilizing an auction service then surplus items would be offered to other county entities first, followed by non-profit organizations. Mrs. Lee asked how electronic equipment is disposed. Mr. DuPlain explained that hard drives are removed and then staff work with an electronic recycling company that breaks down components, strips circuit boards and performs secure destruction of all electronic equipment. The August Finance & Facilities Committee recommend approval of the auction and/or disposal of surplus inventory.

VI. JULY FINANCIAL STATEMENTS

July ended with deficit spending of \$7,076,225 and a fund balance of \$43,471,032. Revenue in July included reimbursement of the quarterly state subsidy in the amount of \$650,000. Expenditures included payments to the Ohio Department of Developmental Disabilities (DODD) in the amount of \$347,600 for quarterly waiver administration fee, \$6,514,300 for quarterly waiver match and \$1,547,000 for annual supplemental waiver match. The July Financial Statements have been recommended or approval by the August Finance & Facilities Committee.

The work session adjourned at 5:56 p.m.

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BOARD MEETING

The **regular monthly meeting** of the Summit County Developmental Disabilities Board convened at 5:56 p.m.

I. BOARD MEMBER CAUCUS

Mr. Briggs asked about the status of analyzing how Summit DD buildings will be utilized. Mr. Trunk replied staff have been working with a consultant and are about a month or so away from bringing recommendations to the Board for consideration. He added it is likely that one of the recommendations will include retaining the Barberton and Cuyahoga Falls buildings since they are the newest and renovation costs would be reasonable. Some of the existing buildings, such as the administrative campus, may require too many costly repairs and modifications. He also noted there are still other vacant properties that will need to be sold, such as the Bath Center. The Board was leasing space at Ellet and Dream Out Loud and those leases have ended. The Southern Center building has been rented and is in year one of a five year lease agreement. Mr. Briggs stated he has been receiving inquiries about private providers utilizing the buildings and also hearing concerns about the administration building being moved to an area that would not be accessible to consumers. Mr. Trunk responded that buildings are not going to be leased to private providers and added that a location for administration is being reviewed relative to the distribution of the population in the county that the Board supports. Russ DuPlain has taken the lead on this project and is doing an outstanding job with the analysis and in moving the project forward. Mr. Briggs commented it would be helpful to have more information on this topic so that Board Members can appropriately answer questions from stakeholders. Mr. Trunk indicated there is much information to share and he will have more details next month. Mr. Quade mentioned that even if concrete decisions have not been made and initial assumptions need to be revised, it would be helpful if Board Members have some basic talking points. Mr. DuPlain replied that he would be happy to provide that information.

II. PUBLIC COMMENT

Leslie Frank, a parent and Summit DD staff, asked when the auction of items from the Tallmadge Center will be held. Mr. DuPlain replied that if the Board approves the request to auction items, the auction should take place sometime in September. He mentioned that an e-mail will be sent to staff to advise when the auction will be held. Ms. Frank noted that the Cuyahoga Falls Center will be closing at the end of this year and some individuals have said they will be staying until the very last day. She asked if it has been considered to retain several direct service staff into next year to assist with the transition. Mr. Trunk replied the goal and commitment is to make sure that every person served has made a smooth transition so he will have a conversation with Drew Williams to see what the needs may be. Ms. Frank commented that she recently visited twelve provider locations where 23 individuals have transitioned to follow-up on how everyone is adjusting.

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BOARD MEETING *(continued)*

II. PUBLIC COMMENT *(continued)*

She noted that all individuals expressed to her how happy they are with their new staff and new environments. She also noted that the providers have been very helpful and have done a good job getting to know individuals. Ms. Frank conveyed she was very appreciative of the opportunity to make these visits.

III. APPROVAL OF MINUTES

A. JULY 26, 2018 (combined work session and regular meeting)

R E S O L U T I O N **No. 18-08-01**

Mrs. Lee moved that the Board approve the minutes of the July 26, 2018 combined work session and regular meeting, as presented in attachment #7. The motion, seconded by Mr. Quade, was unanimously approved.

