

Wake County Board of Commissioners
Work Session
September 10, 2018
2:00 P.M.
Wake County Justice Center Room 2800

Commissioners Present:

Jessica Holmes, Chair
Sig Hutchinson, Vice-Chair
John Burns (left the meeting at 2:10 p.m.)
Matt Calabria
Greg Ford
Erv Portman
James West

County Staff Present:

David Ellis, County Manager; Johnna Rogers, Chief Operating Officer; Chris Dillon, Assistant County Manager; Denise Foreman, Assistant County Manager; Nicole Kreiser, Assistant County Manager; Bill Greeves, Chief Information and Innovation Officer; Emily Lucas, Chief Financial Officer; Ben Canada, Assistant to the County Manager; Todd Taylor, Financial Services Manager; Regina Petteway, Human Services Director; Angela Crawford, Human Resources Director; Christopher Clemmons, Senior Human Resources Consultant; Dara Demi, Communications Director; Elaine Barnes, Human Resources Manager; Paarth Mehta, Senior Budget and Management Analyst; Kerry McComber, Communications Manager; Josh Creighton, Deputy Fire Services Director; Joe Williams, Benefits and Wellness Coordinator; Glenda Farrell, Deputy Human Resources Director; Denise Hogan, Clerk to the Board; Yvonne Gilyard, Deputy Clerk to the Board; Portia Johnson, Executive Assistant to the Board; and Michelle Cerett, Executive Assistant to the Board.

Others Present: Kevin Fitzgerald, Consultant, UNC Healthcare

Chair Holmes called the meeting to order at 2:00 p.m. and welcomed everyone to the meeting.

Hurricane Florence Preparations:

Mr. Josh Creighton, Deputy Fire Services Department/Emergency Management Division Director, provided an emergency services update regarding the pending hurricane. Mr. Creighton said hurricane Florence will be hitting North Carolina in the next few days. He said staff are preparing as much as possible, testing generators, and deploying equipment. He said the State is ordering evacuations for two counties and there is a potential for six more to enter an order within the next few days. Chair Holmes asked what the prediction is for Wake County. Mr. Creighton said the storm is forecast to hit Wake County late Wednesday into Thursday. He said shelter locations are being prepared and those locations will be announced closer to the time of impact. Commissioner Calabria asked if there are communications to residents now to help them prepare. Mr. Creighton said staff is

working on various ways to get the word out as soon as possible, but residents should make preparations now. Chair Holmes thanked Mr. Creighton and all emergency services personnel for all they do for Wake County residents.

Commissioners Burns left the meeting at 2:10 p.m.

NCACC 2019-2020 Legislative Goals – Chris Dillon, Assistant County Manager

Mr. Chris Dillon, Assistant County Manager, provided an update on the 2018-2019 legislative session. He said he does not expect a change in control at the House level, but it is possible.

- First year of biennium, “Long Session”
- 119 of 120 legislative races contested
- Depending on election outcome
 - Veto-proof majority could be overcome
 - Control of the House could change
 - Senate control will not change
- Polarization of rural/urban will not change, may increase

He shared the Wake legislative goals development process.

- Department directors submit proposed goals to manager’s office
- Final proposals submitted to Board at work session on September 10th
- Request edits from the Board by September 13th
- Include any changes for final approval at Board meeting on September 17th
- Final goals will be submitted to NCACC by September 21st
- Counties submit proposed goals to NCACC (September 21)
- NCACC Steering Committees review (October)
- NCACC Board of Directors approves draft goals (November)
- Final approval at the Legislative Goals Conference (January)
- Any Wake County goals not included in NCACC goals will become local legislative goals and be included for final county goal approval
- Legislative session begins January 9, 2019

He shared the 2017-2018 successes.

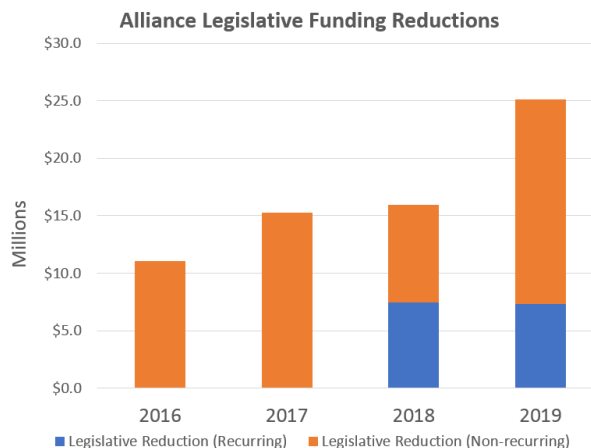
- Preserved local tax revenues
 - No sales taxes were lost or diverted
 - Retained ability to levee ¼ cent sales tax in the future
- “Raise the Age”
 - Increased the age of juvenile jurisdiction from 16-18, except in A-E felonies
 - Funding for construction of a new juvenile justice facility included
- PreK Funding
 - Funding to eliminate waiting list by 2020
- Transportation
 - Budget increased by \$320 million, increase of \$52 million to RDU
 - No changes to Strategic Transportation Investments formula
 - Build NC passed, \$3 billion in projects expedited

- DOT and municipalities will fund required road system improvements for schools
- Repeal of HB2
 - Businesses are showing increased interest in Wake County
 - Wake County is hosting NCAA events again
- Health Care
 - \$2 million for child-focused behavioral health facilities
 - STOP Act – assisting in opioid crisis
 - Funds for Wake EMS diversion program
- Local Bills
 - Authorization to use on-site cash deposits
 - Harnett/Chatham/Wake county boundary resolution

He shared the 2017-2018 struggles. (2 slides)

- No funding for K-12 capital
 - State Bond for K-12 capital was not approved by either chamber
- Digital Infrastructure
 - Select rural legislators continue to push for authority of counties to fund infrastructure
 - Possible alternative solutions being researched
- Orphan Roads
 - House passed a convoluted bill that probably would not have helped
 - Simple problem, needs a simple solution, return county authority to require maintenance bonds of developers

- Behavioral Health Funding
 - Alliance Behavioral Health funding was reduced by \$41 million
- Medicaid Expansion
 - A NC solution would cover portions of our population, especially for behavioral health
- Recovery Court Funding
 - No state funding for drug/DWI courts



