

September 3, 2024

Briefing Meeting:

Prior to the Regular Meeting, the Commission will hold a Briefing starting at 3:00 p.m. in the First Floor Conference Room, located at 200 College Street in Downtown Asheville.

The Commission does not vote at the Briefing and there is not public comment.

September 3 Briefing Materials:

[Agenda](#)

1. [Continuum of Care Shelter Recommendation](#)
2. [Sale of Surplus Real Property](#)
3. [Enka Recreation](#)

Regular Meeting:

Commission Meetings are held in the First Floor Conference Room, located at 200 College Street in Downtown Asheville.

Public Comment is taken at the beginning of the meeting.

Call To Order

[▲top](#)

Discussion / Adjustment / Approval To Follow Agenda

[▲top](#)

Consent Agenda [▲top](#)

1. [Approval of the August 20, 2024 Regular meeting minutes](#)
2. [Approval of the July 2024 Tax Collection Report](#)

Public Comment

[▲top](#)

Good News

[▲top](#)

Presentations [▲top](#)

Public Hearings

[▲top](#)

County Manager's Report

[▲top](#)

Old Business [▲top](#)

1. [Adoption of the Schedule of Values for 2025 Reappraisal](#)
 - [Schedule of Values](#)
 - [Resolution](#)
 - [More Information](#)

New Business [▲top](#)

1. [Budget Amendment to approve appropriation of Medicaid Hold Harmless funds and approval of reallocation of ARPA funds for Broadband Match](#)
 - [Budget Amendment](#)
 - [More Information](#)
2. [Health Insurance Benefit Update and proposed changes](#)
 - [More Information](#)
 - [Appendix](#)

Board Appointments [▲top](#)

September 3, 2024 - [Applicant Information](#)

- **Economic Development Commission** - 1 appointment (REQUIREMENT: Executive Seat / Priority Experience: Advanced Manufacturing)
- **Land Conservation Advisory Board** - 1 appointment
- **Juvenile Crime Prevention Council** - 1 appointment; 1 transfer to different position
- **Tourism Development Authority** - 1 appointment (REQUIREMENT: owner or operator of a hotel, motel, bed and breakfast, with 100 or fewer rental units)

Announcements [▲top](#)

- The next Briefing and Regular meeting will be held on **September 17, 2024**.

Closed Session / Open Session

[▲top](#)

Adjournment

[▲top](#)

Buncombe County Government
Commissioner Briefing
September 3rd, 2024
3 pm
200 College Street, 1st floor

- | | | | |
|------|---|---------|-----------------|
| I. | Meeting called to order | | Chairman Newman |
| II. | Review the Board's September 3 rd agenda | | Chairman Newman |
| III. | Staff updates | | |
| | a) Continuum of Care Shelter Recommendation | 15 mins | Lacy Hoyle |
| | b) Sale of Surplus Real Property | 10 mins | Michael Frue |
| | c) Enka Recreation – Design Contract and Grant Approval | 20 mins | Thomas Gull |
| IV. | Open Discussion | All | |

**MINUTES OF THE BUNCOMBE COUNTY BOARD OF COMMISSIONERS'
SPECIALLY CALLED MEETING OF AUGUST 20, 2024, AT 12:00 Noon**

BE IT REMEMBERED: That the Board of Commissioners met in regular session on August 20, 2024, in the first-floor conference room at 200 College Street in downtown Asheville, North Carolina at 12:00 noon to interview the following candidates for the Short Term Rental Ad Hoc Committee: where and when the following business was transacted.

Present: Chairman Brownie Newman; Vice-Chair Parker Sloan; Commissioner Terri Wells, Commissioner Al Whitesides; Commissioner Amanda Edwards; Commissioner Martin Moore

Absent: Commissioner Jasmine Beach-Ferrara

The Board held 10 minute interviews with the following fifteen applicants for the newly established Short Term Rental Ad Hoc Committee: Matt Allen; Chip Craig; Chris Joyell; M.E. Gray; Matt Lutz; Angelica Cote; Andrea Golden; Kit Molina-Nauert; Jay Gerlach; Kenneth Fischer; Candice Matelski- Brad; and Prabhu Kannan.

**MINUTES OF THE BUNCOMBE COUNTY BOARD OF COMMISSIONERS'
REGULAR MEETING OF AUGUST 20, 2024, AT 5:00 p.m.**

BE IT REMEMBERED: That the Board of Commissioners met in regular session on August 20, 2024, in the first-floor conference room at 200 College Street in downtown Asheville, North Carolina at 5:00 p.m. where and when the following business was transacted.

Present: Chairman Brownie Newman; Vice-Chair Parker Sloan; Commissioner Terri Wells, Commissioner Al Whitesides; Commissioner Amanda Edwards; Commissioner Martin Moore.

Absent: Commissioner Jasmine Beach-Ferrara

The Chairman called the meeting to order at 5:08 p.m. and provided opening statements.

CONSENT AGENDA

Commissioner Moore moved to approve the Consent agenda as presented, Commissioner Edwards seconded the motion, and it was carried unanimously.

1. Approval of the August 6, 2024 combined Briefing and Regular meeting minutes
2. Resolution approving pyrotechnics experts for conducting fireworks display at the Biltmore Estate on September 7, 2024
 - Resolution
3. Budget Amendments for compost facility needs
 - Stormwater Ditch Establishment Budget Amendment

- Compost Facility Budget Amendment
- 4. Memo to inform Board of reclassification of expenditures according to the Government Accounting Standards (GASB) previously approved on June 18, 2024

PUBLIC COMMENT

Phylliss spoke about World Peace Month which is in September.

GOOD NEWS

Buncombe County HHS Economic Services Team won the NC Association of County Commissioners Excellence in Innovation Award

Heather Ramsey with the Economic Services Team accepted the award and told the board about the program. The Buncombe County HHS Economic Services Training Team won an award from NCACC for their cross county collaboration in helping develop a website for NC counties to use in the training of their Economic Services staff. This site keeps all training materials, videos and resources in one place and allows other counties to access these materials. 70% of NC Counties have utilized this tool.

PRESENTATIONS

1. August 1-7th Proclaimed as World Breastfeeding Week

Commissioner Sloan read the Proclamation to Khadiya Ross with HHS and Natasha Bowden with LATCH AVL. Natasha Bowen thanked the Commissioners for support of the Coalition.

2. August 26-30 Proclaimed as SMART Week

Commissioner Edwards read the Proclamation declaring SMART week. Karen Gardens thanked the Commissioner and spoke about the partnerships SMART week has made.

3. Tourism Development Authority Board Update

Vic Isley, President of Explore Asheville gave an update on behalf of the Buncombe County Tourism Development Authority Board (BCTDA). She reported that visitor spending in Buncombe is 35x greater than 1983 and that visitor spending accounts for nearly \$3 billion in benefits to local and independent businesses. Additionally, she noted that \$265 million is generated in state and local tax revenues by the visitor economy. The BCTDA has invested \$96 million in 51 community projects in Buncombe County.

PUBLIC HEARING

Public Hearing to consider the Schedule of Values for the 2025 revaluation

Keith Miller provided a brief background to the Schedule of Values for the upcoming 2025 revaluation. Chair Newman opened the Public Hearing at 5:35. There were no speakers and the hearing closed at 5:35 p.m.

