DAUPHIN COUNTY BOARD OF COMMISSIONERS

WORKSHOP MEETING

SEPTEMBER 12, 2018
10:00 A.M.

MEMBERS PRESENT

Jeff Haste, Chairman
Mike Pries, Vice Chairman
George P. Hartwick, III, Secretary (ABSENT)

STAFF PRESENT

Chad Saylor, Chief Clerk; Tim DeFoor, Controller; Janis Creason, Treasurer; Joseph A. Curcillo, III, Esq., Solicitor; Randy Baratucci, Director of Purchasing; Steve Libhart, Director of Public Safety; Laura Cullison, Controller's Office; Fred Lighty, Esq., Solicitor's Office; J. Scott Burford, Deputy Chief Clerk; Amy Harinath, Press Secretary; Faye Fisher, Director of Human Resources; Edgar Cohen, Director of Facilities Maintenance; Jennifer Simpson, Court Administration; DiAndra Pena, Human Resources; Adriana Vukmanic, Solicitor's Office; J. Kiss, Public Safety; Melissa Bradley, Human Resources; Kelly Megonnel, Commissioners' Office and Richie-Ann Martz, Assistant Chief Clerk

GUESTS PRESENT

James Hechler, Aaron Grzasko, Kathy Cook, Joe Camut, Joe Solomon, Mike Lange and Jay Franklin

MINUTES

CALL TO ORDER

Mr. Haste, Chairman of the Board, called the meeting to order at 10:07 a.m.
MOMENT OF SILENCE

Everyone observed a moment of silence.

PLEDGE OF ALLEGIANCE

Everyone stood for the Pledge of Allegiance.

APPROVAL OF MINUTES

There are several sets of Meeting Minutes that will be considered at next week’s Legislative Meeting.

EXECUTIVE SESSIONS HELD BETWEEN MEETINGS

There were no Executive Sessions held between meetings.

PUBLIC PARTICIPATION

There was none.

DEPARTMENT DIRECTORS/GUESTS

A. Kathy Cook, Benecon
   1. Employee Health Benefit Presentation

Ms. Cook, Mr. Grzasko and James Heckler provided a PowerPoint presentation, which is attached to these Minutes. (See Pages 5-16.) They reviewed each slide.

Ms. Cook reviewed the County’s historical performance and described the request for proposal process (RFP) for the 2019-21 plan years. Ms. Cook also requested that the Commissioners make their decision as soon as possible to ensure a smooth transition.

B. Joe Solomon, Michael Lange, Provident Energy
   1. Guaranteed Energy Savings Act Project Update

Mr. Solomon and Mr. Lange provided a PowerPoint presentation, which is attached to these Minutes. (See Pages 17-25.) They reviewed each slide.

Mr. Haste asked what the next step would be.

Mr. Solomon indicated that the Commissioners would need to authorize the release of an RFP to do their services. He will work with Mr. Burford and the Solicitor’s Office to make sure the terms are with the County’s standards.
Mr. Pries asked what would be included in this phase.

Mr. Lange indicated that you have LED lighting, upgrades to HVAC systems and more efficient boilers/chillers. It would include as many buildings as the County desires. All that would come back in the RFP and then they would evaluate the proposals.

Mr. Solomon indicated that the projects can be phased in over time.

The Commissioners indicated that they should proceed.

**HUMAN RESOURCES**

Ms. Pena asked if there were any questions on the Salary Board Packet and/or the Personnel Packet. There was none. There were no changes.

The Salary Board Packet and the Personnel Packet will be considered at next week’s Legislative Meeting.

**PURCHASE ORDERS**

Mr. Baratucci asked if there were any questions on the Purchase Order Packet. There was none.

The Purchase Order Packet will be considered at next week’s Legislative Meeting.

**TRAINING PACKET**

It was moved by Mr. Pries and seconded by Mr. Haste that the Board approve Item #7 of the Training Packet.

Question: Mr. Haste – Aye and Mr. Pries – Aye; motion carried.

**ITEMS FOR DISCUSSION**

There was none.

**SOLICITOR’S REPORT – JOSEPH A. CURCILLO, III, ESQ.**

Mr. Curcillo reported that everything on the Solicitor’s Report should be ready for next week.

**CHIEF CLERK’S REPORT – CHAD SAYLOR**

Mr. Saylor provided an update on Capital Area Transit. He provided the Commissioners with a copy of the Act 44 Report that was completed by PennDOT. CAT’s operating costs are much higher than its peers. They are saving in administrative costs by
sharing the York County Administrator. They are currently using their line of credit to make payroll. Some of the options would be to reduce workforce and operations and increase fares. He also noted that he will have Rich Farr come to a Board Meeting to give an update.

**COMMISSIONERS’ COMMENTS**

There was none.

**PUBLIC PARTICIPATION**

There was none.

**ADJOURNMENT**

There being no further business, it was moved by Mr. Pries and seconded by Mr. Haste that the Board adjourn; motion carried.

