

BOARD OF COUNTY COMMISSIONERS OF DOUGLAS COUNTY, KANSAS

WEDNESDAY, APRIL 18, 2018

4:00 p.m.

CONSENT AGEND

- (1) (a) Consider approval of Commission Orders;
- (b) *Review and approve the FY19 Kansas Department of Corrections-Juvenile Services 7th JD Juvenile Justice Comprehensive Plan Grant Application (Pam Weigand)-Additional backup material available in the County Administrators office upon request.*
- (c) *Review and approve the FY19 Kansas Department of Corrections 7th JD Community Corrections Comprehensive Plan Grant Application (Pam Weigand);-Additional backup material available in the County Administrators office upon request.*
- (d) *Review and approve the FY19 Kansas Department of Corrections 7th JD Behavioral Health Grant Application (Pam Weigand);-Additional backup material available in the County Administrators office upon request.*
- (e) Consider rejection of bids for bridge painting; Project No. 2018-52 (Keith Browning);
- (f) Consider approval to hold swimming event at Lone Star Lake 3rd National Collegiate Open Water Swimming Championship (Keith Browning); and
- (g) Consider approval to solicit bids for 2018 contract maintenance work for Project No. 2018-06 Miller & Overlay and Project No. 2018-01 Chip Seals (Keith Browning).

REGULAR AGENDA

- (2) Update on Women's Substance, and Diversion Programs (Charles Branson/Sandra Dixon)-No backup
- (3) *Consider approval of real estate contract with Bert Nash to provide site for proposed Behavioral Health Campus and related services (Sarah Plinsky)*
- (4) *Consider approval of 2018-2019 health insurance plan (Sarah Plinsky);*
- (5) (a) Consider approval of Accounts Payable (if necessary)
- (b) Appointments
- (c) **Board of Zoning Appeals (1) positions 10/17**
- (d) **Building Code of Appeals Board (2) positions 12/16**
- (e) **Community Corrections Advisory Board (1) position**
- (f) **JAAA Advisory Council (2) position**
- (g) **JAAA Board of Directors (1) position**
- (h) **Health Board (1) position**
- (c) Public Comment
- (d) Miscellaneous
- (6) Adjourn

WEDNESDAY, APRIL 25, 2018 -4 p.m. only

WEDNESDAY, MAY 2, 2018

6:00 p.m.

-CUP-18-00021: Consider a Conditional Use Permit for an Event Center space for O'Connell Youth Ranch, located at 1623 N 1320 Rd. Submitted by O'Connell Youth Ranch Inc, property owner of record. (Becky Pepper is the Planner)

WEDNESDAY, MAY 9, 2018

4:00 p.m.

- Executive Session for the purpose of consultation with legal counsel for the County

regarding pending litigation, which would be deemed privileged under the attorney client relationship.

6:00 p.m.

-Consider approval of a Special Event Permit application from a ReKinection Celebration event Scheduled for September 28-30, 2018 (Laura Lockton and Humayun Khan)

WEDNESDAY, MAY 16, 2018 – 4 p.m only

WEDNESDAY, MAY 23, 2018

-Receive Transportation Plan 2040 (Ashley Myers)

WEDNESDAY, MAY 30, 2018

***Note:** The Douglas County Commission meets regularly on Wednesdays at 4:00 P.M. for administrative items and/or 6:00 P.M. for public items at the Douglas County Courthouse. Specific regular meeting dates that are not listed above have not been cancelled unless specifically noted on this schedule.*

MEMORANDUM

TO: Board of County Commissioners, Douglas County
Craig Weinaug, County Administrator

FROM: Pam Weigand, Criminal Justice Services Director

SUBJECT: Review and Approve 7th Judicial District Kansas Department of Corrections-Juvenile Services
Juvenile Justice Comprehensive Plan Grant Application for FY 2019.

Review and approve the FY19 Kansas Department of Corrections 7th JD Community
Corrections Comprehensive Plan Grant Application

Review and approve the FY19 Kansas Department of Corrections 7th JD Behavioral Health
Grant Application

DATE: April 18, 2018

All KDOC grant funds are to be used during FY 2019 from July 1, 2018 through June 30, 2019.

Juvenile Justice Grant:

Our funding for FY 2019 will be a continuation of the districts FY2018 Graduated Sanctions and
Prevention block grant funding.

The 7th Judicial District's Prevention planning allocation is: \$ 37,199.00

The 7th Judicial District's Graduated Sanctions planning allocation is: \$ 461,944.22

Adult Community Corrections Grant:

Our funding for FY 2019 will be a continuation of the districts FY2018 Community Corrections
Correctional Services and Supervision Fund (DUI Funds) grant funding.

The 7th Judicial District's CC-Correctional Services planning allocation is: \$ 387,670.46

The 7th Judicial District's Community Corrections
Supervision Fund (DUI Fund) planning allocation is: \$ 73,941.22

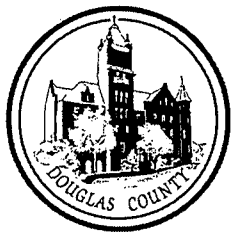
Adult Behavioral Health Grant:

Douglas County Community Corrections is requesting **\$55,000** in FY 2019 Behavioral Health
Programming Grant funds to sustain the Adult Services Officer- Program Provider position within
Community Corrections.

With the assistance of the Program Provider, CJS-CC is able to respond to the risks and needs of
offenders assigned to the program by effectively implementing evidence-based practices,
cognitive behavioral programming and treatment to assist with offender supervision.

The Douglas County Corrections Advisory Board met on April 10th. The majority of the board
present approved the FY 2019 KDOC grant applications.

Thank you for your consideration.



DOUGLAS COUNTY PUBLIC WORKS

3755 E. 25th Street
Lawrence, KS 66046
(785) 832-5293 Fax (785) 842-1201
dgcopubw@douglascountyks.org
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Keith A. Browning, P.E.
Director of Public Works/County Engineer

MEMORANDUM

To : Board of County Commissioners

From : Keith A. Browning, P.E., Director of Public Works/County Engineer *KAB*

Date : April 10, 2018

Re : Consent Agenda rejection of bids for bridge painting project
Project No. 2018-52

We opened bids March 29, 2018 for the referenced project to paint the steel superstructure of two bridges. We received bids from three contractors (see attached bid tabulation).

The lowest bid exceeds 110% of the Engineer's Estimate. Therefore, per K.S.A. 68-1115, we cannot let this contract.

We will reassess the contract terms for this project, and request BOCC authorization to re-advertise for bids at a later time.

Action Required: Reject all bids for Project No. 2018-52, bridge painting, due to all bids exceeding 110% of the Engineer's Estimate.

DOUGLAS COUNTY PUBLIC WORKS
PROJECT 2018-52/BID NO. 18-F-0004
DESCRIPTION: BRIDGE PAINTING 02.00N-14.80E & 03.06N-10.00E
BID TABULATION
March 29, 2018

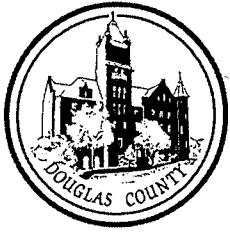
ITEM NO.	BID ITEM	UNIT	QTY	ENGINEER'S ESTIMATE		Lindner Painting Inc		Southern Road & Bridge LLC		Olympus Painting Contractors	
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	Bridge Painting	L.S.	1	\$16,500.00	\$16,500.00	\$36,000.00	\$36,000.00	\$100,000.00	\$100,000.00	\$71,250.00	\$71,250.00
2	Environmental Protection	L.S.	1	\$20,000.00	\$20,000.00	\$17,000.00	\$17,000.00	\$5,000.00	\$5,000.00	\$76,250.00	\$76,250.00
3	Mobilization	L.S.	1	\$10,000.00	\$10,000.00	\$2,000.00	\$2,000.00	\$5,000.00	\$5,000.00	\$10,000.00	\$10,000.00
4	Traffic Control	L.S.	1	\$5,500.00	\$5,500.00	\$3,400.00	\$3,400.00	\$2,000.00	\$2,000.00	\$5,000.00	\$5,000.00
SUB TOTAL					\$52,000.00		\$58,400.00		\$112,000.00		\$162,500.00

