

**THE SCHOOL DISTRICT OF LEE COUNTY
MINUTES**

**Insurance Task Force Committee Meeting
HR Community Training Room
2855 Colonial Blvd. Fort Myers FL**

Thursday, August 16, 2012

Members Present

Shandra Backens
Ro Bobbs
Steve Bowman
Lisa Brown
Mark Castellano
Karen Cooley
Georgianna McDaniel
Bonnie McFarland
Jamie Michael
Leanne Migliore
Donna Mutzenard
Tommy O'Connell
Joe Pescatrice, Retiree Liaison
Suzan Rudd

Members Absent

Leo Burt
Dr. Ami Desamours
Jeanne Dozier, Board
Member Liaison
Rita Zazzaro

Others Present

Robin MacDonald, Florida
Blue
Terri Roney
Karen Toro, Florida Blue
Karen Whitmore, Florida
Blue
Lisa Cioffi, Florida Blue
Regina Everman, CareCentrix
Fran Moran, Care Centrix
Virginia Nierop, Procurement

The meeting was called to order at 3:00 PM.

Approval of Minutes – July 19, 2012

Ms. Bonnie McFarland reviewed the draft 7/19/12 ITF meeting minutes and asked if there were any additions, deletions or corrections. None were requested. There being no changes to the minutes, Mr. Mark Castellano made the motion to approve the minutes of the meeting. Ms. Donna Mutzenard seconded the motion; motion passed unanimously.

Approval of Disability RFP

Ms. McFarland informed the ITF Committee that the ITF Subcommittee has a final recommendation for a Disability Insurance provider. There were nine original proposals submitted, and the sub-committee conducted interviews with the top two. The recommendation from the ITF Subcommittee is to go with Reliance Standard whose rates are 25% less than the current rates with UNUM. A motion was made by Ms. Donna Mutzenard, and seconded by Mr. Mark Castellano to make the recommendation to the Board of Education for Reliance Standard to be the provider of Disability Insurance to the District, effective 4/1/2013. The motion passed unanimously. This recommendation will go to the Board on Tuesday, August 21, 2012, and action from the Board is anticipated to be Sept. 11, 2012.

Approval of Broker/Consultant/Actuary RFP Recommendation

Ms. McFarland informed the ITF Committee that the ITF Subcommittee has a final recommendation for a Broker/Consultant/Actuary provider. There were four original proposals submitted, and the subcommittee conducted interviews with the top two. In addition, the subcommittee gave the top two an exercise to do relative to meeting/speaking to the ITF. The recommendation of the ITF Subcommittee is to go with Aon Hewitt. A motion was made by Mr. Tommy O'Connell, and seconded by Ms. Donna Mutzenard to make the recommendation to the Board of Education for Aon Hewitt to be the provider of Broker/Consultant/Actuary Services to the District. The motion passed unanimously. This recommendation will go to the Board on Tuesday, August 21, 2012, and action from the Board is anticipated to be on Sept. 11, 2012.

CareCentrix Discussion

Lisa Cioffi from Florida Blue noted that Regina Everman and Fran Moran from CareCentrix are joining her today. They look at cost and utilization and quality over a broad spectrum of services. Home health services and equipment is where their focus has been shifted. They want to be sure they are doing everything they can to benefit customers. They went out to vendors to see if anyone could help them provide these home health services by doing an RFP. Many vendors responded. CareCentrix rose to the top with experience of service effective September 1st. They very well coordinate this care. In the past, other vendors have been utilized. This approach does work, but has never been done on this large a scale before. They moved from 300,000 members to over 4 million members covered by a vendor type approach.

- 1) Very broad access – large network of providers – 95% of providers are in their network so many customers have not had to change.
- 2) Much better patient integration/utilization/management
- 3) Cost effectiveness

CareCentrix is a very responsive, experienced, caring organization – and a positive experience for members. There have been some transitional issues, as it has been the largest transition of any kind in terms of healthcare. The good news is that through a collaborative rapport, issues have been dealt with.