NEW BUSINESS

Adoption of a Resolution and a Budget Amendment to accept the Community Development Block Grant Recovery Housing Program grant to support Asheville Buncombe Community Christian Ministries in expanding Transformation Village

Victoria Reichard, Behavioral Health Manager presented background information. In March and April of 2024, two public hearings were held to gain input on the application for the CDBG Recovery Housing Program (RHP) and to receive board approval to submit an application. The CDBG RHP is administered by the North Carolina Department of Commerce's Rural Economic Development Division (REDD) as it was awarded to the State by the US Department of Housing and Urban Development (HUD) and is being treated as a Community Development Block Grant (CDBG). The application was submitted for \$1,000,000 to support Asheville Buncombe Community Christian Ministries (ABCCM) in expanding Transformation Village by constructing a 4 story, 64-unit building with 32-units dedicated to women and mothers with children in recovery from substance use. She explained that the RHP-funded units must be rented to households with income below 80% or less of Area Median Income and must meet RHP affordability requirements for a period of not less than 20 years. Additionally, she noted that the application included Land of Sky as the entity that would administer this grant. REDD has awarded Buncombe County with the \$1,000,000 grant to use the funds for the above stated purpose. Commissioner Wells made the motion to approve the resolution accepting CDBG Recovery Housing Program Grant and the associated documents. Commissioner Whitesides seconded the motion and it was carried unanimously.

Resolution to apply for DWI Task Force Funding from the NC Governor's Highway Safety Program

Lynn Smith from the Sheriff's office explained the Buncombe County Sheriff's Office (BCSO) request for FY25 DWI Task Force Funding from NC Governor's Highway Safety Program, which was approved. She explained that this is year 5 of BCSO receiving the funding for DWI Task Force existing positions, with increasing county match each year. The DWI Task Force Grant provides \$75,082 of funding, (25% of eligible salaries and benefits). The county match for Year 5 is \$225,247, (75% of eligible salaries and benefits). The required county match has been budgeted for FY25. The Sheriff's Office may continue to apply for the funding which is to remain at 25%. She explained that the Resolution and Agreement of Conditions are the first of two steps in this grant award process. Commissioner Wells inquired about the funding percentage and program. Staff explained that the funding has been set aside for the match. Commissioner Wells made the motion to approve. Commissioner Edwards seconded the motion and it was carried unanimously.

Budget Amendment and approval of contract for the 200 College Street Renovation project

John Hudson, Budget Director explained that this action is to consolidate the \$2,458,869 budget of the FY22 Administration Building Envelope Repair into the FY24 200 College St. Renovation project, which would increase the FY24 200 College St. Renovation project budget to \$4,958,869. He informed the Board that no new County funding is required. The consolidation would allow for funding of additional costs related to the exterior remediation of the 200 College St. building to prevent water and air infiltration. This exterior remediation work includes removal of existing exterior finishes, repair, replacement, and installation of waterproofing and insulating materials, as well as installation of exterior finishes. Stone Restoration was the lowest of the two bidders present on that date with a bid of \$3,080,000. After negotiations, a final price of \$2,959,000 was agreed upon, which includes \$269,000 in contingency to cover any unforeseen conditions that exist. The budget amendment to consolidate budget in the FY24 200 College St. Renovation project will allow for funding the contract and bring the project under budget. Commissioner Whitesides made the motion to approve the budget amendment as presented. Commissioner Edwards seconded the motion and it was carried unanimously.

BOARD APPOINTMENTS

- The Board directed the Clerk's Office to schedule interviews for the three applicants to the **Tourism Development Authority** on Tuesday, September 3 at 2:30 p.m.
- Commissioner Moore moved to reappoint Taylor Cox, Suzanne Booth and Greg Zornes to the **Home & Community Care Block Grant Advisory Committee**. Commissioner Wells seconded the motion and it was carried unanimously.
- Commissioner Edwards moved to reappoint Kasee Metcalf, Martha Salyers, Greg Narron, Elizabeth Lima and Amy Lenell to the **Health & Human Services Board**. The motion was seconded by Commissioner Wells and carried unanimously.
- Chairman Newman explained that the Board held 15 interviews for the **Short-Term Rental Ad Hoc Committee** earlier in the day. He noted that there were a lot of excellent candidates who put a lot of time and detail into their application. Chairman Newman made the motion to appoint the following candidates and that two Commissioner's would serve as active, but non-voting members, Chairman Newman and Commissioner Sloan. Commissioner Whitesides seconded the motion and it was carried unanimously to appoint:
 1. Matt Lutz - real estate
 2. Chris Joyell - housing
 3. M.E. Gray - real estate
 4. Angelica Cote - ancillary business
 5. Andrea Golden - housing
 6. Kit Molina-Nauert - STR owner/operator
 7. Jay Gerlach - real estate
 8. Matt Allen - real estate
 9. Candice Matelski- Brady - at large
 10. Kenneth Kahn - Planning Board member
 11. Nancy Waldrop - Planning Board member



Jennifer Pike
Tax Collector

Consent Agenda 9/3/2024

Department: Tax Collections

Presenter: Jennifer Pike

Contact: Jennifer Pike

Subject: Approval of July 2024 Tax Collection Report

Brief Summary:

NCGS 105-350 requires the Tax Collector to submit a report showing the amount of taxes collected.

In the month of July, the collection focus remains on the preceeding tax year. Initial billing for fiscal year 2025 occurred July 27th, a second billing including Public Utilities is currently scheduled to occur late September or early October.

As of July 31, 2024, the total levy billed for fiscal year 2025 is 1.36% collected, as compared to 1.24% for fiscal year 2024, as of the end of July.

Below is Buncombe County year to date reporting for fiscal year 2025, as of July 31, 2024.

Current Year Collections

Fiscal Year 2024	Personal Property	Public Service	Real Estate	Motor Vehicles	Total
Total Levy	\$ 16,230,008.63	\$ -	\$ 234,608,676.03	\$ 1,695,802.31	\$ 252,534,486.97
Amount Collected	\$ 164,836.16	\$ -	\$ 1,574,985.96	\$ 1,689,509.35	\$ 3,429,331.47
Unpaid Balance	\$ 16,065,172.47	\$ -	\$ 233,033,690.07	\$ 6,292.96	\$ 249,105,155.50
Interest Collected	\$ -	\$ -	\$ 21,231.12	\$ 12,328.70	\$ 33,559.82
FY25 Collection %	1.02%	0.00%	0.67%	99.63%	1.36%
FY24 Collection %	0.71%	0.00%	0.66%	99.67%	1.24%

Total fiscal year 2025 year to date collections, property tax and interest **\$ 3,462,891.29**

Prior Year Collections

Prior Years 2015-2024	Personal Property	Real Estate	Total
Amount Collected	\$ 14,540.84	\$ 48,531.46	\$ 63,072.30
Interest Collected	\$ 1,772.95	\$ 3,346.42	\$ 5,119.37

Total prior year collections, fiscal year to date **\$ 68,191.67**

***Total property tax released July 2024 due to taxable value adjustments** **\$ 9,834.04**

***Total refunds processed July 2024** **\$ 18,885.37**

***Detailed information for releases and refunds is available in Tax Collections.**

Recommended Action: Approve collection report on consent agenda.

County Manager's Comments & Recommendation: Approve as recommended



Buncombe County Board of Commissioners

Request for Board Action

Meeting Date: 9/3/2024

New Business

Department: Tax

Presenter(s): Keith Miller

Contact(s): Keith Miller

Subject: 2025 Reappraisal Schedule of Values

Brief Summary:

NCGS 105-317(C)(3) requires the Board of Commissioners final approval of the Schedules, Standards, and Rules (Schedule of Values). The Board of Commissioners shall issue an order adopting the Schedule of Values. Notice of the order shall be advertised once a week for four successive weeks.