5	Bridge Painting	L.S.	1	\$12,000.00	\$12,000.00	\$30,800.00	\$30,800.00	\$80,000.00	\$80,000.00	\$71,250.00	\$71,250.00
6	Environmental Protection	L.S.	1	\$18,000.00	\$18,000.00	\$14,400.00	\$14,400.00	\$2,000.00	\$2,000.00	\$76,250.00	\$76,250.00
7	Mobilization	L.S.	1	\$8,000.00	\$8,000.00	\$2,000.00	\$2,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
8	Traffic Control	L.S.	1	\$5,500.00	\$5,500.00	\$3,800.00	\$3,800.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
SUB TOTAL					\$43,500.00		\$51,000.00		\$97,000.00		\$162,500.00
TOTAL BID -					\$95,500.00		\$109,400.00		\$209,000.00		\$325,000.00

Keith A. Browning, PE, Director of Public Works

Date

Jamie Shew, Douglas County Clerk



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Keith A. Browning, P.E.
Director of Public Works/County Engineer

MEMORANDUM

To : Board of County Commissioners

From : Keith A. Browning, P.E., Director of Public Works/County Engineer *KAB*

Date : April 11, 2018

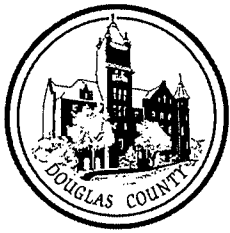
Re : Consent Agenda approval to hold swimming event at Lone Star Lake
3rd National Collegiate Open Water Swimming Championship

Clark Campbell, KU Swimming coach, has requested to hold the third National Collegiate Open Water Swimming Championship at Lone Star Lake. This event has been held at Lone Star Lake the previous two years. The event would again be presented by KU and the College Swimming Coaches Association of America (CSCAA), and would be held on Saturday, September 22. The CSCAA will provide event insurance.

The lake would need to be closed to other uses on Friday, September 21, from approximately 8:00 AM to 4:00 PM to allow set-up of the course and to allow athletes to swim the course. The lake would also need to be closed to other uses on Saturday, September 22 from approximately 6:00 AM to 12:00 noon for the race and removal of buoys.

Coach Campbell estimates there would be approximately 140 athletes with approximately 50 team support staff and an additional approximately 50 KU staff. He estimates approximately 50 team and staffing vehicles would require parking. We estimate approximately 50 vehicles could be parked in the parking lot just east of the campground. The remaining vehicles would need to be parked along park roads. We were able to accommodate parking for the previous two events with no significant problems.

Action Required: Consent Agenda approval for KU and the College Swimming Coaches Association of America to hold the National Collegiate Open Water Swimming Championship at Lone Star Lake on Saturday, September 22, 2018.



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Keith A. Browning, P.E.
Director of Public Works/County Engineer

MEMORANDUM

To : Board of County Commissioners

From : Keith A. Browning, P.E., Director of Public Works/County Engineer *KAB*

Date : April 13, 2018

Re : Consent Agenda approval to solicit bids for 2018 contract maintenance work
Project No. 2018-06; Mill & Overlay
Project No. 2018-01; Chip Seals

In accordance with the Purchasing Policy, we request approval to solicit bids for contract road maintenance work this season. We currently plan to overlay two sections of Route 438. The sections include the two widened areas of Route 438 at the Berry Plastics entrance and at the K-10 intersection. These two sections experience significant truck turning movements. We also plan to chip seal approximately 30 miles of roadway this year. The chip seal locations have not been finalized.

At the Berry Plastics entrance, Route 438 has experienced pavement base failure in the eastbound lane and eastbound shoulder due to subgrade drainage problems along with significant truck turning movements. We have installed underdrains and repaired the base failure, but this entire widened portion of Route 438 needs more pavement structure. We plan to overlay this area with 3" depth of asphalt following any additional required patching.

At the K-10 intersection, the pavement is experiencing significant shoving exacerbated by truck braking and turning movements. At this location, we plan to mill 1-1/2" depth, patch, and overlay the area with 3" depth of asphalt.

We plan to open bids this May for both contract maintenance projects with the work proceeding this summer and fall. Following the bid openings, contracts will be presented to the BoCC for approval.

Road & Bridge Fund 201 includes \$1,312,500 for road maintenance contracts, and the CIP includes \$325,000 available for annual contract pavement maintenance. This is adequate funding for the planned contract maintenance work.

Action Required: Consent Agenda approval to solicit bids for contract maintenance work for the 2018 season, including Project No. 2018-06, asphalt overlays, and Project No. 2018-01, chip seals.

REAL ESTATE CONTRACT

THIS CONTRACT (the "Contract") is made and entered into effective the ____ day of April, 2018 (the "Effective Date"), between Bert Nash Community Mental Health Center, Inc. ("**Bert Nash**" or "**Seller**") and Board of County Commissioners of Douglas County, Kansas ("**Douglas County**" or "**Buyer**")

WHEREAS, Douglas County and Bert Nash agree that a mental health campus which includes a mental health crisis/recovery/restoration center and related services ("**Center**"), and transitional housing and permanent supported housing (collectively with the Center, the "**Campus**"), would be beneficial to the citizens of Douglas County and consistent with the mission of Bert Nash; and

WHEREAS, Douglas County and Bert Nash further expect that the portion of the Campus dedicated to permanent supported housing will be administered by the Lawrence Douglas County Housing Authority ("**LDCHA**"), following construction of facilities for the permanent supported housing (the "**LDCHA Permanent Supported Housing**"), and that LDCHA and Bert Nash will separately agree regarding programming and services to be provided by Bert Nash for residents of the LDCHA Permanent Supported Housing; and

WHEREAS, Douglas County owns certain property at 146 Maine Street legally described as follows:

Lots 41, 42, 43, 44, 45, 46, 47 and 48 in Block No. 5, in that part of the City of Lawrence known as West Lawrence, Douglas County, Kansas.

WHEREAS, Bert Nash owns property adjacent to 146 Maine Street with a street address of 1000 W. 2nd Street ("**Real Estate**") and legally described as:

Lot 2 of the Bert Nash Addition, Lawrence, Douglas County, Kansas

WHEREAS, Bert Nash desires to transfer its Property to Douglas County to be used in conjunction with 146 Maine Street to create the Campus subject to the terms and conditions of this Contract; and

NOW, THEREFORE, in consideration of the covenants and promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **SELLER'S AGREEMENT TO SELL:** Subject to the terms and provisions of this Contract, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, all of the following described property (the "**Property**"), which is commonly known as 1000 W. 2nd Street, Lawrence, Kansas:

(a) The Real Estate legally described as follows:

Lot 2 of the Bert Nash Addition, Lawrence, Douglas County, Kansas.

(b) All other rights, privileges and appurtenances owned by Seller and in any way related to the real estate described in section 1(a), above.

(c) Seller will deed the Property to Douglas County at Closing.

2. **CONSIDERATION:** Subject to the Permitted Terminations set forth herein, and to the extent allowed by the laws of the State of Kansas, in consideration of obtaining the Property from Seller, Buyer agrees to perform as set forth below. Seller agrees that this consideration is of real value to Seller and legally sufficient to support the contractual rights and obligations set forth in this Contract.

A. Buyer will provide, or substantially provide, the capital investment required to:

1. Design and prepare the Campus site;
2. Design, construct, furnish and equip the Center and transitional housing; and
3. Provide financial support for the operation of the Center and transitional housing, at such levels and intervals as reasonably deemed appropriate by Douglas County.

