To: The Honorable Chair and Members of the Unified Personnel Board

From: Holly J. Schoenherr, Director of Human Resources

Date: March 1, 2019

Subject: Benefits Advisory Committee

The purpose of this memo is to report the recommendations of the Appointing Authorities regarding the creation and function of a Benefits Advisory Committee.

Background:
Per BCC Resolution No. 18-90 adopted by the Board of County Commissioners on October 23, 2018, the Board of County Commissioners requested that the Unified Personnel Board (UPB) formally agree and accept the resolution that delegates authority to the Director of Human Resources regarding the management and implementation of employee benefit plans.

The UPB discussed this matter at its December 6, 2018 meeting and ultimately decided that no immediate action was necessary and requested further information and clarity regarding the desires of the Appointing Authorities related to the establishment of a benefits committee.

Recommendations:
The Appointing Authorities met on February 1, 2019, agreed that creating a Benefits Advisory Committee would add value in a variety of ways, and recommended the following purpose, scope, and membership of the committee.

Purpose:
• Evaluate existing benefits programs in relation to both cost/resource impact (to both employees and the employer) and quality
• Provide feedback on proposed benefits additions, deletions or changes
• Identify strategies to enhance (active and retired) employees’ understanding of program offerings
• Make summary presentations to the Appointing Authorities and other stakeholders regarding research and recommendations
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**Scope:**

- Benefits programs coming under committee review *shall* include:
  - Programs covered under the Employee Health Plan (i.e. medical plan, dental, short-term disability, wellness incentives)
  - Leave programs established within Unified Personnel Rules and Policies (i.e. annual leave, personal days, holidays, annual leave exchange)
  - Deferred compensation
  - Tuition reimbursement

- Benefits programs coming under committee review *shall not* include:
  - Programs that are legally required (i.e. Florida Retirement System, Family Medical Leave Act)
  - Training classes offered by Human Resources or other UPS departments
  - Programs implemented by individual Appointing Authorities (i.e. community service leave)

**Guiding Principles:**

It is recommended that a committee charged with evaluating health plan programs establish guiding principles to facilitate understanding and to manage competing interests of committee members. Guiding principles may include those currently followed by Human Resources as it evaluates and considers program changes:

- Programs/design shall align with the Unified Personnel Systems’ total rewards strategy and corporate values, such as recruiting and retaining top talent.
- Programs/design should promote increased employee accountability and ownership.
- Program evaluation shall include projected return on investment.
- Trustworthy research and data shall be preferred over individual interests and opinions.
- Funding impacts shall reflect responsible stewardship of public funds.
- All recommended program modifications shall be vetted through health plan consulting services (as a neutral third party) contracted by the County, as well as legal counsel, budget, and finance for cost/risk analysis.

**Committee Structure and Membership:**

To facilitate a constructive evaluation process, it is important for committee members to receive considerable training or to be already highly experienced in health plan design. Health plan program decisions involve factors and information that often require years of experience and education to understand. It is further recommended that committee members agree to the following responsibilities:

- Attend scheduled meetings prepared to fully participate in discussions.
- Follow established guiding principles.
- Represent respective constituent group by sharing meeting agendas and minutes; conduct surveys as necessary to collect employee perspectives.
• Assist Human Resources in educating the workforce regarding employee benefits and the concept of a self-insured health plan.

The Appointing Authorities recommend that the committee function as a staff committee of the Appointing Authorities instead of an advisory committee of the Board of County Commissioners. A BCC-created committee would be a Sunshine body; the Appointing Authorities are concerned that operating as a Sunshine body will present significant limitations to the committee’s ability to function and communicate. Further, BCC Resolution 18-90 only deals with benefits related to health coverage; and Appointing Authorities wish for the benefits committee to address all benefits, including those not covered under the BCC-sponsored health plans. In light of Appointing Authority agreement on these issues, County Administration is preparing to ask the BCC to amend its resolution to remove reference to the creation of a benefits committee.