Legal Notice:

Pursuant to N.C. Gen. Stat. § 105-317(c)(3), that the schedules, standards, and rules to be used in the next scheduled reappraisal of real property in Buncombe County have been adopted by the Buncombe County Board of Commissioners and are open to examination in the Office of the Assessor at 155 Hilliard Avenue, Asheville, NC 28801. Any property owner who asserts that the schedules, standards, and rules are invalid may except to the order and appeal therefrom to the Property Tax Commission within 30 days of the date when the notice of the order adopting the schedules, standards, and rules was first published. The notice of the order adopting the schedules, standards and rules was first published on September 4, 2024.

Recommended Motion & Requested Action:

- Motion to adopt the Schedule of Values for the 2021 Reappraisal.
- Direct staff to publish legal notice of final approval of the Schedule of Values

County Manager's comments and Recommendation:

RESOLUTION NO. 24-09-01

RESOLUTION ADOPTING THE SCHEDULE OF VALUES FOR 2025 TAX REAPPRAISAL.

- WHEREAS, pursuant to N.C. Gen. Stat. § 105-317, the County is required to adopt a uniform schedule of values standards and rules use in appraising real property at its true value and at its present-use value are prepared and sufficiently detailed to enable those making appraisals to adhere to them in appraising real property; and
- WHEREAS, on August 6, 2024, the Tax Assessor submitted the Schedule of Values to the Board of Commissioners for adoption and the Board set a public hearing on the Schedule of Values on August 20, 2024
- WHEREAS on August 20, 2024, the Board of Commissioners held a public hearing regarding the adoption of the Schedule of Values as presented by the Tax Assessor; and
- WHEREAS, after reviewing the Schedule of Values and receiving feedback from the public hearing, it is the option of the Board of Commissioner that it should issue a resolution adopting the Schedule of Values as presented.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS FOR THE COUNTY OF BUNCOMBE AS FOLLOWS:

1. That the Board of Commissioners hereby approves the Schedule of Values and issues this resolution as the order adopting the Schedule of Values for use in the 2025 Reappraisal.
2. That the Clerk to the Board is ordered to post a notice of this Resolution in a newspaper of general circulation once a week for four (4) consecutive weeks stating that the last day for a person to appeal the Schedule of Values with the North Carolina Property Tax Commission is October 3, 2024.
3. That this Resolution shall be effective upon its adoption.

Adopted this 3rd day of September 2024

ATTEST



Sarah Gross, Clerk to the Board

**BOARD OF COMMISSIONERS FOR THE
COUNTY OF BUNCOMBE**

BY: 

Brownie Newman, Chairman

APPROVED AS TO FORM



County Attorney



Reappraisal 2025

Presented by

R. Keith Miller

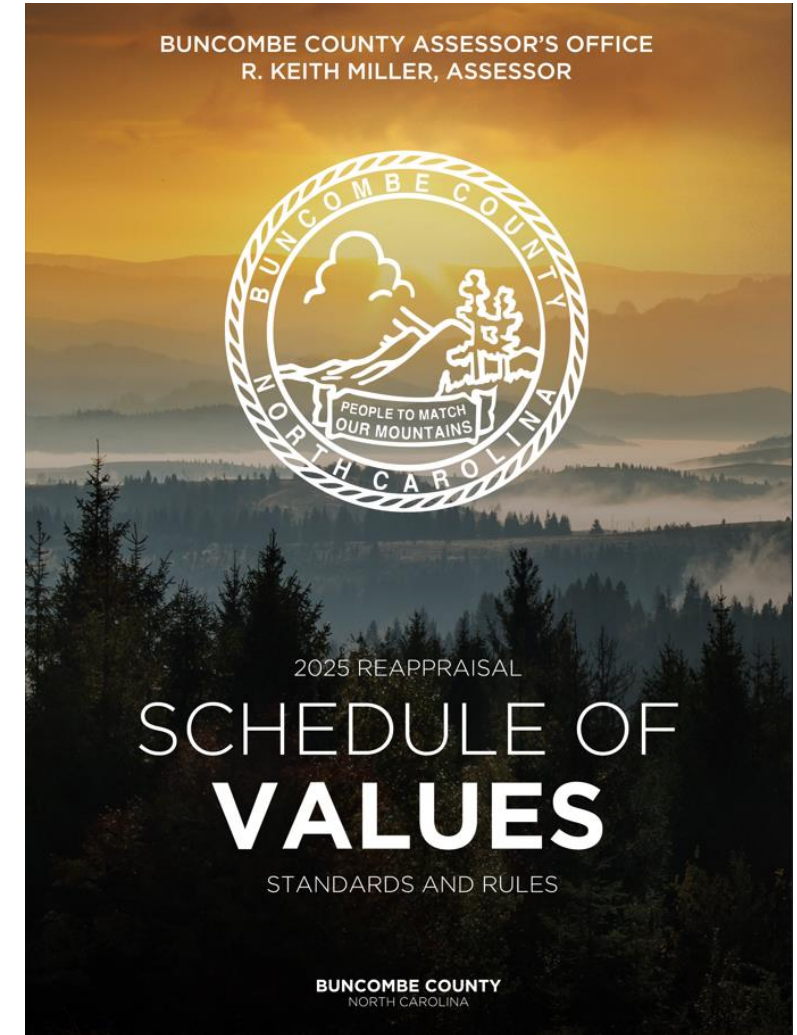
Tax Assessor



2025 Reappraisal Schedule of Values

September 3, 2024

In any general reappraisal it is the duty of the assessor to prepare the uniform schedule of values to be used for the reappraisal of all real property at its true value.



2025 Reappraisal Schedule of Values



NCGS 105-317 outlines the process the assessor must adhere to for adoption of the Schedule of Values



2025 Reappraisal Schedule of Values

September 3, 2024

August 6, 2024 - NCGS 105-317 (C) (2) (a) (b)

- Formally present to Board of Commissioners
- Request Board of Commissioner approve the advertisement of the public hearing and set the date of the public hearing.
- Request the clerk advertise public hearing Per NCGS 105-317 (2)

August 20, 2024 - Public hearing per NCGS 105-317 (2)

September 3, 2024 - NCGS 105-317(3)

- **Request Board of Commissioners adopt the Schedule of values**
- **Request the clerk advertise one day per week for four weeks (September 4, 11, 28, 25). This four-week period is for public review and appeal.**

October 2, 2024 - Appeal period ends, and Schedule of Values become final 105-317 (3) (b)



What's Next For Property Owners?

2025 Reappraisal Schedule

- September 2024 – BOC adopts SOV
- September-December - 2025 Values are being estimated
- January 1, 2025—Reappraisal effective
- January 1, 2025—Appeal period begins
- February 2025—Value Notices in the Mail
- April 2025—Board of E&R convenes
- April 2025—Board of E&R adjourns
- April 2025—Appeal period ends
- August 2025—Create 2025 Tax Bills
- September 2025—Taxes due





Buncombe County Board of Commissioners

Request for Board Action

Meeting Date: September 3, 2024

New Business

Department:

Budget

Presenter(s):

John Hudson, Budget Director

Contact(s):

John Hudson, Budget Director

Subject:

Broadband Match

Brief Summary:

Buncombe County participated in the State's Completing Access to Broadband (CAB) program. As part of this process, the State has awarded a broadband infrastructure project to Bellsouth Telecommunications for fiber expansion and Buncombe County is required to provide a financial match based on statutory guidance. Unfortunately, additional funds are required above the ARPA allocation due to the State's reconfiguration of funds. Staff have identified two sources to resolve the shortage: (1) Reallocation of ARPA funds and (2) Medicaid Hold-Harmless Funds.

(1) Reallocation of ARPA Funds

In 2021, Buncombe County was awarded \$50,733,290 in Coronavirus State and Local Fiscal Recovery Funds via the American Rescue Plan Act (ARPA) to invest toward recovery from COVID-19 and its negative economic impacts. These funds were awarded on a rolling basis to projects by Commissioners as selected via multiple Request for Proposals (RFP) processes.