B. Buyer will allow Seller to be substantially involved in:

1. The design of the Campus, the Center, and the transitional housing;
2. Selection of furniture, fixtures and equipment for the Center and the transitional housing; and
3. Development of plans for the array of services to be provided at the Campus.

3. **SELLER'S REPRESENTATIONS AND WARRANTIES:** Seller makes each of the following representations and warranties to the best of Seller's knowledge, each of which shall constitute a material part of the consideration for this Contract, stating that they are accurate and true as of the date of this Contract and as of the Closing, and survive the Closing:

(a) Seller has full right, title, authority and capacity to execute and perform this Contract and to consummate all of the transactions contemplated in this Contract on the date of closing, and the person who executes and delivers this

Contract and all documents to be delivered to Buyer under this Contract is and shall be duly authorized to do so.

(b) Conveyance of the Property to Buyer and the consummation of the transaction described in this Contract in accordance with its terms will not breach any agreement, written or oral, to which Seller is a party.

(c) Seller has not engaged any real estate agent or other advisor in connection with this transaction and that it has taken no other action which might expose the Buyer to any risk of having to pay any commission or other charge in connection with the Closing of this transaction. Seller shall indemnify and hold Buyer harmless from all claims and expenses (including attorney fees) resulting from the breach of the foregoing representation and warranty.

(d) Seller has no knowledge of any street, road, avenue, highway, alley, passageway or parking lot, or unrecorded easement, encroachment, overlap, boundary line dispute or other encumbrance or lien of any kind or nature whatsoever, which could affect the Property or the occupancy or use thereof.

(e) Seller has no knowledge of any unrecorded lease of the Property, and the sole party in possession and with right to possession of the Property is Seller.

(f) Seller has not entered into any agreement for services, labor or material that has caused or will cause a mechanic's, materialman's or other lien to be placed against the Property.

(g) Seller has no knowledge of any action, suit, proceedings or other claim pending against Seller that could interfere with Seller's ability to execute this Contract or carry out Seller's obligations hereunder or otherwise affect the Property, or that could in any way constitute or have the effect, presently or in the future, of creating a lien, claim or obligation of any kind against the Property, nor does Seller have any knowledge of such a threatened or contemplated action, suit, proceedings or other claim.

(h) Other than Buyer, no person or entity has any right or option to acquire or purchase the Property or any part thereof.

(i) The execution and delivery of this Contract and the consummation of the transaction contemplated herein will not conflict with or result in the breach of any mortgage, lease or other agreement to which Seller is a party or which governs the Property or the operation, occupancy or use thereof.

(j) Seller is not in default under any mortgage, lease, agreement, judgment, decree or order relating to the Property or the occupancy or use thereof, and there exists no state of facts that, with the giving of notice or passage of time, or both, would

constitute a default thereunder.

(k) From the date hereof and until Closing, Seller shall not deliberately cause nor willfully allow any materially adverse change in or to the Property, and Seller shall maintain and deliver the same at Closing in its present general condition, ordinary wear and tear excepted.

4. **BUYER'S REPRESENTATIONS AND WARRANTIES:** Buyer makes each of the following representations and warranties to the best of Buyer's knowledge, each of which shall constitute a material part of the consideration for this Contract, be accurate and true as of the date of this Contract and the Closing, and survive the Closing:

(a) Subject to the Permitted Terminations set forth herein, and to the extent allowed by the laws of the State of Kansas, Buyer has full right, authority and capacity to execute and perform this Contract and to consummate all of the transactions contemplated in this Contract, and the person who executes and delivers this Contract and all documents to be delivered to Seller under this Contract is and shall be duly authorized to do so.

(b) Except as expressly provided in this Contract, no representation or warranties have been made by Seller, or anyone in Seller's behalf, to Buyer as to the condition of the Property; Buyer has had or will have a full and complete opportunity to inspect the Property, to observe its physical characteristics and existing conditions, and to have conducted such investigations and studies on the Property as Buyer deems necessary; Buyer waives, from and after Closing, any and all objections to or complaints about physical characteristics and existing conditions of the Property, including, without limitation, structural conditions, environmental or subsurface conditions in, on, under, or related to, the Property, and compliance or non-compliance with the Americans with Disabilities Act of 1990, and purchases the Property "as is."

(c) Except as expressly provided in this Contract, Buyer shall assume, and shall covenant to undertake and discharge, from and after the Closing, all liabilities and obligations arising from (i) any condition which now exists and may hereafter be found to exist in, on, under or about the Property; or (ii) determination that the Property, or any portion of the Property, violates any applicable law, ordinance, regulation, or ruling relating to the structural or physical condition of the Property.

(d) Buyer has not engaged any real estate agent in connection with this transaction and has taken no other action which might expose the Seller to any risk of having to pay any commission or other charge in connection with the Closing of this transaction. Buyer shall indemnify and hold Seller harmless from all claims and expenses (including attorney fees) resulting from the breach of the foregoing representation and warranty.

(e) Buyer intends to acquire the Property for the purpose of constructing and operating the Campus and the Center, and no other purpose. Buyer shall not use the Property for a different purpose for a period of at least ten (10) years following the Closing of this Contract. Buyer acknowledges that Seller is relying upon this representation as a material consideration for Seller's agreement to enter into this Contract. Buyer, on behalf of itself and its lessees, grantees and assigns, shall not use the Property for a different purpose during such ten (10) year period, without the prior consent of Seller, which consent will not unreasonably be withheld. In the event of a breach of the terms of this representation, Seller shall have the right to pursue injunctive relief in addition to pursuing any other rights and remedies available at law or in equity. This representation shall not merge with the Closing of this Contract, but shall expressly survive the Closing and the delivery of deed. Provided, however, that this section 4(e) will not apply and will have no force or effect if the use of the Property is altered due to circumstances beyond Buyer's reasonable control, including without limitation a material change in applicable law or an event of *force majeure*.

5. TITLE INSURANCE.

5.1 Buyer, at its sole cost and expense, may procure a title commitment (the "Title Commitment") within ten (10) days of the Effective Date, evidencing that Seller is vested with fee simple, marketable title to the Property, including any and all easement rights owned by Seller relating to the Property, subject only to the Permitted Exceptions (as hereinafter defined) or exceptions that are to be removed on or before Closing, and otherwise indicating the terms and conditions upon which the Title Company will insure title to the Property. The cost of a standard Title Commitment (and the resulting title policy) for the Property shall be paid by Buyer, and the cost of any special endorsements to the Title Commitment requested by Buyer shall be paid by Buyer.

5.2 If the Title Commitment discloses any defects, liens, or encumbrances objectionable to either party, the objecting party may object in writing to the other party no later than the date occurring ten (10) days prior to the expiration of the Inspection Period, as the same may be extended in accordance with the terms of this Agreement. If a party shall fail to object in writing to any matter contained in the Title Commitment within such timeframe, that party shall be deemed to have waived the right to object to that matter and such matter is referred to herein as a "Permitted Exception"; provided, however, that in no event shall any liens, mortgages or other monetary encumbrances upon title subject to satisfaction by payment of a monetary sum constitute a Permitted Exception. If an objecting party notifies the other party of any title objection within such timeframe, the party shall inform the objecting party within five (5) days of its receipt of the objection as to whether it intends to attempt to cure or remedy such defects (with the non-objecting party having no obligation whatsoever to so cure or remedy any such defects). If the party notifies the objecting party of its intent to cure such defects, then that party shall promptly and diligently attempt to effect such cure; provided, however, if reasonably

necessary, Closing shall be extended for such time as deemed reasonably necessary to cure such defects. If the party (i) fails to respond within such five (5) day period, (ii) is unwilling or unable to cure such objections as stated in a response to the objection within such five (5) day period, or (iii) is unable to cure any defects in a reasonable amount of time (whether or not the Inspection Period has expired or whether or not Closing has been extended), then the objecting party, at its option, may elect either to:

5.2.1 Accept title to the Property in its then existing condition; or

5.2.2 Terminate this Agreement and, if applicable, the Earnest Money shall be returned to Buyer, whereupon the parties shall have no further obligations under this Agreement.