The Appointing Authorities recommend the following membership for its Benefits Advisory Committee:

• One representative from each Appointing Authority
• Two members selected by the Employees’ Advisory Committee (EAC), but limited to no more than one EAC Representative due to Sunshine issues
• A retiree representative
• A representative from the Office of Management and Budget
• A representative from Clerk’s Finance
• Other members as determined collectively by Appointing Authorities

Attachment:
- Jan. 25, 2019 Memo from Senior Assistant County Attorney Carole Sanzeri
- BCC Resolution No. 18-90
In December Ken Burke raised some questions concerning the Board of County Commissioners’ (BCC) recent amendment to a Resolution delegating authority relating to the provision of benefits the Board sponsors to the Human Resources Director. In preparation for discussion at an upcoming meeting, the following responses are offered.

Request: It would be helpful to have the County Attorney educate the Appointing Authorities as to the Special Act and any duties assigned to the UPS Board as it relates to benefits.

Response: The Special Act does not specifically authorize the Unified Personnel Board (UPB) to exercise any authority over benefits. The Special Act outlines the Director of Personnel’s duties as the executive head of the Personnel Department and one of those duties is to foster and develop programs, including for “insurance” and “health.” The Special Act further provides that such programs may only be implemented upon approval of the UPB. There has never, to my knowledge, been any interpretation of that provision (or any other in the Act). To the extent that the HR Director wanted to foster and develop such a program, she would need approval of the UPB. However, the BCC has authority to enter contracts and offer health coverage (and the like) for officers and employees and their dependents pursuant to Florida Statutes, §112.08 (2)(a) which provides:

Notwithstanding any general law or special act to the contrary, every local governmental unit is authorized to provide and pay out of its available funds for all or part of the premium for life, health, accident, hospitalization, legal expense, or annuity insurance, or all or any kinds of such insurance, for the officers and employees of the local governmental unit and for health, accident, hospitalization, and legal expense insurance for the dependents of such officers and employees upon a group insurance plan and, to that end, to enter into contracts with insurance companies or professional administrators to provide such insurance or with a corporation not for profit whose membership consists
entirely of local governmental units authorized to enter into risk management consortia under this subsection.

The BCC can make legislative findings about expenditures in the best interest of the County and implement programs absent any other entity’s approval authority. In addition, it can ask (and has through the Resolution) the HR Director to administer its programs which, with her employer’s agreement, she certainly can. I think the Resolution (as it stood prior to recent amendment and as it stands now) should be seen as such request.

The law also requires that the County offer (but not necessarily subsidize) the same life, health, accident, hospitalization, or annuity insurance to retirees. See, Florida Statutes § 112.0801.

Request: The Resolution comes from one Appointing Authority. It would be further beneficial if the County Attorney can opine if each Constitutional Officer wishes to consider doing the same.

Response: The Resolution comes from the sponsor of the plans, the BCC, which is not an Appointing Authority under the UPS although it is the employer of the County Administrator and County Attorney who are Appointing Authorities. The BCC contracts with providers to make the benefits available throughout the Unified Personnel System. None of the other Appointing Authorities sponsor any benefit plans of which I am aware so there would be no reason for any of them to have a resolution about this. Of course, any of them could officially state that they are in favor of, or against, the Resolution and each has the authority to choose to participate or not.

Question: What benefits are covered by the Resolution?

Response: Ken pointed out that the Resolution adopted by the BCC deals only with health insurance and related issues but that he thought that what was discussed and agreed upon at the Appointing Authorities meeting was that a benefits committee would study all benefits.

The Resolution does only deal with benefits related to health coverage (the plans sponsored by the BCC). I have been advised that the discussion at the Appointing Authorities meeting was not a full discussion on this topic so it might be wise for the group to discuss what the Resolution is intended to do and their positions on that and, separately, what other things the group might be interested in asking Holly Schoenherr to pursue.