Project	Decrease	Increase	Rationale
Renewable Energy for Volunteer Fire Districts	\$298,391.00		Project objectives are able to be met for the 10 sites that are eligible after a structural assessment was conducted. The costs for those 10 have come in under budget.
Broadband Infrastructure Expansion		\$298,391.00	Buncombe County is required to provide a financial match based on statutory guidance. Additional funds are required above the current ARPA allocation due to the State's reconfiguration of funds.

(2) Medicaid Hold-Harmless Funds

Buncombe County has received Medicaid hold-harmless funds from the State, which are unrestricted funds and reflect previously county-owned sales tax proceeds increasing above state Medicaid expenses. \$411,408 is needed to cover the remaining shortage of funds.

Recommended Motion & Requested Action:

- 1) Approve reallocation of ARPA funds for Broadband Match
- 2) Approve budget amendment for Broadband Match
- 3) Authorize County Manager to execute NCDIT CAB MOU for Buncombe-Bellsouth project

County Manager's Comments & Recommendation:

County Manager recommends as presented

ORDINANCE # 24-09-02



BUNCOMBE COUNTY, NORTH CAROLINA

General Fund

BOARD MEETING DATE: September 3, 2024

WHEREAS, the Budget Director recommends and the Board now desires to amend the FY2023-2024 General Fund as outlined below in Exhibit "A" to the budget,

NOW THEREFORE,

BE IT ORDAINED by the Board of Commissioners for the County of Buncombe as follows:

1. That the FY2024-2025 amendments listed in Exhibit A below be hereby adopted.
2. That this ordinance shall be effective upon adoption.

ADOPTED this 3rd day of September, 2024

Requesting Department: Economic Development

Budget Amendment Item: Broadband Match

Description:

Buncombe County participated in the State's Completing Access to Broadband (CAB) program. As part of this process, the State has awarded a broadband infrastructure project to Bell South Communications for fiber expansion and Buncombe County is required to provide a financial match based on statutory guidance. To complete the project, additional funds are required above the ARPA allocation due to State reconfiguration of funds. Buncombe County has received Medicaid hold-harmless funds from the State, which reflects previously county-owned sales tax proceeds increasing above state Medicaid expenses, that can be appropriated for this purpose.

Funding Source: Medicaid Hold-Harmless Distribution Payment

Exhibit A: Account Description	Increase (Decrease)	
	Revenues	Expenditures
Intergovernmental Economic & Physical Development	\$ 411,408	\$ 411,408
TOTAL	\$ 411,408	\$ 411,408

ATTEST:

Clerk to the Board

**BOARD OF COMMISSIONERS FOR
THE COUNTY OF BUNCOMBE:**

By:

Chairman of the Board

Completing Access to Broadband (CAB) Update

Presentation to the Buncombe County Board of Commissioners

September 3rd, 2024



Overview and Request

Overview

- County participated in an initial round of CAB funding this Spring
 - Received 5 proposals from 3 providers
 - Reviewed by NCDIT and Buncombe County Representatives
- Announced award of Bellsouth Telecommunications project – July 2024
 - Matching requirement

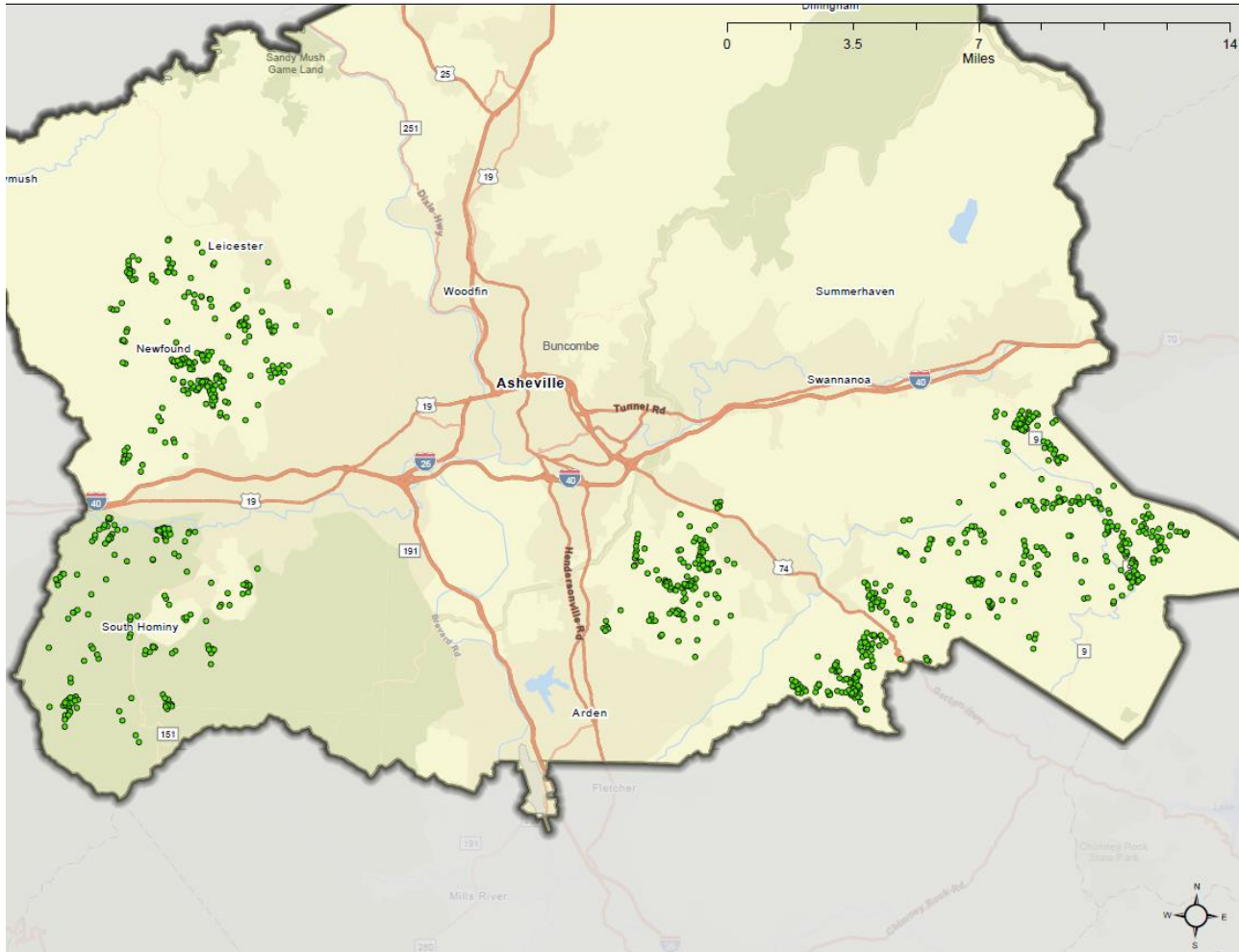
Request

- Approve Reallocation of ARPA funds for Broadband Match
- Approve Budget Amendment for Broadband Match
- Authorize County Manager to execute NCDIT CAB MOU for Buncombe-Bellsouth Project



CAB Award Service Area

BUNCOMBE COUNTY CAB AWARD



Project Details:

- Bring high-speed internet access to **967 locations**
 - **40%** of county's 2,394 eligible locations
- Areas Impacted: **Broad River, Upper Hominy, and Fairview**



Bellsouth CAB Project Budget

County Match	\$3,605,513.80
NCDIT Contribution	\$3,605,513.80
Provider Contribution	\$3,090,440.40
Total	\$10,301,468.00



Buncombe County CAB Match

Total Broadband Project Budget	\$3,500,000
Obligated/spent so far	\$604,284.32
Amount available	\$2,895,715.68
Amount needed for CAB	\$3,605,513.80
Amount available	\$2,895,715.68
ARPA Reallocation*	\$298,391.00
Shortage	\$411,407.12

*Reallocation of ARPA funds from Renewable Energy for Fire Districts program.