6. INSPECTION PERIOD AND GOVERNMENTAL APPROVALS PERIOD.

6.1 Inspection Period. Buyer shall have a period of thirty (30) days from the Effective Date to inspect the Property, the Title Commitment, and perform environmental, soil, hazardous materials or other testing necessary in Buyer's sole discretion (the "Inspection Period") provided, however, that any inspections or investigations or other activities that are invasive with respect to the Property, or which may affect Seller's use of the Property, must have Seller's prior approval, which approval shall not be unreasonably withheld, conditioned or delayed. Buyer shall make such inspections in good faith and with due diligence. All inspection fees, appraisal fees, engineering fees and other expenses of any kind incurred by Buyer relating to the inspection of the Property shall be at Buyer's expense. In the event Buyer determines in its sole and absolute discretion that the condition of the Property is not satisfactory in any respect, Buyer may elect to terminate this Agreement by delivering written notice thereof to Seller on or before the expiration of the Inspection Period. The Buyer shall promptly repair and restore any damage to the Property caused by Buyer, its agents and contractors, and upon completion of the investigations and tests, the Buyer shall restore the Property to substantially the same conditions as it existed before the inspection.

BUYER ACKNOWLEDGES THAT SELLER HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, OF, AS TO, CONCERNING, OR WITH RESPECT TO, (i) THE VALUE, NATURE, QUALITY OR CONDITION OF THE BUILDINGS CURRENTLY LOCATED ON THE PROPERTY, (ii) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH MAY BE CONDUCTED THEREON, AND (iii) EXCEPT AS OTHERWISE PROVIDED FOR IN THIS AGREEMENT, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES REGARDING COMPLIANCE OF THE PROPERTY WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES,

REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING, WITHOUT LIMITATION, THOSE PERTAINING TO SOLID WASTE, AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, OR THE DISPOSAL OR EXISTENCE, IN OR ON THE PROPERTY, OF ANY HAZARDOUS SUBSTANCES, AS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, AND THE REGULATIONS PROMULGATED THEREUNDER. BUYER SHALL RELY SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER, ITS AGENTS OR CONTRACTORS, INCLUDING THE PROPERTY DATA. SELLER SHALL NOT BE LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY OR THE OPERATION THEREOF, FURNISHED BY ANY PARTY PURPORTING TO ACT ON BEHALF OF SELLER. THE SALE IS MADE "AS IS, WHERE IS" AND WITH ALL FAULTS. NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THIS SECTION SHALL SURVIVE THE CLOSING OR ANY TERMINATION OF THIS AGREEMENT.

7. **THE CLOSING.** The consummation of the transactions contemplated by this Agreement (the "**Closing**") shall take place on a date reasonably agreed by Seller and Purchaser but in no event later than ten (10) days following the expiration of the Inspection Period ("**Closing Date**").

At the Closing, the following shall occur and each shall be conditions precedent to Closing: (a) Seller shall deliver to Buyer the Special Warranty Deed for the Property; (b) both parties shall execute and deliver such other documents and instruments as are reasonably required to consummate the transactions contemplated by this Agreement including, without limitation, a settlement statement; (c) both parties shall execute any documentary and other evidence as may be reasonably required by the Title Company evidencing the status and capacity of Buyer and Seller, and the authority of the person or persons who are executing the various documents; and (d) possession of the Property shall be given to Buyer.

8. **TERMINATION; DEFAULT AND REMEDIES**

(a) **Permitted Termination after Title Report and Inspections.** If Seller is unable to provide good and sufficient title as required by this Contract prior to Closing, Buyer may cancel this Contract by giving written notice of cancellation on or before the Closing (a "**Permitted Termination**"). If Buyer is unsatisfied with the results of its inspection prior to expiration of the Inspection Period, the Buyer may cancel this Contract by giving written notice of cancellation on or before the expiration of the Inspection Period (a "**Permitted Termination**").

(b) **Termination and Re-Conveyance if the Sales Tax Vote Fails.** If the Sales Tax vote scheduled for May 15, 2018 fails, the parties will proceed as follows. Buyer will, at Buyer's expense, replat the Property, subject to Seller's reasonable cooperation and mutual approval of

the replat, to create two parcels, one for the Lawrence Douglas County Housing Authority housing project (the "LDCHA Parcel") and the other comprised of the balance of real estate in the Property that is not the LDCHA Parcel (the "Bert Nash Parcel"). The LDCHA Parcel will not exceed 1.5 acres. After replatting the Property into the LDCHA Parcel and the Bert Nash Parcel, Buyer will convey the Bert Nash Parcel to Bert Nash by executing and delivering a special warranty deed to Seller, conveying to Seller all of Buyer's right, title and interest in the Bert Nash Parcel, free and clear of liens and encumbrances. Thereafter, this Contract will terminate (a "Permitted Termination").

(c) Re-Conveyance to Bert Nash if the LDCHA Permanent Supported Housing is not Approved. If, pursuant to section 8 (b) above, the LDCHA Parcel has been separately platted, and if the LDCHA Permanent Supported Housing project is not authorized to go forward due to lack of funding or failure to secure necessary approvals from the United States Department of Housing and Urban Development, or due to any other failure by LDCHA to obtain a necessary governmental permit or approval prior to commencement of construction of the LDCHA Permanent Supported Housing, Buyer will convey the LDCHA Parcel to Bert Nash by delivering a special warranty deed to Seller, conveying all of Buyer's right, title and interest in the LDCHA Parcel, free and clear of liens and encumbrances. Provided, however, Buyer will be under no obligation to convey the LDCHA Parcel to Seller once construction activities on the LDCHA parcel have commenced.

(d) Default by Seller. Seller shall be in default under this Contract if any of Seller's warranties or representations set forth in this Contract are untrue or inaccurate in any material respect or Seller shall fail to meet, comply with, or perform any material covenant, agreement, or obligation on Seller's part required, within the time limits and in the manner required in this Contract, for any reason other than a Permitted Termination. If Seller defaults under this Contract, Buyer may (a) seek specific performance of the Contract; (b) seek such relief as may be provided by law; or (c) terminate this Contract by notice to Seller.

(e) Default by Buyer. Buyer shall be in default under this Contract if any of Buyer's warranties or representations set forth in this Contract are untrue or inaccurate in any material respect or Buyer fails to meet, comply with or perform any material covenant, agreement, or obligation on Buyer's Contract. If Buyer defaults under this Contract, Seller may (a) seek specific performance of the Contract; (b) seek such relief as may be provided by law, or (c) terminate this Contract by notice to Buyer.

9. **CONSTRUCTION OF TERMS, WAIVERS AND AMENDMENTS:**

(a) Paragraph headings are for convenience and shall not be used for interpretation or construction of this Contract.

(b) Feminine or neuter pronouns shall be substituted for masculine pronouns or vice-versa, and the plural shall be substitute for the singular or vice-versa in any place in which the context may require.

(c) No waiver of any breach of any provision of this Contract shall be construed to be a waiver of any subsequent breach of such provision or any other provision.

(d) This Contract may be modified or amended only in writing, signed by both Seller and Buyer.

(e) If the last day of any time period stated herein shall fall on a Saturday, Sunday or legal holiday, then the duration of such time period shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or legal holiday.

(f) This Contract may be executed in several counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument.

(g) If numeric number shall disagree with numbers spelled out, the numeric number shall control.

(h) The laws of the State of Kansas shall govern the validity, enforcement, and interpretation of this Contract.