He shared the 2019-2020 legislative proposals. (2 slides)

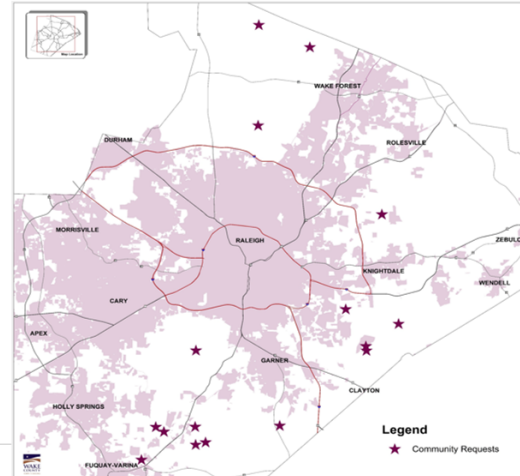
- Broad goals for NCACC inclusion
 - Protect local revenues
 - Retain local government authority
 - Protect clean water
 - Increase statewide education funding, per pupil and capital
 - Expand Medicaid and increase funding to public health programs
 - State funding for specialty courts (Recovery, DWI, Veterans)
 - Protect Strategic Transportation Investments law

2017-2018 Unfinished Business

- Restore funding for mental health
 - Eliminate recurring reductions in LME/MCO funding
 - NC Medicaid solution to increase coverage of Wake residents
- Allow counties to fund and lease broadband infrastructure
 - Authority needed to reach unserved areas in rural communities
 - No competition to private providers
- Reinstate authority to require maintenance bonds
 - Counties continue to have residents seek relief from orphan road decay
 - Only ability to prevent is to require bonds from developers

WAKE COUNTY

Wake Orphaned Road Requests



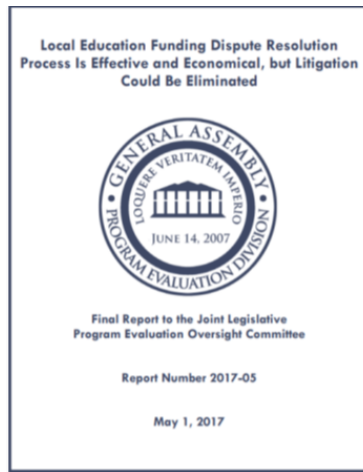
Mr. Dillon said there are 20 groups requesting funding to fix roads in their neighborhood. He shared information on the state affordable housing tax credit.



Wake County Affordable Housing Plan
Final Briefing Book
October 2018

- State Affordable Housing Tax Credit
 - Housing affordability has become a significant issue in both urban and suburban areas
 - Housing stock in rural areas needs investment to attract economic development
 - Tax credit can help leverage federal funds for project investments

He shared information on the request to authorize Boards of Education to levy their own taxes.



- Authorize Boards of Education to levy property taxes to fund capital and operations of the local education agencies
 - Only a handful of states use fiscally dependent model
 - SC was last to change to fiscally independent school boards
 - Provides accountability and removes friction between elected boards

He shared the next steps in the process.

- Any edits or recommendations to Manager's office by September 13th
- Include any changes for final approval at Board meeting on September 17th
- Goals will be submitted to NCACC by September 21st
- Final Wake County legislative goals approved in January 2019

Chair Holmes said she would like to include a request for additional school funding.

Commissioner West asked for a history of the proposed laws that would grant taxing authority to the Board of Education. Mr. Dillon said he would provide that information and report back to the board.

Commissioner Ford asked if South Carolina counties lowered their rates when the school tax was made independent. Mr. Dillon said he would provide that information and report back to the board.

Chair Holmes said it is important to discuss the issue with the Board of Education and get their input regarding granting them taxing authority.

Mr. Dillon said he doesn't expect NCACC to move forward with giving school districts a taxing authority. He said the taxing authority issue would need to be added as a Wake County goal in order to present it to the Legislature.

Vice-Chair Hutchinson asked for an update on medicaid reform. Mr. Dillon said a decision has not been made.

Wake County Behavioral Health Plan Update – Denise Foreman, Assistant County Manager

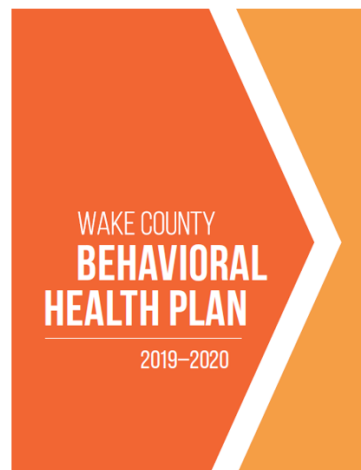
Ms. Denise Foreman, Assistant County Manager, provided an update on the county Behavioral Health Plan. She was joined by Kevin Fitzgerald, Consultant, UNC Healthcare, who assisted with the development of the plan.

Purpose:

- To provide clarity on planned initiatives by the County for the fiscal years 2019 and 2020;
- Articulate how these initiatives intend to impact the broader behavioral health system in Wake County

Developed from:

- Board of Commissioner Goals
- November 2017 Behavioral Health Summit
- Wake Directors
- Behavioral Health Stakeholders
- Behavioral Health Plan Core Team
- Other community leaders



She shared the board goals related to Behavioral Health.

Community Health

- Goal: Promote an effective behavioral and physical health system of care and practices that benefits all residents.

Objective CH1: Identify efficient, effective, proactive, and collaborative ways to better support and build capacity for the treatment and management of Wake County residents who experience behavioral health challenges.

Ms. Foreman said the county is not obligated to fund behavioral health to the extent that it does. She said the board has identified a community health goal and provided additional behavioral health funding because of that goal. She said the county funding only picks up after all other funding sources have been exhausted. She said the plan was changed from a five-year plan to a two-year plan due to the uncertainty of Medicaid transformation.

Ms. Foreman discussed the difference between Medicaid transformation and Medicaid expansion. She said Medicaid expansion would allow more uninsured and underinsured residents to receive medical coverage, but it has not been legislatively approved yet. She said Medicaid transformation has been approved and the state is in the process of making that change. She said the transformation moves health care from fee for service to managed care. Ms. Foreman said mental health is already under managed care, but medical and pharmacy services are not.