Regina Everman from CareCentrix thanked the ITF for the opportunity to meet to discuss concerns. She noted that CareCentrix is committed 100% to providing services to employees. She noted that client services teams are available to work with employees to handle any issues that may arise. The coordination of management of services is done through a nationwide list of providers. They do not provide the services themselves. CareCentrix serves over 30 million people nationwide with 8,000 providers nationwide, 1,500 in Florida. Regina reviewed the information provided in the handout explaining the services that are provided by CareCentrix. There were some challenges in implementing the services to Florida Blue and they have been working to resolve all issues in a timely manner utilizing additional staff, cross-training, a dedicated team to provide services to employees leaving the hospital, a direct line and team to handle issues and get them resolved. An issues workgroup task force was also created to reach out to members to be sure issues were resolved. Additional billing CSRs were hired and trained. A new provider was hired for patient invoicing. They have seen tremendous improvement in services.

Fran Moran stressed that they are truly committed to patients. Fran is passionate about healthcare and she was impressed by the commitment to patient care that CareCentrix has. Advocating for a patient always comes first – assuring that a patient is going to get home with what they need. They always err on the side of the patient. Client services are nurses assigned to health plan relationships – several are assigned to the Florida Blue team. They are the problem solvers. CareCentrix is assigning a client services nurse to The Lee County School District who will work directly with Karen Whitmore on a day to day basis. The client services nurse has excellent insight into a patient’s needs. They make site visits to all of the hospitals in Florida, and if there is a complicated discharge, the planner can reach out to CareCentrix client services to make sure the discharge process goes smoothly. Fran reports to the CEO of CareCentrix. They decided that on a weekly basis they meet with the CEO and review all complaints and good things that happen. All issues are addressed at these meetings. Timeliness is very important. Their commitment is to provide excellent customer service and they are working hard to do so. A nurse is available to do an outreach to be sure a provider understands the severity of a case.

A member of the ITF stated that the District I & B Department should send out the CareCentrix information in a letter to all employees again so employees are aware of who they are and what they provide. He also stated his experience was not positive and he is not in a hurry to try working with them again. He also spoke with a co-worker who had similar experiences last week. CareCentrix asked that employees with issues please contact Karen Whitmore, who will contact CareCentrix and help them resolve any issues that come up.

Ms. Karen Toro shared that she is helping a member with particular needs. She agrees with the idea of sending a letter out to employees. If a letter goes out, it needs to include a lot of examples of how to handle certain issues and who should be contacted, including the following information:

Scope of services

How billing works

Any issues – call Karen Whitmore

Ms. Bonnie McFarland noted that the I & B Department will be archiving information items that are sent out regarding issues, as well as Lisa Brown’s monthly newsletter. This info will be posted online and employees will have access to this. Ms. Lisa Brown also suggested doing a targeted mailing to employees who utilize CareCentrix.

Discussion about how the utilization of CareCentrix will save the District money was held.

Mr. Robin MacDonald noted that savings will be seen for Blue Cross and the District as we will be dealing with one vendor only – CareCentrix – it will be the responsibility of CareCentrix to deal with the large number of vendors. The cost is realized in the plan – it is a plan design benefit. Individual employees won’t see a savings in the cost of their supplies or services.

Ms. McFarland proposed that concerns about savings be addressed by meeting again in December or January with a report from Florida Blue so the ITF Committee can look at actual cost savings.

CareCentrix offered to return at any time to address any issues that arise.

CHIP Blood Work

Ms. Lisa Brown updated the ITF on the CHIP program - The Complete Health Improvement Program. Blood work will be done at the start of the program and at the end. She contacted several vendors for pricing for this blood work. In order to purchase blood work, it had to be purchased through a program at a very high cost. She discussed this with the CHIP director, as the cost of blood work is outside of her wellness budget. She inquired whether the Health Risk Appraisal blood work can be used and they agreed. It was also noted that if recent blood work has been done, that can be used. Ms. Bonnie McFarland thanked Ms. Lisa Brown for all of her hard work in bringing the CHIP program to the District.

Review of Health Plan Financials

In Mr. Volk's absence, Ms. Bonnie McFarland reviewed the health plan financials, noting that June's loss ratio was 92.7%, and the year to date loss ratio is 92.2% which is 12% higher than last year. Loss ratio is high – we got a D. The plan is performing as forecasted. If we eliminate plans, the most likely scenario is that people will move down to the less expensive plans. The revenue will go down, but the claims will not. Ms. McFarland noted that if there are any questions about the financials, she will forward them to Mr. Glen Volk.