10. **NOTICES:** Notices, demands, or other communications under this Contract shall be in writing and shall be deemed to have been given or submitted upon personal delivery or upon deposit in the United States mail by certified or registered mail, postage prepaid, with return receipt requested, addressed to Buyer or Seller, as the case may be, at the Buyer's or Seller's last known address. Notices shall be deemed received upon personal delivery or three (3) days following deposit in the mail, if mailed in accordance with this paragraph.

11. **SURVIVAL:** All warranties, representations, indemnifications, and agreements of Buyer and Seller contained or made in this Contract or any attachment or exhibit to this Contract shall survive delivery of the deed and the Closing of this Contract.

12. **INTEGRATION:** This Contract constitutes the complete and final expression of the agreement of the parties relating to the Property, and supersedes all previous contracts, agreements, and understandings of the parties, either oral or written, relating to the Property.

13. **INVALID PROVISIONS:** If any one or more of the provisions of this Contract, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or

its application valid and enforceable, and the validity and enforceability of all other provisions of this Contract and all other applications of any such provision shall not be affected thereby.

14. **FURTHER ACTS:** In addition to the acts recited in this Contract, Seller and Buyer agree to perform or cause to be performed at or after the Closing all such further acts as may be reasonably necessary to consummate the transactions contemplated by this Contract.

15. **TIME OF THE ESSENCE:** Time is of the essence with regard to the parties' performance under this Contract.

16. **CONTRACT BINDING:** It is mutually agreed that all of the covenants and agreements in this Contract shall extend to and be obligatory upon the heirs, executors, administrators, successors and assigns of the Buyer and Seller.

IN WITNESS WHEREOF, this Contract shall be effective from and after the last date this Contract is fully executed by all parties (the "**Effective Date**").

SELLER:

Bert Nash Community Mental Health
Center, Inc.

By: _____

Printed Name: Bradley Burnside

Its: Chair, Board of Directors

BUYER:

Board of County Commissioners of Douglas
County, Kansas

By: _____

Nancy Thellman, Chair

Date: _____

Attest: _____

Jamie Shew, County Clerk

Date: _____



DOUGLAS COUNTY ADMINISTRATIVE SERVICES

Douglas County Courthouse
1100 Massachusetts Street, Unit 204
Lawrence, KS 66044-3064
(785) 832-5329 Fax (785) 832-5320
www.douglas-county.com

Sarah Plinsky
Assistant County Administrator

MEMORANDUM

MEMO TO: Board of County Commissioners

FROM: Sarah Plinsky, Assistant County Administrator

SUBJECT: 2018-2019 Health Insurance Update

DATE: April 14, 2018

In consultation with our Benefits consultant Willis, staff has reviewed the current year experience in preparation of setting premium equivalents for the upcoming plan year. Below is a summary of the current plan year experience.

Table 1: Claims Experience (June through February, Year to Year Comparison, Per Employee Per Month)

	Medical	Pharmaceutical	Dental	Total
2016-2017	\$652	\$245	\$43	\$1,062
2017-2018	\$729	\$224	\$43	\$1,136

Through February 2018, medical prescription drug and dental paid claims were \$1,136 per employee per month (PEPM), which is 7% higher than the February 2016 Year to Date period. The 2017-2018 plan year included several plan design changes that assisted in slowing the rate of growth in the plan. Douglas County raised deductibles and medical Out of Pocket Maximum (OOPM) by \$50, as well as changed networks from Freedom Select to Cigna. Also, included in this number are administrative costs and stop loss premiums. The total plan costs of \$1,136 PEPM is 2% higher than the budgeted accrual amount of \$1,115 PEPM.

For the current year, the plan has had 23 claimants over \$50,000 with a total of \$2,225,366 in paid claims, after a stop loss reimbursement of \$105,538. The specific stop loss deductible amount is \$175,000, with an additional aggregating stop loss amount of \$55,500. Through the same period last year, the plan had 16 large claimants over \$50,000, with a total paid claim amount of \$1,452,005, after anticipated stop loss reimbursements of \$559,350. The 2016-2017 Plan year had 16 large claim claimants, totally \$1,379,311.

This three year trend of large claims experience has impacted our Stop Loss Insurance renewal. Last plan year, Douglas County changed stop loss providers to AIG. Tokio Marine HCC has secured this line of business from AIG. The renewal quote from Tokio Marine HCC was negotiated by Willis Towers Watson, the County's broker for these services, and is an 11.84% increase. This is annual premium increase of \$76,579. Willis Towers Watson asked two other providers, but their quotes were less competitive. We were able to secure

Based on trends and prior period claims experience, Willis and staff was anticipating a 7.3% increase in the overall plan. Earlier this year, Douglas County made a decision to switch provider networks from Network Select to Cigna. This network change allowed Douglas County to access deeper discounts and more providers, resulting in an anticipated overall plan savings of \$302,654. This has lowered the recommended increase in overall plan funding to 3.9%, or \$9,171,868 for the 2017-2018 Plan Year. The attached graph highlights Douglas County's PEPM trend line and shows that the quarterly medical trend chart and the rolling 12 month trend.

Staff has included in the Plan for the 2017-2018 Plan year a new telemedicine service. This service will give plan participants access to doctors and other health care providers by phone to assist with prescriptions for common services like infections (eye, urinary, ear, etc.) colds and flu, pink eye, and rashes over the phone, as well as consultation can be given for the appropriate care. There is no doctor's office visit co-pay for the service.

Staff has worked with WillisTowersWatson to prepare several premium equivalent options for the County Commission to consider. The first option is the entire plan increase was on the premium equivalents and there were no changes in the plan design to offset plan costs. In addition, the 2017-2018 Plan Year is the third year of a planned cost-shift in Employee Premium percentages, moving the Employee Only plan paying 10% and Employee Plus One and Family paying 20% of the total cost of coverage.