Commissioner West asked if Managed Care is a more holistic way of providing coverage. Mr. Fitzgerald said it is and the North Carolina plan is very focused on the quality of medical care. Mr. Fitzgerald said North Carolina is one of the last states to make the move to managed Medicaid.

Chair Holmes asked if there will be a request for an increase in funding due to the Medicaid changes. Ms. Foreman said she is not aware of a request for additional funding.

Ms. Foreman shared the themes that were discussed at the recent summit.

1. Crisis Services
2. Access and Coordination
3. Criminal Justice
4. Familiar Faces
5. Housing



She shared the expectations that were discussed at the summit.

- Articulate a **global vision** for behavioral health services
- Advance Summit **priorities**
- Build a team of **informed and engaged citizens**

Commissioner Portman asked how the outcomes will be measured once managed Medicaid is in place. Mr. Fitzgerald said the state has focused on health outcomes as a way of measuring the results.

Ms. Foreman shared the core planning team.

A team of community leaders provided guidance, content and feedback for development of plan.

- Members include:
 - Ann and Gerry Akland (NAMI)
 - Lorrin Freeman, District Attorney
 - Bill Hart, Wake County Sheriff
 - Ann Oshel, Alliance Behavioral Health Care
 - Rick Shrum, WakeMed
 - Laurie Stickney, Community Provider
 - Kevin FitzGerald and Owen FitzGerald, Consultants
 - Denise Foreman, County Manager's Office

She shared the two-year plan that was created by the core planning team.

- Build a countywide vision for behavioral health
- Develop the framework for identifying gaps and needs for additional county support.
- Broaden awareness and support of behavioral health services
- Attract more external resources to leverage and extend work underway
- Prepare for Medicaid Reform

She shared the key plan results.

- Measurable progress in the five focus areas: crisis services, access and coordination, criminal justice, familiar faces and housing
- Development of computer systems to support coordinated assessment and case management

- Specific business cases to support community continuation or expansion of needed programs
- Capacity to anticipate and respond to significant changes in North Carolina's Medicaid program

She shared the vision statement.

*The **dignity and well-being** of every person is paramount. To that end, we support **accessible, high-quality healthcare** to address the physical and behavioral needs of **all** Wake County residents.*

*Services must be delivered in the **least restrictive manner** possible, with clear **communication** and a firm commitment to **personal privacy**.*

***Access** to sound care must not depend on individual resources or payment source. **Continuous improvement** must be a core goal in all our efforts.*

Ms. Foreman shared how citizens will be informed and engaged. She said there is a lot of community interest in the behavioral health plan.

- Update County website (wakegov.com/behavioralhealth)
- Provide updates to users
- Provide quarterly updates on Plan progress

	Project	Due Date	Assigned To	Status	Progress
1	Implement expanded mobile crisis pilot	11/01/18	Wake EMS		
2	Evaluate partnership opportunities for additional crisis facility beds in FY 2019	12/03/18	Alliance		
3	Quantify need for additional psychiatric hospital beds and crisis centers	02/01/19	Alliance, Wake Manager's Office, Local Hospitals		
4	Establish performance baseline and measures of crisis system	03/01/19	Measurement and Evaluation Team		
5	Update Crisis Intervention Team Training and expand training	03/01/19	Alliance		
6	Review changes to crisis services and develop recommendations: 1) streamline and increase access; 2) the need for new crisis slots; 3) use of state hospitals; 4) impact of new IVC laws; 5) changes in operational support	05/31/19	County Manager's Office, Stakeholders Group, Wake/NC DHHS Partnership		
7	Make the business case to increase Partial Hospitalization funding to reduce hospitalization for inpatient families	02/03/20	Measurement and Evaluation Team		

She shared the goals, initiatives and outcomes of the crisis services.

Goals	Initiatives	Outcomes
Expand capacity of adult crisis assessment services	Establish performance baselines	Reduce diversion status and average length of stay at WakeBrook Crisis & Assessment Services
Develop behavioral health urgent care	Launch and evaluate enhanced mobile crisis for EMS calls	Reduce behavioral health admissions at hospital emergency departments
Increase psychiatric inpatient capacity	Evaluate expansion of partial hospitalization program	Reduce behavioral health transports by Wake County EMS and law enforcement
Increase community outpatient capacity/alternatives to crisis services	Evaluate impact of new crisis services	Reduce Involuntary Commitments (IVCs)
Enhance communication among first responders/crisis service providers	Quantify additional inpatient and crisis center bed need and evaluate options	
Reduce number of Involuntary Commitments (IVCs)	Update CIT training	

Commissioner West asked for clarification of a voluntary commitment versus an involuntary commitment. Ms. Foreman said a person can commit themselves voluntarily anytime they feel they are in crisis. She said an involuntary commitment is initiated by another person, is very involved and requires a lot of resources. She said involuntary commitment is used as a last resort.

Ms. Foreman shared the goals, initiatives, and outcomes for access and coordination of care.

Goals	Initiatives	Outcomes
Expand services for low-income, un/underinsured, and special needs	Establish performance baselines	Behavioral Health Training System established/Percent of identified personnel are trained
Build relationships/encourage communications across system	Develop provider training	MOAs in place to support data sharing
Increase capacity to track individual and aggregate patient data	Coordinate with local, state and community system improvements and social determinants of help work	Community case management platform has been assessed, designed, funded and implemented
Improve community understanding of behavioral health and services	Partner to launch tool supporting community case management	Increase access to outpatient services
Increase capacity for integrated physical and behavioral healthcare	Expand school-based coordination	
	Update County's behavioral health website	

She shared the goals, initiatives and outcomes for the criminal justice system.

Goals	Initiatives	Outcomes
Reduce disruption and loss of public benefits for incarcerated/previously incarcerated people	Assist people access public benefits when qualified; advocate to suspend rather than terminate Medicaid when incarcerated	Improve health outcomes for formerly incarcerated with chronic disease, mental illness and/or substance abuse disorders
Expand pre-charge diversion programs to avoid interaction with the Wake County criminal justice system	Improve methods for identifying at-risk youth and adults	Reduce recidivism rates
Expand re-entry services	Link criminal justice partners with data sharing efforts	Reduce emergency room/hospital rates for individuals participating in post-release programs
Improve service quality, data tracking, case management, and information sharing across the system of care.	Review additional diversion and re-entry program opportunities not currently in place in Wake County	Increase percentage of at-risk individuals receiving behavioral health services upon release
	Enhance screening, care coordination and case management at county detention facilities	Reduce number of individuals with mental illness who are jailed through court intervention

Ms. Foreman said one third of county inmates are identified as having mental health issues, so these services will be very helpful.

