



EMPLOYEE BENEFITS TRUST MINUTES

March 11, 2021

I. CALL TO ORDER:

A meeting of the Centre County Employee Benefits Trust was held on March 11, 2021, via Blue Jeans on web. Trustees present were Commissioner Mark Higgins (Chair), Commissioner Michael Pipe, Commissioner Steven Dershem, County Administrator/Chief Clerk Margaret Gray, and Controller Jason Moser. Also, in attendance were Human Resources Director Kristen Simkins, Employee Benefits Analyst Heather Bruss, and Auditor/Accountant Travis Walker.

II. PUBLIC COMMENT:

The meeting was called to order at 11:03 a.m. by Commissioner Mark Higgins (Chair).

III. MEETING MINUTES:

- a. A motion was made by Commissioner Steven Dershem to approve the minutes for the March 4, 2021 EBT meeting. Motion seconded by Controller Jason Moser and unanimously approved.

IV. NEW BUSINESS:

V. DISCUSSION ITEMS

- a. The meeting was handed over to Human Resources Director Kristen Simkins to discuss the PCHIP dependent audit. Ms. Simkins said that she moved forward with the BMI audit. Benecon representative Kathy Cook informed Ms. Simkins that she believes that based on the number of counties participating, there will be no cost to the County. Ms. Simkins just wanted to give the EBT Board an update and once the cost is confirmed, she will inform the EBT Board. The audit will be conducted by an outside company.
- b. Ms. Simkins then gave her recommendation on wanting to offer a Health Savings Account to employees. She explained the difference between an FSA and HSA. Ms. Simkins explained that an HSA offers tax savings for the employer and employee. You can use the HSA for medical expenses, it earns interest, is portable, you don't lose it, and you can contribute into it until the age of 65. While FSA is a use it or lose it, except for the \$500 roll-over, and age 65 you can't contribute into it but you can use it. In order to offer a HSA you must have a true high deductible plan. However,

the HSA can only be used once the money is deposited into the account. For example, if you choose to put \$2600 for the year, that's \$100 a pay, by pay 2 only \$200 is available to spend. While the FSA is available day 1 with the full selected amount ready to spend up to \$1750. HSA earns interest and is not taxable when used. While HSA does allow midyear changes without a qualifying event, FSA requires one. To be eligible for HSA you cannot be claimed as a dependent on someone's tax returns and you cannot be on two healthcare plans. Employers can contribute to the HSA, which most employers do to encourage employees to go to the high deductible plan. The HSA allows up to \$3,200 for individual and \$7,200 if they are covering family. Ms. Simkins said that the County can offer both plans as an option. You must pay all your deductible before the insurance starts paying, except for preventative care. Minimum deductible for the IRS would be \$1,400, \$2,900 as a family, goes up about every year. Out of pocket expense would be \$7,000 individual, \$14,000 family. High deductible health plan can still cover first dollar preventative services, well care visits, immunization, yearly health care visits. You can also set up a preventative drug formulary, these would be excluded from the deductible and only have co-pays. Non preventative visits and prescriptions would go towards the deductible. Commissioner Michael Pipe asked if Ms. Cook provided any information on what other counties are doing. Mr. Pipe would like some information on what some of the other counties in PCHIP use for deductibles etc. Ms. Simkins will be checking with Ms. Cook to seek what others contribute to their HSA's accounts. The options to move forward are to convert the current high deductible plan to a true high deductible plan, make a formulary plan, offer three deductible plans (250, 1500, 1500 true), keep the FSA, get rid of the FSA, and offer the HSA. Mr. Pipe asked if maybe we could do a survey to determine whether employees would be interested in an HSA.

VI. EXECUTIVE SESSION

VII. NEXT MEETING

a. TBD

VIII. Motion by Commissioner Steven Dershem to adjourn the Employee Benefits Trust Meeting at 11:44 a.m. The motion was seconded by Controller Jason Moser and unanimously approved.

Submitted By:

Heather Bruss