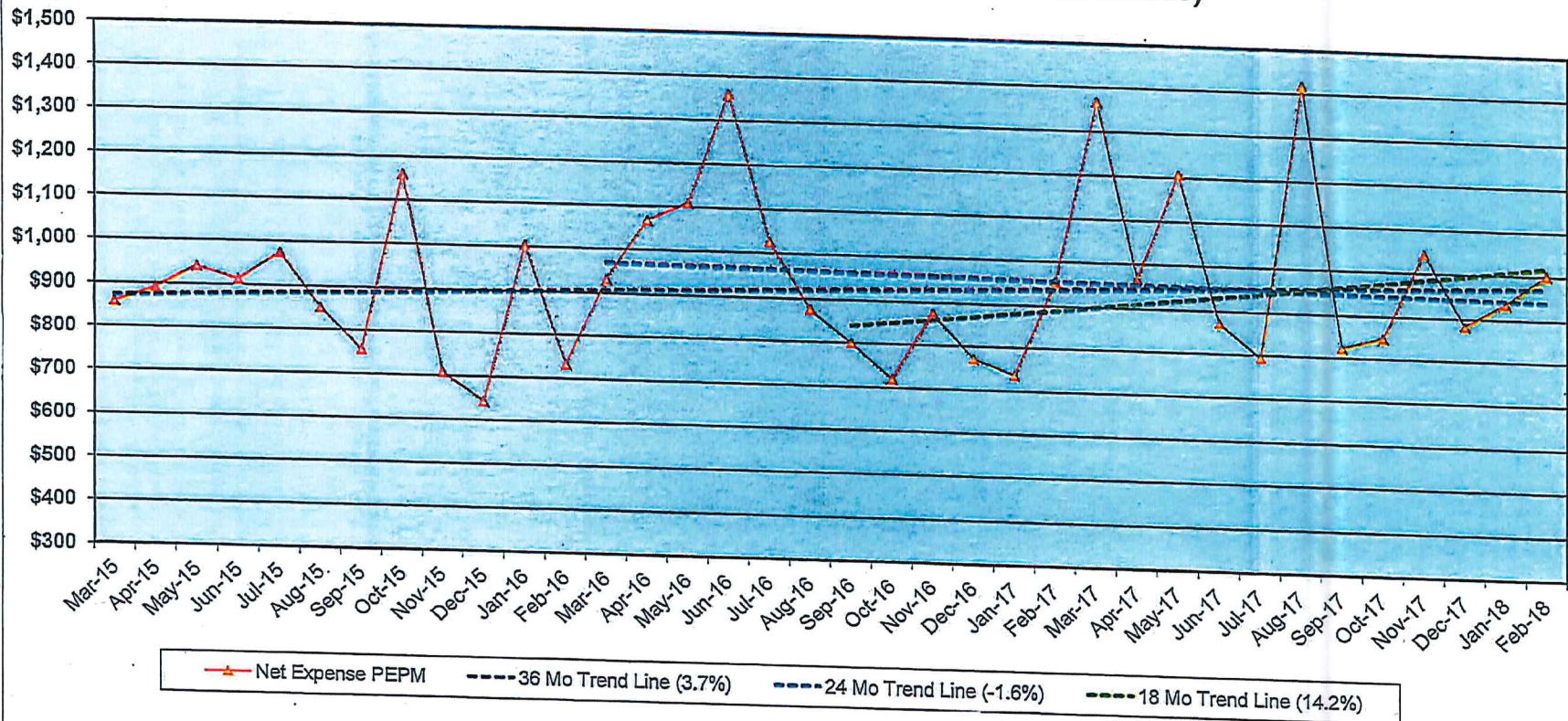
The first plan shows the premium equivalent options if no changes are made to deductibles, maximum out of pockets, and prescription drug co-pays, as a baseline. The first option includes a \$50 annual increase to deductibles, from \$200 for individual in network to \$250, and a \$50 increase in medical maximum OOP from \$2,000 per individual in network to \$2,050 per individual in network. The second option shows a \$100 increase to deductibles and medical maximum OOP. The third option takes Option 1 (\$50 increase in deductibles and medical maximum OOP) and increases the prescription drug co-pays by \$10 in each category. These options are each outlined on the Benefit Change Cost Analysis attachment. Douglas County did increase prescription drug co-pays last year and in the 2015-2016 Plan year the County added a new tier for high cost generics. However, before those changes, it had been several years since co-pays had been increased. Prescriptions continue to be a large cost to the plan, and these increases continue to move co-pays towards the co-pays in comparable organizations.

I consulted with employees about the options and the feedback I received from the employees present was option three, which is my recommendation as well. Staff is available to answer any questions the Commission has about the health plan recommendations.

Staff Proposed Actions:

- Affirm the actions of the Assistant County Administrator on 4/14/17 to enter into an agreement with AIG for stop loss coverage for the 2017-2016 Health Insurance Plan Year.
- Modify the 2017-2018 Health Plan in accordance with staff recommendations.

Douglas County Medical/Rx Expense Per Employee Per Month (Adjusted Paid Claims - Net of Stop Loss Reimbursements)



Attachment 2 - Douglas County
BENEFIT CHANGE COST ANALYSIS - Plan Specific Decrements
 Effective 6/1/2017

Last updated: March 28, 2018

	Benefit	Renewal Benefits	Potential Revision	Plan Specific Decrements	Annual Projected Expected Medical/Rx Claims (Renewal Projection)	Annual Projected Expected Medical/Rx Claims (Renewal Projection) w / Benefit Revisions	Potential Annual Savings / Cost
1.	Rx Formulary	Current Formulary	Standard Formulary (\$207,000 Annually - 1/3 Realized from 6/1/2018-5/31/2019)	-0.841%	\$8,207,568	\$8,138,568	(\$69,000)
2.	Rx Formulary	Current Formulary	Select Formulary (\$266,000 Annually - 1/3 Realized from 6/1/2018-5/31/2019)	-1.080%	\$8,207,568	\$8,118,902	(\$88,667)
3.	Deductible	Out-of-Network - \$550 Ind. / \$1,000 Fam.	Out-of-Network - \$600 Ind. / \$1,050 Fam.	-0.495%	\$8,207,568	\$8,166,941	(\$40,627)
4.	Deductible	Out-of-Network - \$550 Ind. / \$1,000 Fam.	Out-of-Network - \$650 Ind. / \$1,100 Fam.	-1.020%	\$8,207,568	\$8,123,851	(\$83,717)
5.	Deductible	Out-of-Network - \$550 Ind. / \$1,000 Fam.	Out-of-Network - \$700 Ind. / \$1,150 Fam.	-1.430%	\$8,207,568	\$8,090,200	(\$117,368)
6.	Medical Out-Of-Pocket Maximum*	In-Network - \$2,050 Ind. / \$4,000 Fam. Out-of-Network - \$3,150 Ind. / \$6,200 Fam. (Rx OOP Max - \$5,050 Ind. / \$10,250 Fam.)	In-Network - \$2,100 Ind. / \$4,050 Fam. Out-of-Network - \$3,200 Ind. / \$6,250 Fam. (Rx OOP Max - \$5,250 Ind. / \$10,650 Fam.)	-0.254%	\$8,207,568	\$8,186,721	(\$20,847)
7.	Medical Out-Of-Pocket Maximum*	In-Network - \$2,050 Ind. / \$4,000 Fam. Out-of-Network - \$3,150 Ind. / \$6,200 Fam. (Rx OOP Max - \$5,050 Ind. / \$10,250 Fam.)	In-Network - \$2,150 Ind. / \$4,100 Fam. Out-of-Network - \$3,250 Ind. / \$6,300 Fam. (Rx OOP Max - \$5,200 Ind. / \$10,600 Fam.)	-0.405%	\$8,207,568	\$8,174,328	(\$33,241)
8.	Medical Out-Of-Pocket Maximum*	In-Network - \$2,050 Ind. / \$4,000 Fam. Out-of-Network - \$3,150 Ind. / \$6,200 Fam. (Rx OOP Max - \$5,050 Ind. / \$10,250 Fam.)	In-Network - \$2,200 Ind. / \$4,150 Fam. Out-of-Network - \$3,300 Ind. / \$6,350 Fam. (Rx OOP Max - \$5,050 Ind. / \$10,250 Fam.)	-0.745%	\$8,207,568	\$8,146,422	(\$61,146)
9.	Bariatric Coverage	Not Covered	Deductible then Coinsurance	1.025%	\$8,207,568	\$8,291,696	\$84,128

*ACA 2018 Out-of-Pocket Limit Increased from \$7,100 Single / \$14,250 Family to \$7,350 Single / \$14,700 Family

The above exhibit is provided to assist in evaluating your program and estimating plan expenses. The evaluation was performed using data obtained from you and those providing benefits under your plan, including, but not limited to, providers, carriers, insurers and administrators and is unaudited. Due to unknown variables which can exist at the time this projection was performed, Willis Towers Watson cannot and does not guarantee any final outcomes.