Transcribed by: Richie-Ann Martz
Dauphin County Medical and RX RFP Presentation

September 12, 2018
Executive Summary Presentation

- Historical Performance

- Affordable Care Act Implications

- Overview of Performance
  - Cost saving measures
  - PCHIPC advantages

- Process and Analysis
  - Issuance of RFP
  - In depth analysis of medical/RX services
## Dauphin County Health Spend by Year

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical</strong></td>
<td>$21,355,158</td>
<td>$19,614,577</td>
<td>$16,818,595</td>
<td>$17,811,400</td>
</tr>
<tr>
<td><strong>Rx</strong></td>
<td>$3,674,794</td>
<td>$3,727,721</td>
<td>$3,899,617</td>
<td>$3,308,333</td>
</tr>
<tr>
<td><strong>Net Insurance Cost</strong></td>
<td>-$</td>
<td>$(418,254)</td>
<td>$1,655,088</td>
<td>$1,582,008</td>
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<tr>
<td><strong>Admin</strong></td>
<td>$815,625</td>
<td>$784,904</td>
<td>$780,327</td>
<td>$869,705</td>
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<tr>
<td><strong>Total</strong></td>
<td>$25,845,577</td>
<td>$23,708,947</td>
<td>$23,153,628</td>
<td>$23,571,447</td>
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</table>
Dauphin County Medical Claims Performance 2015-2018

Monthly Medical Claims (under specific stop loss)

Medical Claims Per Employee Per Month
(rolling 12 month average)
Dauphin County RX Claim Performance 2015-2018

Monthly Prescription Drug Claims (under specific stop loss)

Drug Claims Per Employee Per Month
(rolling 12 month average)
Impact of the Affordable Care Act

- Elimination of Lifetime Limits
- Dependents on plan until age 26
- Elimination of co-pays for routine services
What Dauphin County Has Done to Control Costs

- In 2018 Dauphin County increased its deductible from $300 single/$600 family to $500 single/$1000 family for its non-union and AFSCME population

- Offered a QHDHP/HSA as an option with 343 employees enrolled

- Robust wellness program
Dauphin County PCHIPC Performance

- Dauphin County began to self fund its health care in 2009
- The County became a full member of PCHIPC in 2016
- County has benefited by group purchasing stop loss insurance---21 Counties purchasing stop loss using the most cost effective model in the market place
- The County has benefited from the PCHIPC funding model by low stable renewals.
- County employees have benefited by an excellent network of providers and a robust wellness program.
2018 RFP For Medical/RX Services

- Dauphin County is in its last year of a three year agreement with Highmark Blue Shield

- Highmark has been effective in providing network services for employees and dependents.

- County is responsible to do its due diligence to ensure that it has the most cost effective health care plan for its employees and taxpayers
RFP Process

- The County authorized The Benecon Group to issue an RFP for medical and prescription claims administration
- Dauphin County requested an option of “carving out” its prescription drug benefit
- A detailed RFP was sent to 5 medical carriers and 6 PBM’s
RFP Process

- All responses were thoroughly evaluated by Benecon’s team including Actuarial staff to determine the most cost effective approach for Administrative Services (ASO)

- Based on the responses and financial information provided finalists were chosen

- Finalist presentations were held at the County offices
Analysis

An extensive review on the following key metrics was analyzed:
1. Repriced claims file from each of the respondents
2. Network analysis to assure maximum coverage for employees
3. Detailed RX analysis to assure maximum cost savings
4. Overall fees for all services
5. Wellness programs
Dauphin County, Pennsylvania

A Strategic Plan
For
Managing Energy Costs

Focus on Smart Purchasing & the
PA Guaranteed Energy Savings Act

September 12, 2018
Energy Purchasing Summary

We have assisted Dauphin County since 2013

Electricity Purchasing

- 2014: added missing accounts to supplier agreement
- 2015: shopped accounts to multiple suppliers; recommended Champion Energy for 12 month contract to line end date up with many other PA Counties with Provident Energy
- 2016: shopped accounts along with other PA Counties; recommended Talen Energy (24 months, end 2017)
- 2017: shopped accounts with other PA Counties; recommended Talen Energy (36 months, end 2020)
Energy Purchasing Summary

County of Dauphin: Electricity Spend Progression

2014: $1,145,402
2015: $1,089,768
2016: $996,096
2017: $938,114
2018: $795,415
2019: $795,415
Energy Purchasing Summary

Natural Gas Purchasing

— 2015: provided advice for NYMEX commodity locks
— 2016: shopped accounts to multiple suppliers; recommended South Jersey Energy for 36 months (line up with other PA Counties)
— 2017: recommended commodity lock (12 months)
— 2018: recommended commodity lock (12 months)
— 2019: currently monitoring market for opportunities
Energy Purchasing Summary

County of Dauphin: Natural Gas Spend Progression

<table>
<thead>
<tr>
<th>Year</th>
<th>Spend</th>
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<tbody>
<tr>
<td>2015</td>
<td>$190,086</td>
</tr>
<tr>
<td>2016</td>
<td>$171,325</td>
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<tr>
<td>2017</td>
<td>$156,389</td>
</tr>
<tr>
<td>2018</td>
<td>$155,510</td>
</tr>
<tr>
<td>2019</td>
<td>$150,241</td>
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Energy Conservation Project

• County released RFP in 2009; engaged Constellation ("CNE")
• Construction completed in 2011
• Facilities addressed:
  – Courthouse, Human Services, Admin, Veterans, Prison, Adult Probation, Schaffner, Juvenile Probation, Warehouse, AAA Kitchen, DJ Offices
• ECMs implemented:
Successful Energy Reduction History

- GESA/ESCO completed in 2011 (CNE)
- Purchasing w/ Provident since 2013
- Additional $348,309 water and sewer savings

[Bar chart showing 2010 and 2018 (est) savings: $1,828,452, $315,888, $566,908, $945,656]
GESA/ESCO Project Capabilities

Completely independent and non-exclusive

- Relevant and extensive experience
  - PA Guaranteed Energy Savings Act (GESA)
  - Creating best possible combination of Facility Improvements
  - Protecting client’s interest by facilitating project goals
  - Perform independent analyses
  - Release Request for Proposals
  - Independent Measurement & Verification Services

$100+ M
Relevant and recent ESCO project experience amount

PROVIDENT
energy consulting
What’s Next?

• Opportunity to further reduce energy consumption & spend
  – New GESA/ESCO Project
  – Continued smart energy purchasing
• Authorize Provident to release RFP for a GESA/ESCO
• Provident will monitor energy markets for future purchasing opportunities