

Blue Ribbon Commission Meeting Minutes

Date: February 25, 2025

Time: 11:00 a.m.

Location: Erie County Office Building Chambers, 247 Columbus Avenue, Sandusky

Welcoming Remarks – Co-Chairman Jeff Krabill

The meeting was called to order by Co-Chairman Jeff Krabill. Roll was taken, confirming the presence of commission members and audience members.

Mr. Krabill welcomed all participants and provided an overview of the agenda, emphasizing the significance of today's discussion on insurance strategies for local government entities and organizations.

Approval of Minutes

A motion to approve the minutes that were distributed electronically was made by Mr. Moon and seconded by Mr. Forster. The motion carried unanimously.

Purpose of the Meeting

Mr. Krabill reiterated that the purpose of the meeting was to discuss insurance solutions that could provide cost-effective and sustainable coverage for local entities. Mr. Forster introduced guest speaker Mr. Tris Felix, Managing Director of Cornerstone Risk Solutions, who attended via Webex, along with his colleagues Sam Burns and Maggie Tieslau.

Mr. Felix discussed the spectrum of insurance purchasing: fully insured, captive, accident and health and property casualty insurance. He also stated the types of coverages available: group - captives, self-insured groups, risk retention group, risk purchasing group and association health plans.

Types of Insurance Structures

Self-Insured

- Single plan design
- Operates similar to a large self-funded employer, though limited to state lines
- Large and small plans available

- Stop-loss insurance provides a safety net for large claims
- Workers' Compensation

Fully Insured

- Association Health Plan
- Partner with a Health Insurance carrier
- Increase in flexibility and entity has more control
- Requires at least 500 enrolled employees to leverage better rates and options
- Helps smaller plans by grouping together to form one large entity

Association of Health Plans (AHP)

- Allows smaller entities to band together to form a larger insured group
- Provides economies of scale, predictability of losses, and more favorable rates and coverage
- Ensures transparency of costs and accountability of service providers

Group Captives and Risk Taking Program

- Self-funded Association Health Plan – regulated by Ohio
 - Can accommodate large and small plans
 - Operates like a large self-funded employer
 - Can pool resources to save on price of insurance carrier
- Captive – regulated by captive domicile
 - Limited to employers who qualify for self-funding
 - One fronting insurance carrier and can go outside state lines

Mr. Tom Tucker (Blue Ribbon Commission Member) inquired about the negotiation process for an insurance plan and the role of a health care consulting firm. Mr. Felix stated that the engagement with a health care consulting company would help create strategies when searching for a health insurance carrier and conduct a feasibility study to gather data to determine the best course of action.

Perkins Township Resident Mr. Chris Gasteier asked the Blue Ribbon Commission if it has reached out to the entities to determine the level of interest among local entities. Mr. Krabill clarified that the commission's goal is to develop recommendations for Erie County's municipalities, which would then determine their next steps. He acknowledged that smaller municipalities face financial challenges in securing affordable health insurance and that collaboration could provide a viable solution.

Casualty Insurance Discussion

Mr. Forster asked whether casualty insurance could be combined with medical insurance. Mr. Felix advised against it, explaining that casualty claims (workers' compensation, general liability, auto liability) and medical claims differ significantly in underwriting and premium structures.

Fully Insured

- Requires a significant number of participants to entice an insurance carrier
- Allows for customized rates, limits and deductibles
- Minimum requirement of \$5 million for short-term casualty coverage
- Minimum requirement of \$5 million premium/\$5 billion TIV short-term to have full property coverage

Risk Taking (Pools and Captives)

- Pools or trusts are regulated by State of Ohio
- Captives offer greater flexibility but require substantial funding (\$5 million minimum for short-term casualty, \$10 million for long-term).
- Entity would need \$5 million for short-term casualty coverage and on the path to \$10 million
- Entity would need to have \$10 million premium/ \$10 billion TIV for property coverage

Mr. Felix stated the best way to start the process is to invest in a feasibility study on the municipalities and entities that could be included. The feasibility study would collect data such as census of each entity and what insurance networks are being used currently. This information is important to then provide to a health care consulting company to review. He noted for a stop loss insurance carrier to be interested, that at least 1,500 individuals need to be enrolled.

Public Comments and Commission Inquiries

Mr. Krabill noted that Mr. Gasteier's question earlier is valid regarding the number of possible participants willing to group together for health insurance. He emphasized the importance of conducting a feasibility study to determine viable solutions for Erie County. He asked representatives from various entities that were present to provide estimates on the number of covered individuals:

- **Erie County** (Matt Wilson, HR) – 750 employees; 1,500 covered lives (including Erie MetroHousing and the Health Department).
- **City of Sandusky** (Michelle Reeder, Finance Director) – 250 employees; 640 covered lives.
- **Perkins Township** (Tim Coleman, Trustee) – 60 employees; 120 covered lives.

Ms. Lisa Crescimano (Blue Ribbon Commission) noted that many school districts participate in the **HESE (Huron Erie School Employee) health insurance consortium**, which spans multiple counties. She suggested that school districts could contribute significant enrollment numbers.

Mr. Forster highlighted that a captive plan is not restricted to government entities; private employers, such as Firelands Hospital, could also participate, making it a viable option for broader coverage and cost-sharing. He stated that captive plans are owned by the entity and will see a return on medical stop loss, which is why combining entities makes for a more beneficial approach.

Mrs. Carla Rospert, (Milan Village Council) expressed concern that small municipalities struggle with health insurance due to high claims and limited resources. She asked what steps small entities could take to secure coverage without financial hardship. Mr. Forster reiterated that pooling resources through a captive plan could stabilize rates and reduce costs.

Mr. Steve Shoffner (Erie County Commissioner) asked if Erie County could establish a captive plan that smaller entities could join. Mr. Forster confirmed that a newly structured plan could legally allow for this approach.

Adjournment

Next Meeting: Scheduled for Thursday, February 27, 2025 at the Office Building, 247 Columbus Avenue, Sandusky at 10:00 a.m. to finish the discussion the structure of topics not discussed at last week's meeting. These topics include: infrastructure – roads, public transportation, education and entity administrative staffing – Human Resources and employee benefits.

On motion to adjourn was made by Mr. Moon and second of Ms. Balconi-Ghezzi.