Douglas County - 6/1/2018 Effective Date

2018-2019 Medical / Rx / Dental Premium Rate Sheet - Baseline - No Changes

Blue Highlighted Cells Have Been Left Unlocked for Comparison Purposes

	2017-2018 Monthly Premium Rates				2018-2019 Monthly Premium Rates				% Change 2018 to 2019			
	Enroll	Total Rate	ER Rate	EE Monthly Rate	Enroll	Total Rate	ER Rate	Employee Rate	Enroll	Total Rate	Employer Rate	Employee Rate
Full Time Employees												
Employee Only	331	\$645.99	\$581.39	\$64.60	331	\$711.14	\$640.02	\$71.11	0.0%	10.1%	10.1%	10.1%
Employee + 1	166	\$1,263.50	\$1,010.80	\$252.70	166	\$1,390.92	\$1,112.74	\$278.18	0.0%	10.1%	10.1%	10.1%
Family	175	\$1,806.02	\$1,444.82	\$361.20	175	\$1,988.15	\$1,590.53	\$397.63	0.0%	10.1%	10.1%	10.1%
Total/Avg	672	\$1,100.62	\$912.32	\$188.30	672	\$1,211.62	\$1,004.32	\$207.29	0.0%	10.1%	10.1%	10.1%
Grand Total												
Monthly Total	672	\$739,617	\$613,076	\$126,541	672	\$814,205	\$674,903	\$139,302	0.0%	10.1%	10.1%	10.1%
Annual Total	672	\$8,875,406	\$7,356,917	\$1,518,490	672	\$9,770,464	\$8,098,840	\$1,671,625	0.0%	10.1%	10.1%	10.1%
Combined Annual Total		\$8,875,406	\$7,356,917	\$1,518,490		\$9,770,464	\$8,098,840	\$1,671,625		10.1%	10.1%	10.1%
ER / EE Cost Share %			82.9%	17.1%			82.9%	17.1%				

Current % Cost Share	
EE	10.00%
EE+1	20.00%
Family	20.00%

Proposed % Cost Share	
EE	10.00%
EE+1	20.00%
Family	20.00%

With Current Cost Share %	
\$ Increase ER	\$741,923
\$ Increase EE	\$153,135

With Proposed Cost Share %	
\$ Increase ER	\$741,923
\$ Increase EE	\$153,135

Savings to Douglas County Compared to Current Cost Share %

\$0

Douglas County - 6/1/2018 Effective Date

2018-2019 Medical / Rx / Dental Premium Rate Sheet - Option 1 - Standard Rx & \$50 Inc to Ded & OO

Blue Highlighted Cells Have Been Left Unlocked for Comparison Purposes

	2017-2018 Monthly Premium Rates				2018-2019 Monthly Premium Rates				% Change 2018 to 2019			
	Enroll	Total Rate	ER Rate	EE Monthly Rate	Enroll	Total Rate	ER Rate	Employee Rate	Enroll	Total Rate	Employer Rate	Employee Rate
Full Time Employees												
Employee Only	331	\$645.99	\$581.39	\$64.60	331	\$701.64	\$631.47	\$70.17	0.0%	8.6%	8.6%	8.6%
Employee + 1	166	\$1,263.50	\$1,010.80	\$252.70	166	\$1,372.35	\$1,097.88	\$274.47	0.0%	8.6%	8.6%	8.6%
Family	175	\$1,806.02	\$1,444.82	\$361.20	175	\$1,961.60	\$1,569.29	\$392.32	0.0%	8.6%	8.6%	8.6%
Total/Avg	672	\$1,100.62	\$912.32	\$188.30	672	\$1,195.44	\$990.91	\$204.53	0.0%	8.6%	8.6%	8.6%
Grand Total												
Monthly Total	672	\$739,617	\$613,076	\$126,541	672	\$803,332	\$665,891	\$137,442	0.0%	8.6%	8.6%	8.6%
Annual Total	672	\$8,875,406	\$7,356,917	\$1,518,490	672	\$9,639,990	\$7,990,688	\$1,649,302	0.0%	8.6%	8.6%	8.6%
Combined Annual Total		\$8,875,406	\$7,356,917	\$1,518,490		\$9,639,990	\$7,990,688	\$1,649,302		8.6%	8.6%	8.6%
ER / EE Cost Share %			82.9%	17.1%			82.9%	17.1%				

Current % Cost Share	
EE	10.00%
EE+1	20.00%
Family	20.00%

Proposed % Cost Share	
EE	10.00%
EE+1	20.00%
Family	20.00%

With Current Cost Share %	
\$ Increase ER	\$633,771
\$ Increase EE	\$130,812

With Proposed Cost Share %	
\$ Increase ER	\$633,771
\$ Increase EE	\$130,812

Douglas County - 6/1/2018 Effective Date**2018-2019 Medical / Rx / Dental Premium Rate Sheet - Option 2 - Select Rx & \$150 Inc to Ded & OOP**

Blue Highlighted Cells Have Been Left Unlocked for Comparison Purposes

	2017-2018 Monthly Premium Rates				2018-2019 Monthly Premium Rates				% Change 2018 to 2019			
	Enroll	Total Rate	ER Rate	EE Monthly Rate	Enroll	Total Rate	ER Rate	Employee Rate	Enroll	Total Rate	Employer Rate	Employee Rate
Full Time Employees												
Employee Only	331	\$645.99	\$581.39	\$64.60	331	\$691.69	\$622.52	\$69.17	0.0%	7.1%	7.1%	7.1%
Employee + 1	166	\$1,263.50	\$1,010.80	\$252.70	166	\$1,352.88	\$1,082.31	\$270.58	0.0%	7.1%	7.1%	7.1%
Family	175	\$1,806.02	\$1,444.82	\$361.20	175	\$1,933.78	\$1,547.03	\$386.75	0.0%	7.1%	7.1%	7.1%
Total/Avg	672	\$1,100.62	\$912.32	\$188.30	672	\$1,178.48	\$976.86	\$201.63	0.0%	7.1%	7.1%	7.1%
Grand Total												
Monthly Total	672	\$739,617	\$613,076	\$126,541	672	\$791,940	\$656,448	\$135,493	0.0%	7.1%	7.1%	7.1%
Annual Total	672	\$8,875,406	\$7,356,917	\$1,518,490	672	\$9,503,283	\$7,877,370	\$1,625,913	0.0%	7.1%	7.1%	7.1%
Combined Annual Total		\$8,875,406	\$7,356,917	\$1,518,490		\$9,503,283	\$7,877,370	\$1,625,913		7.1%	7.1%	7.1%
ER / EE Cost Share %			82.9%	17.1%			82.9%	17.1%				

Current % Cost Share	
EE	10.00%
EE+1	20.00%
Family	20.00%

Proposed % Cost Share	
EE	10.00%
EE+1	20.00%
Family	20.00%

With Current Cost Share %	
\$ Increase ER	\$520,454
\$ Increase EE	\$107,423

With Proposed Cost Share %	
\$ Increase ER	\$520,454
\$ Increase EE	\$107,423

Douglas County - 6/1/2018 Effective Date

2018-2019 Medical / Rx / Dental Premium Rate Sheet - Option 3 - Select Rx & \$150 Inc to Ded & OOP & Bariatric

Blue Highlighted Cells Have Been Left Unlocked for Comparison Purposes

													Current Cost Share %	Proposed Cost Share %
2017-2018 Monthly Premium Rates					2018-2019 Monthly Premium Rates				% Change 2018 to 2019				2018-2019	2018-2019
Enroll	Total Rate	ER Rate	EE Monthly Rate		Enroll	Total Rate	ER Rate	Employee Rate	Enroll	Total Rate	Employer Rate	Employee Rate	Add'l EE \$ Per Month	Add'l EE \$ Per Month
Full Time Employees													10% 20%	10% 20%
Employee Only	331	\$645.99	\$581.39	\$64.60	331	\$697.81	\$628.03	\$69.78	0.0%	8.0%	8.0%	8.0%	\$5.18	\$5.18
Employee + 1	166	\$1,263.50	\$1,010.80	\$252.70	166	\$1,364.86	\$1,091.89	\$272.97	0.0%	8.0%	8.0%	8.0%	\$20.27	\$20.27
Family	175	\$1,806.02	\$1,444.82	\$361.20	175	\$1,950.90	\$1,560.73	\$390.18	0.0%	8.0%	8.0%	8.0%	\$28.98	\$28.98
Total/Avg	672	\$1,100.62	\$912.32	\$188.30	672	\$1,188.91	\$985.50	\$203.41	0.0%	8.0%	8.0%	8.0%		
Grand Total														
Monthly Total	672	\$739,617	\$613,076	\$126,541	672	\$798,951	\$662,259	\$136,692	0.0%	8.0%	8.0%	8.0%		
Annual Total	672	\$8,875,406	\$7,356,917	\$1,518,490	672	\$9,587,411	\$7,947,104	\$1,640,306	0.0%	8.0%	8.0%	8.0%		
Combined Annual Total	\$8,875,406 \$7,356,917 \$1,518,490				\$9,587,411 \$7,947,104 \$1,640,306				8.0% 8.0% 8.0%					
ER / EE Cost Share %	82.9% 17.1%				82.9% 17.1%									