Chair Holmes asked why drug treatment court was not part of the initiatives. Ms. Foreman said the plan focuses on new services instead of existing services. She said drug treatment court is in place and seems to work well.

Commissioner Ford suggested noting the reason drug court is not included in the plan so the public is aware that those services are still in place.

Chair Holmes noted that the state eliminated funding for drug treatment court. She said the county made the decision to provide funding, so the services could continue to be offered.

Ms. Foreman shared goals, initiatives, and outcomes for the frequent users of mental health services.

Goals	Initiatives	Outcomes
<p>Develop an early intervention system for those at risk of becoming Familiar Faces</p> <p>Improve service quality, data tracking, case management, and information sharing across the system of care</p> <p>Establish coordinated methodology to identify those who are (or who are likely to become) Familiar Faces</p>	<p>Enhance outreach and access to services for Familiar Faces</p> <p>Link Familiar Faces partners with data sharing efforts</p> <p>Create outreach and community case management team</p> <p>Address Familiar Faces recommendations in Population Health Task Force Report</p> <p>Conduct community engagement session on housing Familiar Faces</p> <p>Partner to raise funds for supportive housing solutions</p>	<p>MOAs in place to support sharing relevant case information and identification of Familiar Faces; Case management protocols have been modified to reflect these agreements</p> <p>Improve health outcomes for those identified as Familiar Faces</p> <p>Reduce emergency room and hospital utilization rates for those identified as Familiar Faces</p> <p>Return on investment calculated and tracked</p>

Commissioner Portman commented on the detail of the plan and said he would like to see more proven outcomes. Ms. Foreman said the data that contains the outcomes is handled by the providers, not the county, which makes it difficult to report.

Ms. Foreman shared the goals, initiatives, and outcomes for the housing part of the plan.

Goals	Initiatives	Outcomes
<p>Increase housing options for individuals who have special needs, criminal records, and/or persistent behavioral health issues</p> <p>Expand rapid re-housing services for those exiting institutions</p> <p>Implement Housing First strategy</p> <p>Improve service quality, data tracking, case management, and information sharing across the system of care</p>	<p>Support operation of Oak City Outreach Center</p> <p>Build new partnerships for expansion of supportive housing units and housing first strategies (including tax credit properties)</p> <p>Evaluate Flexible Subsidy Pool to assist with ongoing housing and service funding</p> <p>Link housing partners with data sharing efforts</p> <p>Conduct supportive housing and housing first education session(s)</p>	<p>Increase permanent supportive housing by 250 units by 2024</p> <p>Increase in total number of Housing First units</p> <p>Eliminate waiting list for individuals identified for permanent supportive housing through Coordinated Entry Vulnerability Index</p> <p>Reduce number of avoidable hospital days due to housing insecurity</p> <p>Return on investment calculated and tracked</p>

Commissioner Portman commented on the 250 affordable housing units that are in the plan. He said while that is admirable, it is not enough to adequately address the issue. Ms. Foreman said the 250 housing units in the plan are in addition to the ones the county has committed to provide.

Chair Holmes asked for more specific information to be added relating to how the goals, initiatives, and outcomes will be met.

Commissioner Calabria said it is important to transform these quickly into smart goals. He said progress will need to move quickly to meet the goals of the two-year plan.

Vice-Chair Hutchinson said he recently visited the Holly Hill facility and was impressed with the expansion of their services. He said the administration at the hospital is impressed with the amount of collaboration with various agencies. He said the collaboration greatly improves the services provided and insures residents can get access to the services they need. He said Holly Hill contributes their success to Alliance Behavioral Health and Ms. Foreman for their coordination of service. Vice-Chair Hutchinson thanked everyone for their work on the plan.

Commissioner Ford commended staff and providers for the services they provide to residents in need.

Ms. Foreman shared the next steps.

- Request Board of Commissioners receive Plan September 17
- Develop work plan for 40 plus initiatives included in plan
- Recruit project teams
- Provide quarterly updates on Plan implementation

Commissioner West stated that the United States has five times more individuals in the criminal justice system than any other country.

Commissioner Ford asked Mr. David Ellis, County Manager, if he has a broad plan on how to approach this plan in the next two years. Mr. Ellis said priorities will need to be identified for the goals to be met. He said this is a great plan, but funding will need to be identified to carry out all the initiatives and goals.

Chair Holmes spoke of the importance of retaining the ABC funds. She said those funds have been used in the past to fund behavioral health services.

Employee Health Plan Update – Johnna Rogers, Chief Operating Officer

Ms. Johnna Rogers, Chief Operating Officer, shared the purpose of today's agenda item.

- We annually brief Board on employee benefit package, plan design, rate changes and other initiatives
- Want to maintain, and build on, our competitive compensation and benefits package
- Provide you with background for several Board actions at September 17 regular meeting
- Brief you on upcoming initiatives

She shared Wake County's competitive and comprehensive benefits package.

Core Benefits

(County pays majority of cost)

- Medical Insurance (2019 Changes)
- Pharmacy Insurance (2019 Changes)
- Dental Insurance (2019 Changes)
- Employee Health Center
- Life Insurance
- Accidental Death & Dismemberment Insurance
- Long Term Disability
- 401k contribution

Supplemental Benefits

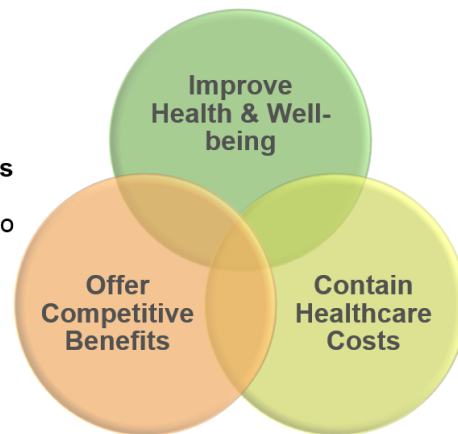
(Employee pays full cost)

- Supplemental Vision Insurance
- Supplemental Life: Self and/or Spouse
- Child Life Insurance
- Supplemental AD&D: Self and/or Spouse
- Short Term Disability
- Accident Insurance
- Critical Illness Insurance
- Hospital Indemnity Insurance
- Long Term Care

She shared the principles that guide the county decisions on healthcare.