IV. BOARD ACTION ITEMS

A. FINANCE & FACILITIES COMMITTEE

1. SUMMIT DD 2019 BUDGET REQUEST

R E S O L U T I O N **No. 18-08-02**

Mrs. Wilkinson moved that the Board approve the 2019 Summit DD budget in the amount of Sixty Nine Million Eight Hundred Seventy Seven Thousand Four Hundred Nine Dollars (\$69,877,409) for the Operating Fund, One Hundred Fifty Seven Thousand Nine Hundred Eighty Dollars (\$157,980) for the Gifts and Donations Fund and Seven Hundred Twenty Nine Thousand Four Hundred Five Dollars (\$729,405) for the Permanent Improvement Fund, and authorize positions of employment, as indicated on the HR/LR Staffing Report in attachment #3.

Be it further resolved that the Board approve up to Thirty Million Three Hundred Ninety Thousand Dollars (\$30,390,000) of the 2019 Summit DD budget to pay the non-federal share of Medicaid expenditures for services under Ohio Revised Code (ORC) Sections 5126.059 and 5126.0510. The Board acknowledges that payment of the non-federal share represents an ongoing financial commitment of the Summit County Developmental Disabilities Board. The motion, seconded by Mr. Quade, was unanimously approved.

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BOARD MEETING (continued)

IV. BOARD ACTION ITEMS (continued)

A. FINANCE & FACILITIES COMMITTEE (continued)

2. AKRON CHILDRENS HOSPITAL

R E S O L U T I O N

No. 18-08-03

Mr. Quade moved that the Board approve a contract with Akron Children's Hospital to provide service coordination for Part C Early Intervention Services for the period July 1, 2018 through June 30, 2019, in an amount not to exceed Seven Hundred Sixty One Thousand Five Hundred Eighteen Dollars (\$761,518), as presented in attachment #4, and that the Superintendent be authorized to sign said contract. The motion, seconded by Mrs. Gaugler, was unanimously approved.

3. SURPLUS INVENTORY

R E S O L U T I O N

No. 18-08-04

Mrs. Ricks moved that the Board approve the request to auction or disposal of surplus inventory, in accordance with Ohio Revised Code, as identified in attachment #5. The motion, seconded by Mr. Quade, was unanimously approved.

4. JULY FINANCIAL STATEMENTS

R E S O L U T I O N

No. 18-08-05

Mrs. Gaugler moved that the Board approve the July Financial Statements, as presented in attachment #6. The motion, seconded by Mr. Dohnal, was unanimously approved.

V. SUPERINTENDENT'S REPORT

A. MISCELLANEOUS UPDATES

Mr. Trunk noted the 2018 Summit DD Golf Outing was a tremendous success. There were 126 golfers and the event raised \$33,000 with proceeds going to the PAC that supports the levy. It's a good opportunity to connect with the public and raise awareness about Summit DD.

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BOARD MEETING *(continued)*

V. SUPERINTENDENT'S REPORT *(continued)*

A. MISCELLANEOUS UPDATES *(continued)*

The recent bus auction went very well with \$36,000 raised, averaging about \$3,000 per vehicle sold. Some of the vehicles sold were headed to Mexico.

Summit DD received a five year accreditation from the Ohio Department of Developmental Disabilities (DODD) in 2013. The next review is scheduled to begin in January 2019. DODD is no longer offering five year accreditations so the highest level the Agency will be able to achieve will be for three years. Drew Williams is taking the lead and doing a great job conducting mock surveys to prepare.

Mr. Trunk provided Board Members with a hand out of the Ohio Association of County Boards of Developmental Disabilities (OACB) Strategic Plan Quarterly Update. It is an overview of what OACB is working on and a glimpse of what the Board's annual dues are used for.


Mr. Trunk also provided Board Members with a hand out from the recent Ohio Superintendents of County Boards (OSCB) conference which was held earlier in August. The conference was a working meeting where Superintendents from around the state worked together to identify planning and priority goals.

Mr. Trunk noted staff are putting the final touches on the Agency's Long Range Plan (LRP). Staff will be soliciting feedback from providers, families, persons served, stakeholders and other staff relative to the Agency's Mission, Vision and goals. It is anticipated that the LRP will be presented to the Board in September.

VI. PRESIDENT'S COMMENTS

Mr. Briggs thanked everyone who had a part in volunteering for the 2018 Summit DD golf outing. It takes dedication and allot of work to make an event such as this happen and that effort showed. Without the hard work of staff, these events don't happen and they greatly benefit the individuals we are here to support. He commented that it was a spectacular event.

There being no further business, the Board Meeting adjourned at 6:25 p.m.


Denise Ricks, Secretary