Offsetting Revenue Budget

- The source of the remaining \$411,407.12 will be from Medicaid Hold-Harmless Funds
- Previously Article 44 Sales Tax > State Medicaid Expenses
 - Preliminary calculation is estimated in the Spring ~\$212K
 - Reconciliations are completed in the Fall ~\$411K
- Unrestricted Dollars



Requested Action

Request

- Approve Reallocation of ARPA funds for Broadband Match
- Approve Budget Amendment for Broadband Match
- Authorize County Manager to execute NCDIT CAB MOU for Buncombe-Bellsouth Project

Next Steps

- Execute CAB MOU for Bellsouth Project
- Complete Stop Gap County participation form
- Continue public awareness on CAB implementation



Questions



Appendix

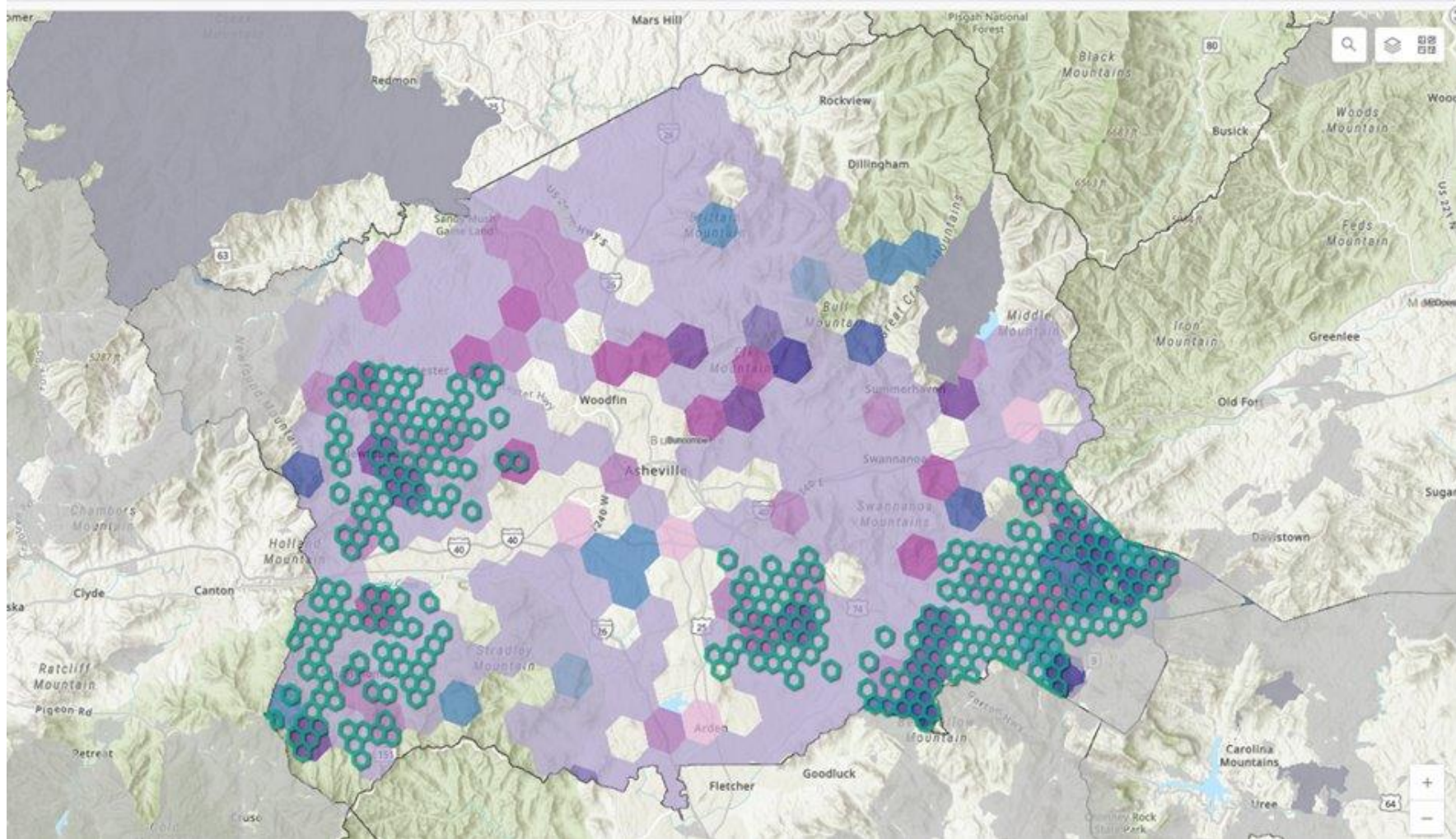


Statutory Requirements

- S.L. 2011-163: Authorized counties to provide grants to providers for the purpose of expanding service in unserved areas.
- The act specifically states that the County cannot provide High Speed Internet Service. Only applicable to Nash County.
- In 2012, the General Assembly expanded SL 2011-163 to all Counties with some additional requirements regarding the awarding of the grant.
- The prohibition of Counties not becoming an internet provider remained.
- Effective January 1, 2021, this session law becomes codified as N.C. Gen. Stat. 153A-459.



Buncombe CAB Priority Areas





Buncombe County Board of Commissioners

Request for Board Action

Meeting Date: 09/03/2024

New Business

Department: Human Resources

Presenter(s): Larry Reece,
Senior Vice President, USI
Insurance Services

Contact(s): Laura Calloway

Subject: Healthcare Update and Proposed Changes for CY 2025

Brief Summary: Our benefit consultant, Larry Reece, will provide information about how our health plan is doing so far for calendar year 2024, review the forecasted costs for calendar year 2025 and recommend plan program cost and design changes for Board approval to be effective in 2025.

Recommended Motion & Requested Action: Approve all changes as recommended.

County Manager's comments and Recommendations: Approve as presented.



Calendar Year 2025 Benefit Review

Presented by

Larry Recce, Senior Vice President

Roberta Ferdinand, Senior Account Executive

USI Insurance Services



AGENDA

- How is our Health Plan doing so far for calendar year 2024?
- Calendar year 2025 forecast.
- Recommended plan programs design for calendar year 2025.
- Dental and Vision Renewals



YEAR TO DATE CY24 FINANCIALS: September 3, 2024

- January through July 2024 medical and RX claims cost are higher than forecast by 4.6%. Net Claims of \$21.7 M vs. Forecast of \$20.7 M
- 17 claimants have paid healthcare expenses over \$125,000. (12 employees / 4 spouses/ 1 child)
- Of the 17 large claimants: 9 are enrolled in Standard Plan, 5 in Buy-up plan, 3 in the Core plan
- Four members exceeded the \$250K Stop Loss amount.



YTD CY24 PROGRAM PERFORMANCE: September 3, 2024

Savings through Blue Cross Blue Shield partnership

- BCBSNC discounts are averaging 53.4% of charges, saving \$27.3M over the last 12 months.
- Member Health Engagement rate is 18% an increase from CY23, but below the BCBS BOB.
- Generic substitution rate utilization is 98.8% which was at BCBSNC BOB.
- Medication Possession Rates (are people taking their medication) is around the norm in all categories.
- Net Results Formulary has saved \$274,000 in CY23.
- Copay Maximization Program has saved \$205,485 in CY23. This program was sunset on 12/31/23. The Flex Access program was rolled out in it's place estimated savings are \$145,695
- Drug Rebates year to date \$1.3M



UPDATED HEALTH PLAN CY 2025 FORECAST:

September 3, 2024

RECOMMENDED CHANGE FOR 2025 for the Medical and RX programs:

CY25 Forecasted cost is \$37.9M (\$35M County, \$2.9M ees)

- Increase of \$1.4M to the County.
- Increases to employee contributions based on plan selection
- Changes to the medical/ Rx plan design outlined on the next slide

As proposed last year, County will fund ½ the deductible amount into a Health Savings Account if enrolled in the HDHP.