Current % Cost Share	
EE	10.00%
EE+1	20.00%
Family	20.00%

Proposed % Cost Share	
EE	10.00%
EE+1	20.00%
Family	20.00%

With Current Cost Share %	
\$ Increase ER	\$590,188
\$ Increase EE	\$121,817

With Proposed Cost Share %	
\$ Increase ER	\$590,188
\$ Increase EE	\$121,817

Savings to Douglas County Compared to Current Cost Share %	\$0
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Douglas County - 6/1/2018 Effective Date

2018-2019 Medical / Rx / Dental Premium Rate Sheet - Option 4 - Standard Rx & \$50 Inc to Ded & OOP & Bariatric

Blue Highlighted Cells Have Been Left Unlocked for Comparison Purposes

													Current Cost Share %	Proposed Cost Share %
2017-2018 Monthly Premium Rates					2018-2019 Monthly Premium Rates				% Change 2018 to 2019				2018-2019	2018-2019
	Enroll	Total Rate	ER Rate	EE Monthly Rate	Enroll	Total Rate	ER Rate	Employee Rate	Enroll	Total Rate	Employer Rate	Employee Rate	Add'l EE \$ Per Month	Add'l EE \$ Per Month
Full Time Employees													10% 20%	10% 20%
Employee Only	331	\$645.99	\$581.39	\$64.60	331	\$707.76	\$636.99	\$70.78	0.0%	9.6%	9.6%	9.6%	\$6.18	\$6.18
Employee + 1	166	\$1,263.50	\$1,010.80	\$252.70	166	\$1,384.32	\$1,107.46	\$276.86	0.0%	9.6%	9.6%	9.6%	\$24.16	\$24.16
Family	175	\$1,806.02	\$1,444.82	\$361.20	175	\$1,978.72	\$1,582.98	\$395.74	0.0%	9.6%	9.6%	9.6%	\$34.54	\$34.54
Total/Avg	672	\$1,100.62	\$912.32	\$188.30	672	\$1,205.87	\$999.56	\$206.31	0.0%	9.6%	9.6%	9.6%		
Grand Total														
Monthly Total	672	\$739,617	\$613,076	\$126,541	672	\$810,343	\$671,702	\$138,641	0.0%	9.6%	9.6%	9.6%		
Annual Total	672	\$8,875,406	\$7,356,917	\$1,518,490	672	\$9,724,117	\$8,060,422	\$1,663,695	0.0%	9.6%	9.6%	9.6%		
Combined Annual Total		\$8,875,406	\$7,356,917	\$1,518,490		\$9,724,117	\$8,060,422	\$1,663,695		9.6%	9.6%	9.6%		
ER / EE Cost Share %			82.9%	17.1%			82.9%	17.1%						

Current % Cost Share	
EE	10.00%
EE+1	20.00%
Family	20.00%

Proposed % Cost Share	
EE	10.00%
EE+1	20.00%
Family	20.00%

With Current Cost Share %	
\$ Increase ER	\$703,505
\$ Increase EE	\$145,206

With Proposed Cost Share %	
\$ Increase ER	\$703,505
\$ Increase EE	\$145,206

Savings to Douglas County Compared to Current Cost Share %	\$0
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DOUGLAS COUNTY ADMINISTRATIVE SERVICES

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Sarah Plinsky
Assistant County Administrator

MEMORANDUM

MEMO TO: Board of County Commissioners

FROM: Sarah Plinsky, Assistant County Administrator

SUBJECT: 2018-2019 Health Insurance Update

DATE: April 14, 2018

In consultation with our Benefits consultant Willis, staff has reviewed the current year experience in preparation of setting premium equivalents for the upcoming plan year. Below is a summary of the current plan year experience.

Table 1: Claims Experience (June through February, Year to Year Comparison, Per Employee Per Month)

	Medical	Pharmaceutical	Dental	Total
2016-2017	\$652	\$245	\$43	\$1,062
2017-2018	\$729	\$224	\$43	\$1,136

Through February 2018, medical prescription drug and dental paid claims were \$1,136 per employee per month (PEPM), which is 7% higher than the February 2016 Year to Date period. The 2017-2018 plan year included several plan design changes that assisted in slowing the rate of growth in the plan. Douglas County raised deductibles and medical Out of Pocket Maximum (OOPM) by \$50, as well as changed networks from Freedom Select to Cigna. Also, included in this number are administrative costs and stop loss premiums. The total plan costs of \$1,136 PEPM is 2% higher than the budgeted accrual amount of \$1,115 PEPM.

For the current year, the plan has had 23 claimants over \$50,000 with a total of \$2,225,366 in paid claims, after a stop loss reimbursement of \$105,538. The specific stop loss deductible amount is \$175,000, with an additional aggregating stop loss amount of \$55,500. Through the same period last year, the plan had 16 large claimants over \$50,000, with a total paid claim amount of \$1,452,005, after anticipated stop loss reimbursements of \$559,350. The 2016-2017 Plan year had 16 large claim claimants, totally \$1,379,311.

This three year trend of large claims experience has impacted our Stop Loss Insurance renewal. Last plan year, Douglas County changed stop loss providers to AIG. Tokio Marine HCC has secured this line of business from AIG. The renewal quote from Tokio Marine HCC was negotiated by Willis Towers Watson, the County's broker for these services, and is an 11.84% increase. This is annual premium increase of \$76,579. Willis TowersWatson asked two other providers, but their quotes were less competitive. We were able to secure

this renewal rate. Staff proposes the Board of County Commissioners authorize this renewal as a part of the 2018-2019 Health Plan.

Based on trends and prior period claims experience, WillisTowersWatson and staff have anticipated a 10.1% increase in plan expenses for the upcoming plan year. Attachment 1 shows a graph that highlights Douglas County's PEPM trend line and shows that the quarterly medical trend chart and the rolling 18-month trend.

Staff has worked with WillisTowersWatson to prepare several premium equivalent options for the County Commission to consider. Staff also considered several plan changes to modify the impact of the increase on premiums. Attachment 2, labeled "Benefit Change Cost Analysis" shows several plan changes. The first two changes are to prescription formulary programs. These formulary programs provide rebates for using medications in the program and exclude some medications. If a member is taking a medication for a clinical reason and can provide documentation, the member can still take the excluded medication with the appropriate co-pay. Moving to the Standard Formulary would impact six plan members and six medications. Moving to the Select Formulary impacts 67 members and 23 medications. Savings to the plan for participating in a formulary program are significant, as outlined on the table.

Option 1 (Green highlight) includes the Standard formulary, a \$50 annual increase to deductibles, from \$250 for individual in network to \$300, and a \$50 increase in medical maximum OOP from \$2,050 per individual in network to \$2,100 per individual in network. Option 2 (Yellow highlight) shows the Select Formulary, a \$150 increase to deductibles and medical maximum OOP. Douglas County increased prescription drug co-pays for the last several years, so the Formulary changes are the only changes considered for the plan this year.

I consulted with employees about the options and the feedback I received from the employees present was option one, which is my recommendation as well. Staff is available to answer any questions the Commission has about the health plan recommendations.

Staff Proposed Actions:

- Modify the 2018-2019 Health Plan in accordance with staff recommendations.