It was noted that the new actuary will provide financials to the ITF, in a slightly different format, and someone from the new vendor will attend the next ITF meeting.

2013-14 Medical Plan Design & BCBS High Deductible HSA Health Plan

Ms. Bonnie McFarland handed out charts illustrating trends in regard to the reserve in the health plan fund. She noted that if no plan design changes are made, revenue will stay the same. In applying a 7% trend, projecting claims out, expenditures will exceed revenue in the future, and the reserve will be spent to cover this. This year the fund will lose \$1,000,000, by year two \$7.5 million will be lost, by year three, \$19 million will be lost, and by year 4, with no plan design changes, the entire reserve will be exhausted. By year 2015-16, rates would have to jump \$170 per person per month to stay even. If we make no changes to the plan, the reserve will be gone. It was noted that it is recommended that two years' worth of claims should be kept in the reserve.

With that in mind, a plan design change was discussed. Ms. McFarland discussed that an HSA plan could be a plan design that should be considered.

Robin MacDonald and Karen Toro reviewed with the ITF how a high deductible plan works. They noted that immediate savings are seen by implementing high deductibles and eliminating copays. Features of the HSA were reviewed. Once the deductible is met, coinsurance applies – 20% until an out-of-pocket maximum is reached. Wellness office visits are covered 100%, prescriptions are paid by the employee at the discounted amount until the deductible is met. After the deductible is met the \$0/\$25/\$40 is applied. Maintenance medications are available at the \$0/\$25/\$40 costs.

An HSA account would be funded for employees by Lee Schools flex credits by dividing the flex credits between premium and the HSA. This is pre-tax money that would go into an employee's Health Savings Account, and employees can also contribute into their Health Savings Account through payroll. If the cost of the plan is less than the Board contribution, the balance would be put into the employee's HSA. Ms. McFarland noted that if an employee has an HSA (Health Savings Account) they cannot have an FSA (Flexible Spending Account) for medical charges. They can have an FSA for dependent care only.

Ms. McFarland informed the ITF that this discussion about high deductible health plans will be continued in the future.

Medical Plan design- Bonnie noted that without an actuary we need to be cautious. We have the numbers for the forecast if we don't make changes. She proposed that the ITF consider eliminating at least one of the plans. There is confusion among employees regarding the slight differences in the plans. Enrollment in some of the plans is very low 117 Plan – 3300, HMO – 390, 3359 Plan - 4900 and the 702 Plan – 1,000. The 117 and the 3359 plans are most popular.

Mr. Tommy O'Connell made a motion to eliminate the current HMO and 702 plans. Mr. Robin MacDonald informed the ITF that HMO plans are coming back with a vengeance because of healthcare reform and we should perhaps look at an alternative HMO plan with a deductible and copays. Mr. O'Connell withdrew his motion to eliminate the current HMO and 702 plans for further review at the next meeting when other plan designs are available for review.

Ms. McFarland stated that we will use the September and October meetings to look at new plan designs. She asked how the committee feels about eliminating all current plans and replacing them with new plans. The committee felt that two new plans may be a good idea- Ms. Leann Migliore felt we should keep the 3359 and the 117 and possibly a new HMO. Ms. Suzan Rudd noted she would like to see what the options are before deciding how many plans to offer. Ms. Lisa Brown noted she would like to see plans that create a healthier district. Mr. Robin MacDonald said he will bring different option combinations to the next meeting, and he agrees with Ms. Brown that in using the money in the reserve to help employees get healthier, we would see great savings in healthcare costs.

Ms. McFarland reviewed that the ITF will need to determine what to do this year to set the District up for where they want to be the year after. She suggested 2 option plan designs. Ms. McFarland noted that a large portion of the next meeting will be allocated to plan design discussion.

Major Project Status

Ms. McFarland noted that the major project status report was sent to ITF members as an attachment to their agenda, and asked ITF members to review it and call her if they have any questions.

Good of the Order

Mr. Steve Bowman asked that IS be notified when changes need to be made to the website regarding the changes being made in vendors.

Adjournment

A motion was made by Mr. Mark Castellano, seconded by Ms. Shandra Backens and unanimously carried to adjourn the meeting at 5:15 p.m.