2024 vs 2025 Plan Comparison

	2024				2025 Proposed			
	Standard	Buy-Up	Core	HDHP	Standard	Buy-Up	Core	HDHP*
Deductible								
Individual	\$600	\$600	\$750	\$1,600	\$600	\$600	\$750	\$1,650
Family	\$1,200	\$1,200	\$1,500	\$3,200	\$1,200	\$1,200	\$1,500	\$3,300
Out-of-Pocket								
Individual	\$1,600	\$2,000	\$2,650	\$4,600	\$1,600	\$2,000	\$2,650	\$4,650
Family	\$3,200	\$4,000	\$5,300	\$9,200	\$3,200	\$4,000	\$5,300	\$9,300
Coinsurance								
In Network	10%	20%	30%	30%	15%	20%	30%	30%

* Increase required per IRS regulations



2025 Prescription Plan Changes

The plan will no longer cover GLP-1 and GIP-GLP1 agonist medications for the purpose of weight loss effective 1/1/25.

These medications will still be covered for those members managing diabetes

Several factors were considered when making this decision:

- Over the most recent 12 months, the County Spent over \$495,000 on these prescription drugs
- 1 of 3 people stop using GLP-1s for weight loss due to side effects
- Research on the long term effectiveness of this class of drugs for weight loss is limited at this time
- Patients seem to regain weight after stopping these medications

Please note that the County's Health Plan does cover other weight loss medications including:

- Phentermine, Qsymia, Benzphetamine, Diethylprop, Lomaira, Contrave, Zenical



2025 Bi-Weekly Employee Premiums

September 3, 2024

Wellness

Plan	Buy-Up			Core			HDHP			Standard		
	2024	2025	Difference	2024	2025	Difference	2024	2025	Difference	2024	2025	Difference
Employee	\$37.31	\$41.04	\$3.73	\$21.32	\$23.45	\$2.13	\$11.00	\$11.00	\$0.00	\$26.65	\$30.24	\$3.60
Employee + Spouse	\$90.61	\$99.67	\$9.06	\$53.30	\$58.63	\$5.33	\$53.30	\$53.30	\$0.00	\$69.29	\$78.65	\$9.36
Employee + Child	\$85.25	\$93.81	\$8.53	\$42.64	\$49.91	\$4.26	\$42.64	\$42.64	\$0.00	\$42.64	\$48.40	\$5.76
Employee + Children	\$102.27	\$111.40	\$10.13	\$69.29	\$76.22	\$6.93	\$69.29	\$69.29	\$0.00	\$74.62	\$84.70	\$10.08
Family	\$102.27	\$111.40	\$10.13	\$69.29	\$76.22	\$6.93	\$69.29	\$69.29	\$0.00	\$74.62	\$84.70	\$10.08



2025 Bi-Weekly Employee Premiums

September 3, 2024

Non - Wellness

Plan	Buy-Up			Core			HDHP			Standard		
	2024	2025	Difference	2024	2025	Difference	2024	2025	Difference	2024	2025	Difference
Employee	\$74.62	\$102.60	\$27.98	\$42.64	\$58.63	\$15.99	\$42.64	\$42.64	\$0.00	\$53.30	\$73.29	\$19.99
Employee + Spouse	\$181.22	\$249.18	\$67.96	\$106.62	\$146.60	\$39.98	\$106.60	\$106.60	\$0.00	\$138.58	\$190.55	\$51.97
Employee + Child	\$170.56	\$234.52	\$63.96	\$85.28	\$117.26	\$31.98	\$85.28	\$85.28	\$0.00	\$85.28	\$117.26	\$31.98
Employee + Children	\$202.54	\$278.50	\$75.96	\$138.58	\$190.55	\$51.97	\$138.58	\$138.58	\$0.00	\$149.24	\$205.20	\$55.97
Family	\$202.54	\$278.50	\$75.96	\$138.58	\$190.55	\$51.97	\$138.58	\$138.58	\$0.00	\$149.24	\$205.20	\$55.97



Dental - 2025

- Our fully funded dental coverage with Delta Dental will see an 6% increase in premium costs, with a guarantee that premiums will not increase more than 9% for 2026.

Biweekly rate	2024		2025	
	CORE	BUY UP	CORE	BUY UP
Employee Only	\$18.19	\$23.83	\$19.28	\$25.26
Employee / 1 Child	\$32.66	\$42.79	\$34.62	\$45.36
Employee / Children	\$51.69	\$67.70	\$54.79	\$71.76
Employee / Spouse	\$34.49	\$45.18	\$36.56	\$47.89
Family	\$60.57	\$79.33	\$64.20	\$84.09



Vision - 2025

The vision plan with MetLife (formerly Superior Vision) was up for renewal. A marketing was conducted and the county is proposing a transition to Ameritas/VSP. Below are the monthly premiums:

There are no significant plan design changes for the vision plan with this transition.

	Current	Proposed
	Superior Vision	Ameritas/VSP+ affiliates
Plan Type	Traditional	Traditional
Employee Only	\$8.92	\$8.48
Employee / Spouse	\$16.95	\$16.12
Employee / Children	\$17.84	\$16.96
Family	\$26.23	\$24.96



Upcoming Events

OCTOBER

Annual Health Risk Assessment:

- Accepting forms from Primary Care Providers July 1 – October 31, 2024
- Free onsite clinics the week of October 1 – 2, 2023 and again October 15 – 19, 2024

NOVEMBER

Benefits Open Enrollment

- November 1 – 15, 2024
- Benefit elections / changes will be effective January 1, 2025



GLP-1 STRATEGIC CONSIDERATIONS *for 2025 and beyond*

Buncombe County



THE USI  ONE ADVANTAGE®
www.usi.com

Larry Reece: Senior Benefits Consultant

Roberta Ferdinand: Senior Account Executive

Samantha Yocke: Population Health Management Consultant

Fredrick N. Manasseh, PHARM.D, RPH, MBA, BCGP – SVP, Pharmaceutical Strategies

GLP-1's: Strategic Considerations

Common Perception

GLP-1 Medications have drastically increased the pharmacy spend due to rampantly escalating utilization.

The presumptions that influence this national dialog are as follows:

1. That the drugs are significantly more effective than previous generations of weight loss drugs,
2. That they are in-demand, well-tolerated and designed for long-term use,
3. That the prospects of a return on investment (both short-term and long-term) are very high,
4. And that there are no other options that are equally as effective or more affordable.

Another Perspective

- > GLP-1's may be in demand, but much of that may be attributable to marketing.
- > GLP-1's are NOT significantly more effective than previous generations of weigh loss drugs.
- > GLP-1's are NOT well-tolerated, so long-term use is not the primary concern.
- > There is strong evidence that prospects of a positive return on investment in the short-term is not feasible. There is serious concern that positive risk reduction in the long term may be more than offset by serious side-effects and chronic complications.
- > There are treatments options that are nearly as effective, much more affordable, without serious side effects.

Conclusion: There is no imperative to promote GLP-1's now. Given the availability of other successful and affordable options, it may be prudent to wait until long-term safety studies have been conducted. The most conservative approaches would be to exclude GLP-1's, or to include them as a potential solution – another “tool on the tool belt” – to be used sparingly, and only as indicated.