The County will deliver health and wellness plan offerings and programs:

- Where decisions are **data driven** and based on County experience;
- Where health care plans **balance** the need for increases in employee and employer **contributions** with plan designs that drive consideration of **high quality and low cost health care** where those who utilize health care more, pay more within appropriate out of pocket maximums;
- That are **creative and integrated** to support and encourage employees to lead healthier, well-balanced lives.

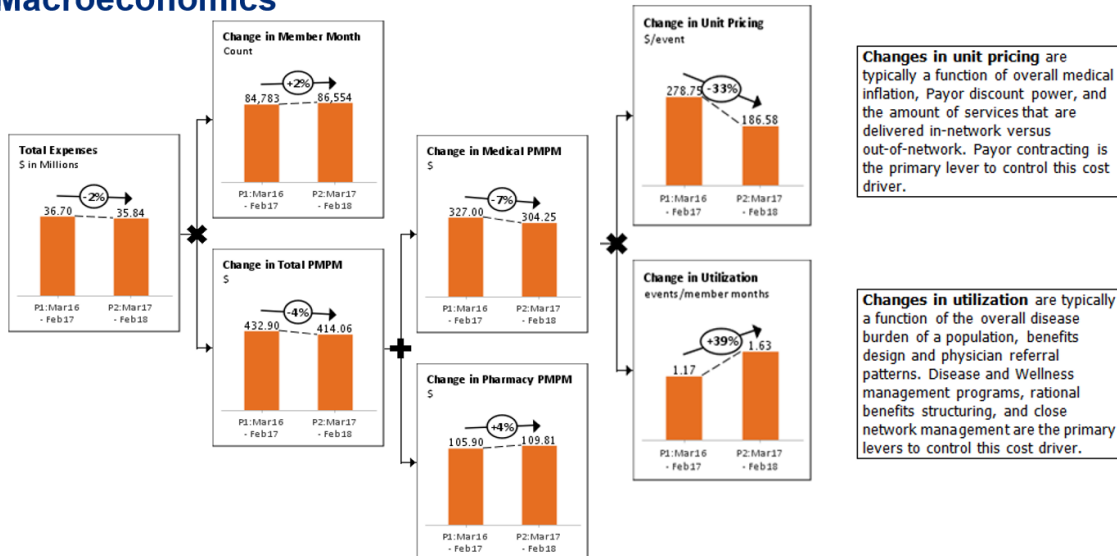


Ms. Rogers shared the demographics & risk of covered lives. She said the plan currently covers over 8,000 lives.

	Active		Pre-65 Retirees		Post-65 Retirees	
	Mar 16 – Feb 17	Mar 17 – Feb 18	Mar 16 – Feb 17	Mar 17 – Feb 18	Mar 16 – Feb 17	Mar 17 – Feb 18
Demographics						
Current Employees	3,578	3,632	515	522	563	612
Current Members	6,489	6,602	709	717	604	664
Average Age	34.3	33.0	54.3	52.9	73.6	72.5
% Male (Current)	43.4	43.2	42.2	41.4	33.4	34.2
Quality and Risk						
Average Risk Index	10.62	10.00	19.05	18.82	21.65	21.73
Average Care Gap Index	0.78	0.75	2.63	2.54	4.21	4.20
Average RRS (Model #18)	1.21	1.18	2.58	2.37	3.13	3.07
Average RRS (Model #56)	1.16	1.11	2.65	2.46	2.93	2.96

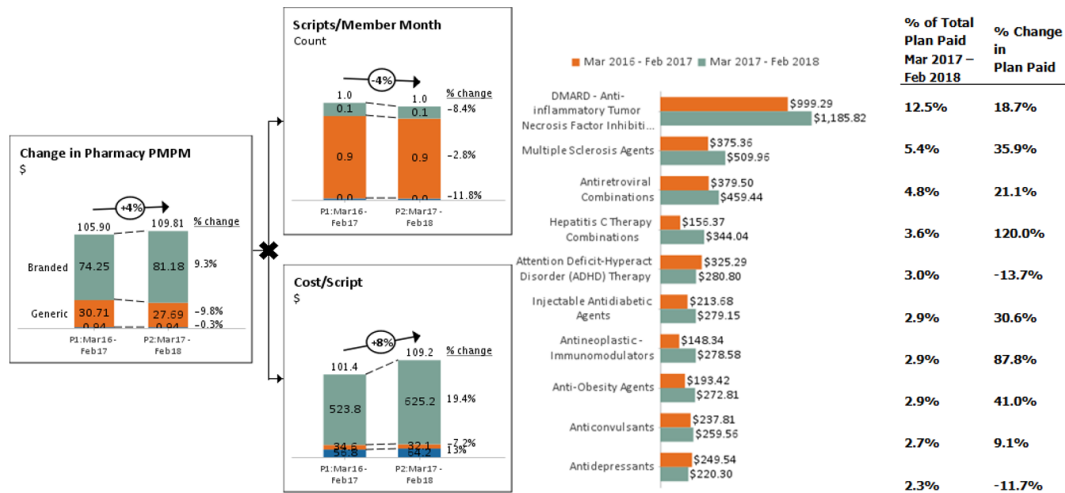
She shared the macroeconomics. She said staff evaluated a number of factors when considering changes to the coverage.

Macroeconomics



She shared an overview of the pharmacy usage. She said the cost of medication continues to increase at a faster rate than medical coverage costs.

Pharmacy Overview



Ms. Rogers shared the utilization metrics.