One option to move forward is to ask the BCC to amend the Resolution and eliminate the Benefits Advisory Committee as it was created and ask HR to create a staff committee to review specified benefits. Such a committee would have no delegation of authority from the BCC.
RESOLUTION REGARDING THE AUTHORITY OF THE HUMAN RESOURCES DIRECTOR TO ACT AS PLAN ADMINISTRATOR OF BOARD OF COUNTY COMMISSIONERS SPONSORED EMPLOYEE BENEFIT PLANS, PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in the course of administering employment related benefit plans, the Director of Human Resources must make decisions regarding the management and implementation of Employee Benefit Plans; and

WHEREAS, such decisions allow the Board of County Commissioners sponsored benefit plans to be administered consistently and within approved budgets; and

WHEREAS, the Board of County Commissioners finds that the Director of Human Resources is the most appropriate official to make such decisions; and

WHEREAS, the Board of County Commissioners desires to confirm past practice and vest authority for such duties in the Director of Human Resources; and

WHEREAS, the Board of County Commissioners wishes to establish a Benefits Advisory Committee comprised of the Appointing Authorities or their designees, 2 members selected by the Employees’ Advisory Committee (EAC), and a Retiree representative from the Retired Employees of Pinellas County (REPCO) organization; and

WHEREAS, the Benefits Advisory Committee shall be responsible for evaluating existing benefit plans and offerings on an annual basis and advising the HR Director on plan design changes; and

WHEREAS, the Director of Human Resources shall formally present proposed changes to Employee Benefit Plans to the EAC, Benefits Advisory Committee, Appointing Authorities, and the Unified Personnel Board for review and feedback prior to the annual enrollment period with sufficient time for review and feedback; and

WHEREAS, the Board of County Commissioners recognizes that the Unified Personnel Board oversees the performance of the Human Resources Department and Director, and requests that the Unified Personnel Board formally agree and accept this resolution that delegates authority to the Director of Human Resources.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners, at a duly assembled meeting held on this 23rd day of October that the Director of Human Resources be vested with authority to act as Plan Administrator on all Board of County Commissioners sponsored Employee Benefit Plans for the good of the County and, in doing so, exercise authority over the following:

- Contract administration for all third party administrator contracts;
- Implementation of programs offered through contracts, e.g. pharmacy management and consumer driven health plan options;
- Implementation and management of health and wellness incentives;
- Design of the Plans, including coverages, exclusions, co-pays, deductibles and maximums consistent with approved budgets;
- Overall management of the Plans, including claim review, unless otherwise contracted, and formal appeal authority on benefit denials;
- Implementation of changes to and overall management of retirement and other savings plans offered by the County; and
• Acting as designee of the Plan Sponsor on all HIPAA privacy and security issues; and
• Implementing any time-sensitive legally mandated changes.
• Approve and execute contracts and applications to participate in programs related to provision of benefits under existing contracts when there is no increase cost to the County or extension of the term of underlying benefit contracts approved by the Board of County Commissioners or County Administrator, including applications to participate in rebate, reimbursement and other money saving programs.
• Formal updates to appropriate stakeholders (EAC, Benefits Advisory Committee, Appointing Authorities, and the Unified Personnel Board) on proposed changes to Benefit Plans prior to annual enrollment with sufficient time for review and feedback.
• Provide the County Administrator with a quarterly report of actions taken under the delegated authority for placement on the Board of County Commissioners’ meeting agenda.

In the event that a time-sensitive legally mandated change not within the designated authority of the Plan Administrator must be implemented prior to Board of County Commissioners' approval to protect the county or comply with legal obligations, such implementation will be brought to the BCC for ratification at the next available BCC meeting.

All other plan design changes or amendments, including those governing law requires the Plan Sponsor or governing body to approve, shall be approved by the Board of County Commissioners.

The discretion and delegation provided to the Director of Human Resources pursuant to this Resolution does not include authority to approve comprehensive, structural or other substantive changes to the Employee Benefit Plans without consultation with the EAC, Benefits Advisory Committee, Appointing Authorities, and the Unified Personnel Board.

EFFECTIVE DATE: This Resolution shall become effective January 1, 2019.

AYES: Welch, Seel, Beyrouti, Eggers, Gerard, Justice, and Long.

NAYS: None.

ABSENT AND NOT VOTING: None.