REVIEW OF AVAILABLE INFORMATION

1 Demand

- Increase in Utilization
- Prevalence of Diabetes & Obesity
- Impact on Formulary

2 Comparative Efficacy

Results of Previously Available Medications

3 Tolerance

Percent of Patients that can tolerate the Medication for more than a Year

4 Short-Term Return

Do Drugs Costing \$15,000 Annually Generate >\$15,000 Annually in Savings?

5 Long-Term Return

- Risk Reduction vs Side Effects
- Chronic Complications
- Cost of treating side effects

6 Other Treatment Options

- Lifestyle
- Lifestyle + Other Medication
- Other Medications
- Bariatric Surgery

REVIEW OF AVAILABLE INFORMATION

1 Demand

- 8 GLP-1's Exist for Diabetes, 3 for Obesity
- As much as 40% of use is Off-Label for Diabetes Medications for Obesity

Diabetes GLP1s – 1/1/24 – 8/24/24

	# of Scripts	# of unique utilizers	Plan Paid	Member Cost
GLP1s:				
Mounjaro	199	49	\$224,457.75	\$7,113.10
Ozempic	537	110	\$571,709.06	\$20,771.53
Rybelsus	31	9	\$36,832.69	\$1,360.00
Trulicity	73	23	\$76,684.63	\$2,722.00
Victoza	3	1	\$2,234.04	\$150.00
Total	843	169*	\$911,918.17	\$32,116.63

Weight Loss GLP1s – 1/1/24 – 8/24/24

	# of Scripts	# of unique utilizers	Plan Paid	Member Cost
GLP1s:				
Saxenda	11	5	\$13,926.52	\$550.00
Wegovy	212	57	\$274,620.17	\$10,350.00
Zepbound	204	56	\$208,139.71	\$9,800.00
Total	427	108*	\$496,686.40	\$20,700.00

* sum of unique utilizers will not equal the total of unique utilizers as some utilizers will fill more than one type of GLP-1

REVIEW OF AVAILABLE INFORMATION

2 Comparative Efficacy of Other Rx

- GLP-1's are showing weight reduction of 12% to 18% in studies lasting up to 2 years. One study of Mounjaro showed up to 22% weight loss at 72 weeks. *But real-world results are usually less than Clinical Results. And most patients can't tolerate GLP-1's for more than 6-12 months.*
- 15% weight loss is a reasonable assumption to use based on clinical trials.
- Efficacy of other medications:
 - Qsymia: 12% at 1 year
 - Orlistat: 9-12% at 1 year
 - Wellbutrin: 8-10% at 3 years
 - Lorcaserin: 8-9% at 1 year
 - Phentermine: 5% at 1 year
- Qsymia may cost \$150/month (need to check with pharmacy benefit manager).

Members taking AOMs

- Comparing members taking Anti Obesity Medications in 2021 vs. 2023.
 - Members taking AOMs have had an increase in spend of 54%.
 - Medical increase spend + 17.9%
 - Pharmacy increase spend + 148.6
 - Blended increase + 54.2% or an additional \$669 PEPM

Members taking AOMs	2021	2023	% change
Total number of members – must have 36 months continuous enrollment to control for spend and other factors	11359	11566	
Medical PEPM	\$891.97	\$1,051.71	+17.9%
Pharmacy PEPM	\$343.02	\$852.63	+148.6%
Total PEPM	\$1,234.99	\$1,904.34	+54.2%



REVIEW OF AVAILABLE INFORMATION

3 Tolerance: Patients Still taking GLP-1's after 12 Months

- JAMA: 45% after 1 Year
- Prime Therapeutics:
 - 46% at 6 Months
 - 32% after 1 Year
 - 14% after 2 Years

4 Short-Term ROI

- Prime Therapeutics Study (in Appendix):
 - Compared to a statistically matched control group whose cost of treatment (medical + rx) was flat or decreased, the experimental arm of the study taking GLP-1's saw both medical and rx spend increase (net increase \$7,700).
 - The same results were observed for Ozempic and Wegovy, but with a net increase in the experimental arm of \$12,500.
- MyCatalyst Study:
 - The average member without a CORE Condition has a PMPM of \$817 PMPM, which is \$9,804 when annualized.
 - Conceptually, this is the “basement.” Theoretically, this is the target we would want to drive spend down towards.
 - The PMPM for the Diabetic population is \$916 PMPM (or \$10,992 annually).
 - Is it worth it to spend over \$10,000/year on Drugs to drive \$1,188 in savings?



REVIEW OF AVAILABLE INFORMATION

5 Long-Term ROI

- Reduction in Cardiovascular Risk Factors and Major Adverse Cardiovascular Events
 - Improvement in Weight, Blood Pressure, Lipids, Blood Sugar
 - Possible resumption of pancreatic insulin production
 - Reduction of Major Adverse Cardiovascular Events of 14% over roughly 6 years (N Engl J Med 2023;389:2221-2232).
 - Reduction heart attack, stroke and cardiovascular mortality of 12-14% ([Cureus](#). 2023 Sep; 15(9): e45487.)
 - However, only a 0.0% to 0.8% reduction in Major Adverse Cardiovascular Events (Prime Study)
 - Other studies show mixed results.
- Possible Short-Term Side Effects:
 - Heartburn
 - Nausea, Vomiting, Diarrhea, Constipation
 - Dizziness, Rapid Heart Rate, Headache
 - Gallstones, Jaundice, Bowel Obstructions
- Possible Serious Long-Term Side Effects
 - Pancreatitis and Pancreatic Cancer
 - Acute Renal Failure
 - Thyroid Cancer
 - Bone Demineralization

REVIEW OF AVAILABLE INFORMATION

5 Cost of Treating GLP-1 Side Effects

Condition	Description	Prevalence in GLP-1 agonists	Average Cost to Treat
Acute Pancreatitis	Inflammation of the pancreas characterized by pain in the abdomen and elevated pancreatic enzymes.	0.03 -1%	\$9870
Gastroparesis (Stomach Paralysis)	Stomach muscles and nerves are delayed and cannot move food through intestines at normal pace.	0.03 - 0.53 %	\$15,579
Diabetic Retinopathy Complications	A disorder of the tiny vessels in the eye due to diabetes that could be progressive and create vision problems or loss.	2.3%	\$600 - \$1000/year
Cholelithiasis (Acute Gallbladder Disease)	Inflammation of the gallbladder due to an emptying blockage usually caused by gallstones or build up of bile particles.	0.79 - 1.56%	\$6,250 - \$18,750
Acute Kidney Injury	Sudden decrease in kidney function, which is often reversible and characterized by low filtration rate and urine output. Dialysis may be needed.	Low risk	\$7933 - \$42,077
Thyroid C-Cell Tumors	Growth that forms inside the thyroid gland also known as the medulla, can be cancerous or benign	No proven associated risk	\$1,400 - \$17,000

References:

1. The Effect of Glucagon-Like Peptide-1 Receptor Agonists on Diabetic Retinopathy at a Tertiary Care Center Joo, Julia H. et al. Ophthalmology Science, Volume 4, Issue 6, 100547
2. He L, Wang J, Ping F, et al. Association of Glucagon-Like Peptide-1 Receptor Agonist Use With Risk of Gallbladder and Biliary Diseases: A Systematic Review and Meta-analysis of Randomized Clinical Trials. *JAMA Intern Med.* 2022;182(5):513–519. doi:10.1001/jamainternmed.2022.0338
3. Sodhi M, Rezaeianzadeh R, Kezouh A, Etmninan M. Risk of Gastrointestinal Adverse Events Associated With Glucagon-Like Peptide-1 Receptor Agonists for Weight Loss. *JAMA.* 2023;330(18):1795–1797. doi:10.1001/jama.2023.19574