Utilization Metrics

	Active		Pre-65 Retirees		Post-65 Retirees	
	Mar 16 – Feb 17	Mar 17 – Feb 18	Mar 16 – Feb 17	Mar 17 – Feb 18	Mar 16 – Feb 17	Mar 17 – Feb 18
Utilization Metrics						
Inpatient Days Per 1000	212.8	60.1	405.8	74.8	473.6	355.8
Total Admissions Per 1000	43.7	38.3	97.5	55.1	115.8	113.8
ACSC Admissions Per 1000	1.7	1.5	8.6	11.3	17.0	15.8
SNF Admissions Per 1000	0.6	0.0	7.2	7.1	17.0	22.1
ER Visits Per 1000	203.0	196.2	223.7	231.6	291.3	311.5
Outpatient ER Visits Per 1000	184.8	178.0	166.3	197.7	212.9	237.2
Total Office Visits Per 1000	5,248.0	4,949.4	7,554.5	7,135.3	7,720.6	7,618.4
On-Site Clinic Visits Per 1000	389.0	244.0	129.1	79.1	6.8	0.0
Urgent Care Visits Per 1000	250.3	241.1	189.3	206.2	165.2	145.5
Pharmacy Scripts Per 1000	11,481.6	10,829.3	21,989.5	23,179.6	32,393.5	33,659.8
Scripts(Generic) Per 1000	9,788.4	9,337.1	18,262.4	19,275.1	27,739.4	29,271.8
Scripts(Branded) Per 1000	1,517.6	1,345.5	3,327.0	3,463.9	4,177.2	3,818.7
Scripts(Non-Drug Items) Per 1000	175.6	146.7	400.1	440.6	477.0	569.2
% Generic Drugs	86.6	87.4	84.6	84.8	86.9	88.5

She shared the top 10 diseases of individuals on the county healthcare plan. She said the top 10 diseases have remained steady in recent years.

Top 10 Diseases YOY

Previous: March 2016 - February 2017
Current: March 2017 – February 2018

Diseases	RRS Model #18	# of Members		Members per 1000		Total Paid		PMPY		Office Visits per 1000		ER Visits per 1000		Admission per 1000	
		Previous	Current	Previous	Current	Previous	Current	Previous	Current	Previous	Current	Previous	Current	Previous	Current
Hypertension	2.3	1,151	1,189	163	165	\$ 11,450,428	\$ 11,134,663	\$ 10,292	\$ 9,769	7,770	7,384	342	310	96	75
Hyperlipidemia	1.9	889	904	126	125	\$ 7,893,127	\$ 7,087,850	\$ 9,058	\$ 8,157	8,158	7,566	223	188	59	53
Back Pain	2.2	744	669	105	93	\$ 8,351,089	\$ 7,287,051	\$ 11,858	\$ 11,450	10,121	10,102	422	410	122	96
Diabetes	2.7	581	624	82	87	\$ 7,122,178	\$ 6,905,778	\$ 12,798	\$ 11,619	8,665	7,861	390	337	119	93
Osteoarthritis	3.3	363	414	51	57	\$ 6,240,447	\$ 6,734,844	\$ 17,670	\$ 17,050	11,830	11,289	428	418	178	129
Asthma	1.6	315	330	45	46	\$ 2,128,839	\$ 2,347,472	\$ 6,984	\$ 7,435	8,001	7,712	374	295	66	60
Neck Pain	2.3	296	269	42	37	\$ 3,885,264	\$ 2,827,448	\$ 14,001	\$ 10,850	11,960	11,025	389	407	123	61
Major Depression	2.4	262	259	37	36	\$ 3,704,243	\$ 3,066,163	\$ 15,381	\$ 12,506	17,078	15,610	448	489	208	175
Cancer	4.3	197	216	28	30	\$ 4,420,978	\$ 5,547,329	\$ 23,217	\$ 26,489	11,102	11,733	347	282	121	124
Headache	2.2	209	211	30	29	\$ 2,245,426	\$ 2,199,284	\$ 11,075	\$ 10,798	12,789	11,416	691	864	94	108

- Prevalence for 7 of the top 10 clinical conditions increased.
- Risk for cancer, diabetes and osteoarthritis are more than 2.5x higher than expected.
- Costs increased for osteoarthritis, asthma and cancer.
- Admissions and ER visits for most conditions decreased, impacting overall costs for most conditions.

10

She shared the relationship subgroups for current members only. She said history has shown that the costs for dependent care services is double that of the employee.

Relationship Subgroups – Current Members Only

March 2015 – February 2018

Cost	Total Paid	Total Medical Paid	Total Pharmacy Paid	Average Age	% Male	% Female	No. of Members	Cost Per Member	\$PMPM
EMPLOYEE	\$58,737,006.37	\$43,158,105.84	\$15,578,900.53	45.62	38.2%	61.8%	4,153	\$14,143.00	\$465.89
SPOUSE	\$10,699,557.89	\$8,086,380.47	\$2,613,177.42	47.74	44.8%	55.2%	578	\$18,511.00	\$714.11
DEPENDENT	\$12,022,019.40	\$9,810,328.61	\$2,211,690.79	13.08	50.4%	49.6%	2,587	\$4,647.00	\$166.12

Utilization	Admits	Admits per 1,000	Office Visits	Office Visits per 1,000	ER Visits	ER Visits per 1,000	ALOS
EMPLOYEE	473	45.02	60,333	5,742.63	1,991	189.51	2.7
SPOUSE	103	82.49	8,580	6,871.79	305	244.28	2.9
DEPENDENT	186	30.84	25,778	4,274.37	1,025	169.96	6.7

She shared the three medical plans that the county offers.

	Standard	Premium	Consumer Driven
Broad Description	Lower rates, higher deductible and out-of-pocket max	Higher rates, lower deductible and out-of-pocket max	Lower rates, higher co-pays for doctor visits, HSAs for flexibility
Deductible	\$2,000 Single \$4,000 Family	\$1,000 Single \$2,000 Family	\$2,000 Single \$4,000 Family
Out-of-Pocket Maximum (includes deductible)	\$6,000 Single \$12,000 Family	\$5,000 Single \$10,000 Family	\$5,000 Single \$10,000 Family

	Standard	Premium	Consumer Driven
OFFICE AND PREVENTIVE CARE			
Primary Care - Office Visit	\$30 Copay	\$20 Copay	80% after deductible
Specialist - Office Visit	\$50 Copay	\$40 Copay	80% after deductible
Telehealth Visit	\$30 Copay	\$20 Copay	\$42
Nutritional Counseling	FREE	FREE	FREE
Preventive Care	FREE	FREE	FREE
REHAB AND THERAPIES			
Primary Care	\$30 Copay	\$20 Copay	80% after deductible
Specialist	\$50 Copay	\$40 Copay	80% after deductible
Chiropractic Care - 24 days	\$60 Copay	\$40 Copay	80% after deductible
URGENT AND EMERGENCY CARE			
Urgent Care	\$50 Copay	\$50 Copay	80% after deductible
Emergency Room	\$300 copay, then 70% after deductible	\$300 copay, then 80% after deductible	80% after deductible
INPATIENT/OUTPATIENT CARE			
Inpatient Hospital	70% after deductible	80% after deductible	80% after deductible
Outpatient Hospital Based	70% after deductible	80% after deductible	80% after deductible
Outpatient Non-Hospital	70% after deductible	80% after deductible	80% after deductible
Outpatient Mammogram	FREE	FREE	FREE

Ms. Rogers shared the minimal changes to standard/premium plans.

- Experiencing positive costs results with move to CIGNA
 - Current claims running below same period last year
- Given current trends, no significant changes in plan design, including deductibles and out-of-pocket maximums, are needed
- Expect annual medical trend of 5% to 7% over 2018 projected claims
- Incentivizing virtual health visits (“teledoc”)
 - Eliminating the co-pay to encourage use for non-emergency needs and after-hours care

- Loss of co-pay revenue should be offset by reduction in doctor office and urgent care costs

She shared the minimal pharmacy plan changes.

- Excluding two arthritis pain medications from plan
 - Vimovo and Duexis, both available in over-the-counter formulas
 - High-cost medications used by few employees
 - Plan continues to include several alternative medications
- Staff will continue working with CVS to encourage use of generic and lower cost drugs, when appropriate
- Estimated costs savings approximately \$250,000

She shared the focus on the Consumer Driven Health Plan.

- Why provide a Consumer-Driven Health Plan (CDHP)?
 - Give employees more control over own health decisions and costs
 - Long-term goal is to reduce overall spending on treatment and medical care by incentivizing better health decisions and consumer choice for lower cost options
 - Provides employees an additional funding mechanism through the personal Health Savings Account (HSA) to
 - Plan for health care spending, and
 - Accumulate dollars that may be carried over into retirement to cover health care costs
- Wake implemented a CDHP in 2018
 - Low rates, employee pays costs of service up to deductible, then plan pays 80% of service cost; generic prescriptions are free to the employee
 - Health Savings Account contributions owned by employee
 - 35 enrollees, 1% of employees
- Benefits of the Health Savings Account (HSA)
 - Can contribute more pre-tax annually to HSA than to a flexible spending account
 - At end of plan year, all funds roll forward to next plan year
 - Employee leaving the organization can take full balance with them

She shared the Health Savings Accounts financial flexibility.

- To encourage higher participation in this plan, staff recommends providing “seed” funding into the HSAs for plan year 2019
 - Recommend \$750 for employee only; \$1,250 for dependent tiers
 - Employees have dollars available to spend at the beginning of the plan year, while they contribute and build up balances during the plan year
 - Depending on enrollment, County costs could range from \$400,000 to \$1 million
 - “Seeding” is a common practice among peer organizations
- Apply savings from FY2018 plan year to fund the “seed” dollars
 - FY2018 wrap-up budget ordinance committed unspent health care dollars to fund balance to be available for future health costs – current savings estimate is \$2.5 million
- Does not necessarily recur annually; will evaluate

Vice-Chair Hutchinson asked if the county gets the seed money back. Ms. Rogers said no, the employee keeps the seed money as their incentive for using the CDHP.

Ms. Rogers shared the proposed semi-monthly rate increases.

- Reminder,
 - Standard Plan – lower rates, higher deductible and out-of-pocket max
 - Premium Plan – higher rates, lower deductible and out-of-pocket max
 - Consumer-Drive Health Plan – lower rates, higher co-pays for doctor visits, HSAs for financial flexibility

WAKE COUNTY

2019 FT Medical Rates (Semi-Monthly Rates)		
	Employee	Employee Increase from 2018
Consumer Driven Plan		
Employee Only	\$15.00	\$0
Employee + Spouse	\$170.00	\$15.00
Employee + Child(ren)	\$77.50	\$0
Employee + Family	\$245.00	\$15.00
Standard Plan		
Employee Only	\$17.50	\$2.50
Employee + Spouse	\$175.00	\$20.00
Employee + Child(ren)	\$80.00	\$2.50
Employee + Family	\$250.00	\$20.00
Premium Plan		
Employee Only	\$50.00	\$7.50
Employee + Spouse	\$257.50	\$30.00
Employee + Child(ren)	\$138.50	\$7.50
Employee + Family	\$360.50	\$30.00

- Rate increases driven by
 - Trends in medical costs
 - Relative cost of plans
- Spouse tiers increasing as spouse costs continue to be twice the cost of an employee
- Retirees pay same rates, except the Standard Plan is free for retiree only coverage

WAKE COUNTY

2019 FT Medical Rates (Semi-Monthly Rates)		
	Employee	Employee Increase from 2018
Consumer Driven Plan		
Employee Only	\$15.00	\$0
Employee + Spouse	\$170.00	\$15.00
Employee + Child(ren)	\$77.50	\$0
Employee + Family	\$245.00	\$15.00
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Employee + Spouse	\$175.00	\$20.00
Employee + Child(ren)	\$80.00	\$2.50
Employee + Family	\$250.00	\$20.00
Premium Plan		
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Employee + Family	\$360.50	\$30.00

Commissioner Portman asked why the CDHP and the standard plan costs are the same for employees. Ms. Rogers said the target individuals for moving to the CDHP are younger employees who utilize less services.

Ms. Rogers shared information on the dental plan.