REVIEW OF AVAILABLE INFORMATION

Additional Considerations

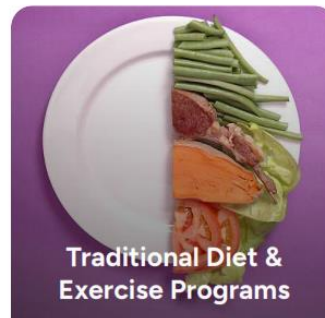
- How are companies treating coverage of GLP-1s (Wegovy, Ozempic, etc.)
 - In 2024 following is breakdown of employers offering coverage of GLP-1s:
 - County Government 16%
 - 1000+ employees 17%
 - Midsouth (NC, SC,GA) 8%
 - Breakdown of employers considering adding coverage of GLP1s:
 - County Government 5%
 - 1000+ employees 12%
 - Midsouth (NC, SC,GA) 4%
- How are public health plans handling coverage of GLP-1s (Wegovy, Ozempic, etc.)
 - NC SHP (North Carolina State Health Plan) – no longer covering effective 4/1/24
 - Medicaid
 - As of June 2024, 24 states do not offer coverage
 - Sixteen states and DC offer limited coverage
 - Medicare
 - Current law prohibits Medicare from covering drugs used for weight loss

REVIEW OF AVAILABLE INFORMATION

6 Other Treatment Options

Avg weight loss at ~ 1 year
(% reduction in bodyweight)

Est. List Price
(for one year of treatment)

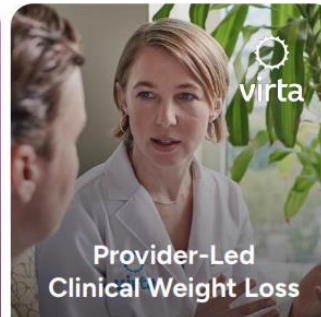


Traditional Diet &
Exercise Programs

0–5%

\$500

Chin, S., Keum, C., Woo, J. et al. Successful weight reduction and maintenance by using a smartphone application in those with overweight and obesity. Sci Rep. 2016; 6, 34563. Noom list price



Provider-Led
Clinical Weight Loss

13%

\$1,900

McKenzie AL, et al. Nutrients. 2021; 13(3):749. Outcomes among one year completers, Virta list price



GLP-1
Drugs

15%+

\$12,000+

Wilding JPH, Batterham RL, Calanna S, et al. Once-Weekly Semaglutide in Adults with Overweight or Obesity. N Engl J Med. 2021;384(11):989-1002. Novo Nordisk; list price. <https://www.novocare.com/wegovy/let-us-help>



Bariatric
Surgery

20%+

\$20,000+

NTMC, "How much does bariatric surgery cost," Accessed 1/25/2023, Maciejewski ML, Arterburn DE, Van Scoyoc L, Smith VA, Yancy WS Jr, Weidenbacher HJ, Livingston EH, Olsen MK. Bariatric Surgery and Long-term Durability of Weight Loss. JAMA Surg. 2016 Nov 1;151

Editorial Comment: Given that there are other options, is there a persuasive and affirmative case to be made that employers should actively and preferentially promote a medication that is 10x more expensive than previous generations of treatments, that is only marginally more effective, that can't be tolerated by more than 70% of patients, that has serious short- and long-term side effects, all for a non-existent short-term return-on-investment, and with serious side effects that might offset any potential long-term return-on-investment?

Appendix



USI's Perspective on GLP-1s for Weight Loss

- We expect additional GLP-1s to be approved for **weight loss** in the near future and **employers need to determine if they want to cover them under their health plan.**
 - ~50% of payers and employers covered weight loss medications before Wegovy's approval. **That has increased to between 65-75%, most of whom require PA before covering.**
 - Nationally, **only 33% of people with private insurance have unrestricted access to weight loss medications**, i.e., no Prior Authorization, Step Therapy etc. required.
 - It appears more stringent prior authorizations are needed as current criteria seems too liberal.
- Coverage of GLP-1s for weight loss under the pharmacy benefit has a projected **total health plan claim cost of 7%-12% based upon expected utilization norms.**
- Employers should continue to cover GLP-1s for individuals diagnosed with type 2 diabetes.

Options for Managing the Cost of GLP-1s

	Solution	Area of Focus	Financial Impact	Disruption
1	Strategic Drug Exclusions	Limiting weight loss (GLP1s), and other lifestyle drugs, and OTC drugs	3 – 5% of pharmacy expense or 1% of total plan cost.	New weight loss drugs are in high demand by members and are extremely expensive.
2	Independent Prior Authorization	Clinical Efficacy/ Necessity of Specialty Drugs	Depending on utilization, savings could be 25% of Rx cost or 5% of total plan cost.	Less than 2% of members are on specialty drugs, yet these account for as much as 50% of total drug spend.
3	Formulary Management Regarding Wasteful Drugs	Eliminating specific high-cost drugs and replacing with clinical equivalents.	3 – 5% of pharmacy expense or 1% of total plan cost.	All medical conditions continue to be covered; some brand name drugs are eliminated.
4	Establishing Appropriate Quantity Limits	Reducing number of pills per script to avoid waste and abuse. <i>If covering GLP-1s for weight loss, consider limiting the number of cycles covered by the plan.</i>	2 – 4% of pharmacy cost or less than 1% of total plan spend.	Significantly reduce exposure to overdose and distribution.

Weight loss treated GLP-1a new initiators compared to match control

	GLP-1a pre-year (N=4,255)	GLP-1a post-year (N=4,255)	Control pre-year (N=12,379)	Control post-year (N=12,379)	Annual difference-in-difference (95% CI)	P-value
Rx (total) mean spending*	\$2,780	↑ \$8,945	\$2,129	↑ \$2,539	\$5,755 (\$4,918 to \$6,678) favors control	<.0001
Medical (total) mean spending*	\$9,620	↑ \$10,792	\$9,479	↓ \$8,636	\$2,015 (\$1,149 to \$2,957) favors control	<.0001
Rx & medical (total) mean spending*	\$12,371	↑ \$19,657	\$11,590	↓ \$11,150	\$7,727 (\$6,541 to \$8,989) favors control	<.0001

Key findings

- GLP-1a group annual mean medical spend increased \$1,172 while control group decreased \$843
- **\$7,727 total cost of care one-year increase per GLP-1a weight loss treatment member compared to untreated**

Spending change: One-year comparison for semaglutide injection adherent (Ozempic or Wegovy)

Subgroup – 17% (N=718) who were semaglutide injection adherent (Ozempic or Wegovy)

	GLP-1a pre-year (N=718)	GLP-1a post-year (N=718)	Control pre-year (N=2,072)	Control post-year (N=2,072)	Annual difference-in-difference (95% CI)	P-value
Rx (total) mean spending*	\$2,853	↑ \$14,530	\$2,382	↑ \$2,672	\$11,387 (\$8,160 to \$15,535) favors control	<.0001
Medical (total) mean spending*	\$10,050	↑ \$10,729	\$9,668	↓ \$9,126	\$1,221 (-\$814 to \$3,733)	0.2514
Rx & medical (total) mean spending*	\$12,886	↑ \$25,205	\$11,990	↓ \$11,735	\$12,574 (\$9,048 to \$16,674) favors control	<.0001

Key findings

- GLP-1a group annual mean medical spend increased \$679 while control group decreased \$542
- **\$12,574 total cost of care one-year increase per GLP-1a weight loss treatment member compared to untreated**