- Current plan structure
 - Basic and Plus plans cover 50% and 80% of basic services respectively
 - Plans cover common surgeries and dental repairs
- Roughly 3,900 employees enrolled
- 2019 will expand preventive care services
 - Additional cleanings for certain health conditions

- Several enhancements to Plus Plan: More covered services, higher frequency of coverage, and out-of-pocket max increases to \$1,500
- Rates will increase by 50 cents to \$2 to cover enhancements
- Staff recommend 4-year extension of contract
- Fiscal impact roughly \$168,000 annually

She shared information on the vision plan.

- Current plan structure
 - Four plan options cover annual eye exams, frames, lenses, contacts
- Roughly 3,000 employees enrolled
- Enhancements: Contact Booster and Freedom Pass
- Semi-monthly rates will increase 50 cents to \$1
 - Covers two plan enhancements
- Analysis shows vision market has not changed
 - Staff recommend 4-year extension of contract
- No additional fiscal impact

She shared the next steps for approval of the changes to the medical plans.

- September 17, request Board to consider approval of:
 - Benefit enhancements and rate changes
 - Extension of dental and vision contracts
 - “Seed” funds into Health Savings Accounts for Consumer-Driven Health Plan
- Employee Open Enrollment period to be held in late October / early November; heavy emphasis planned on educating employees about their full range of benefit options

She shared recommendations on how the county can stay competitive in leave benefits.

- Staff continually evaluating aspects of compensation package to improve our employee recruitment and retention
- Leave enhancements approved by the Board in 2017 included:
 - Added 40 hours of Bereavement Leave annually
 - Doubled Community Involvement Leave from 8 to 16 hours annually

She shared the proposed increase to starting annual leave.

Years of Current and Reinstated Service	Hours Earned Each Year
Less than 2 years	96
2 but less than 5 years	112
5 but less than 10 years	136
10 but less than 15 years	160
15 but less than 20 years	184
20 years or more	208

- Benchmarking shows some competitors (State of NC, NC School System, City of Durham) offer higher hours of annual leave for new employees
- Propose increasing annual leave accrual rate for 0-2 years of service to 112 hours, creating one 0-5 year accrual rate

Ms. Rogers introduced Mr. Joe Williams, Benefits and Wellness Coordinator.

Ms. Elaine Barnes, Human Resources Manager, provided information on proposed changes to annual leave benefits.

She shared the adjustment to parental leave policy.

Board adopted Parental Leave Policy in November 2016

- Current eligibility based on federal Family Medical Leave Act
- To enhance our recruitment and retention, staff propose two changes:
 - Broader eligibility for all regular, benefits eligible employees, including those that have not completed their probationary period and not eligible for Family Medical Leave
 - Propose that Parental Leave may run concurrently with Short-term Disability
- No tangible financial impact; Salaries are budgeted for full year

Chair Holmes commented on additional parental leave. She asked for an analysis of what other employers are providing in terms of parental care. She said she would like consideration given to increasing the amount of paid parental leave.

Ms. Barnes shared the next steps necessary for approval of the annual leave policy changes.

- On September 17, request Board to consider approval of changes in Personnel Ordinance for annual leave and parental leave
- Continue annual benchmarking and evaluate overall leave offerings

She shared the proposed changes for staying competitive in compensation.

- Having a modern classification, compensation, and employee performance management system is critical to successful recruitment and retention
- Last two years, County has made selected changes, but...
 - Last major update of our “class and comp” system was in 2004
 - Last major update to employee performance evaluation was 1999
- Want to move away from incremental corrections and perform a comprehensive classification and compensation study, then implement modern, best practices and develop a strong maintenance plan for the future

She shared the major concepts of the classification and compensation study.

- Job Classification – Document that articulates a position’s duties, responsibilities, tasks, desired education and experience requirements, authority, and span of control
- Pay Range – Using market data, sets the minimum, midpoint, and maximum salary for a given job classification
- Performance Management – The process used to evaluate an employee’s annual work, measured against established expectations of quantity and quality; Then setting goals and expectations for the next year

She shared information on the recommended company to conduct the compensation and classification study.

- A Request for Proposals was issued in April 2018 seeking consultative services to address this need
- Six companies submitted proposals; three finalists presented to the RFP committee and County management
- Mercer offered the best combination of credentials, experience and services

Ms. Barnes shared the types of services that Mercer will provide as part of the study (3 slides)

Get Started

- Detailed project planning
- Data collection
- Review existing policies
- Work with Senior Leadership Team to craft a Compensation and Employee Performance Management Philosophy

Create a Modern Classification and Compensation Structure

- Analyze existing job classifications
- Propose consolidations and other changes to existing classifications
- Survey and benchmark peer organizations
- Provide County usable survey data on classifications and pay ranges
- Create and refine all new job classifications (more than 300)
- Develop new pay ranges for new classification structure
- Conduct extensive feedback sessions with County employees and Senior Leadership Team

Performance Management

- Gather input from employees and supervisors
- Design new employee performance management process
- Help County test new process

Organizational Change

- Assist staff with creating internal communications plans, change management strategies

She shared other aspects of the study.

- Address how employees progress through pay ranges
- How to address increases in the Living Wage within the context of pay classification schedules
- Improving recruitment and retention for selected classifications
 - Sheriff's Office
 - Emergency Medical Services
 - Information Services

She shared the request for contract approval.

- At September 17 meeting, staff will request consider of approval of multi-year contract
- Total contract \$437,000
 - State of North Carolina contracted for \$1M for "class and comp" only
 - City of Raleigh contracted for \$500,000 for similar scope of work
- Fiscal impact
 - \$337,000 included in Adopted FY19 budget
 - \$100,000 to be included in Manager's Recommended FY20 budget

She shared the next steps and timeline for the study.

- September 2018
 - Project Kickoff
- October 2018
 - Planning and discussions with Senior Leadership
- April 2019
 - Completion of first phase products
- Fall 2019
 - Completion of later phase products

She shared reasons why the study is a worthwhile project.

- Want to move away from incremental corrections and perform a comprehensive classification and compensation study, then implement modern, best practices and develop a strong maintenance plan for the future
- Necessary to stay competitive and improve our recruitment and retention of highly qualified employees
- County employees and leadership have been requesting detailed review by a third party to modernize our programs

Adjourn

There being no further business, Chair Holmes adjourned the meeting at 4:31 p.m.

Respectfully submitted,

Michelle L. Cerett
Executive Assistant to the Board