

**THE SCHOOL DISTRICT OF LEE COUNTY  
MINUTES**

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

**Thursday, November 1, 2012**

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Members Present

Rosemarie Bobbs  
Steve Bowman  
Lisa Brown  
Mark Castellano  
Karen Cooley  
Georgianna McDaniel  
Bonnie McFarland  
Jamie Michael  
Leanne Migliore  
Rita Zazzaro

Members Absent

Shandra Backens  
Leo Burt  
Dr. Ami Desamours  
Jeanne Dozier, Board  
Member  
Donna Mutzenard  
Tommy O'Connell  
Joe Pescatrice, Retiree  
Liaison  
Suzan Rudd

Others Present

Terri Roney  
Karen Toro, Florida Blue  
Robin MacDonald, Florida  
Blue  
Karen Whitmore, Florida  
Blue  
Greg Alperstein, Aon Hewitt  
Tammy Martin, Aon Hewitt  
Debbie Poole, Aon Hewitt  
Jeff Olson, PrimeMail

The meeting was called to order at 3:08 PM.

**Approval of Minutes – October 1, 2012**

Ms. Bonnie McFarland reviewed the draft 10/1/12 ITF meeting minutes, and asked if there were any further additions, deletions or corrections. None were requested. There being no other changes to the minutes, Mr. Mark Castellano made the motion to approve the minutes of the meeting. Ms. Leanne Migliore seconded the motion; motion passed unanimously.

**Review of Health Plan Financials**

Ms. Debbie Poole from AON Hewitt informed task force members that Aon Hewitt has looked at the District's medical plan renewal, pharmacy claims, mandatory mail order program and ancillary renewals and reviewed each carefully. She handed out a booklet containing medical plan financial review, pharmacy review and ancillary plan renewals information.

Mr. Greg Alperstein, Actuary from Aon Hewitt reviewed the medical plan summary showing experience through summer 2012 and informed the group that the plan is running to budget and claims are at expectation. He stated that Aon Hewitt is in agreement with the rates that Florida Blue has developed for the upcoming 2013-14 plan year. Expenses for 2012-13 are \$36 per employee per month (pepm) and for 2013-14 are up to \$37.80 pepm, which includes the pepm \$6 transitional reinsurance fee which must be paid under the healthcare reform act effective January 2014. RX rebates are included in the projections. Plan changes are also included in these projections. Mr. Alperstein reviewed the budget projection total costs for 2012-13 and 2013-14. Claims and fees for 4/12-9/12 are slightly over budget but nothing to be concerned about. For 2012-13 (12 months of experience), the total projected budget was \$68.7 million

and the total cost was \$68.06 million. For 2013-14 the budget is \$67.65 million with a total expected cost of \$67.48 million. We have a good expectation of where the claims are going to be for 2013-14.

Mr. Alperstein reviewed the charts of budget costs vs. paid claims, incurred cost per employee, and projected incurred claims vs. budget by plan, as well as a summary of claims that have reached a sum of \$250,000 or more, noting there were only 7, which is a fairly low number for a group of our size. He also reviewed the 2012-13 average monthly total cost pepm by plan, and the 2012-13 incurred claims and expenses by plan, noting fees are only 6% of costs. Enrollment by plan for 2012/13 & 2013/14 were reviewed. Assumptions have 3,800 employees in the 5773 plan and 5,499 employees in the 3769 plan for a total of 9,299 employees enrolled.

Ms. Tammy Martin discussed the affordable care act and some women's services that will be in place, including well woman exams, health screenings and counseling, diabetes screenings, breastfeeding support, supplies and counseling. Ms. McFarland noted that covering these services is nothing we have control over – these are federal mandates that we must follow. Mr. Robin MacDonald noted that their formulary will be sure that we are still compliant with federal law. Florida Blue has already recommended the list of medications that will be covered to keep the District in compliance. Bonnie noted that these mandated services may prove to be quite costly for the plan as many of these services aren't currently covered, and we have a large number of women on our plans. Mr. Alperstein noted that \$300,000 should be the increase we see from this change. Ms. Poole noted that some of these mandates should offset some of the high claim costs we are seeing now. Aon noted they will turn to Florida Blue to make recommendations on what will be covered under the Federal guidelines.

It was noted that the aggregate cost of health insurance (what the employee pays and what the employer pays) will now be noted on all employee's W2 forms. This is a reporting requirement only at this time – This is being done so the government can get a feel of what the cost of healthcare is for our country. It is not a taxable item at this time.

A new \$1 per person fee also has to be paid to the federal government in 2014. This is a fee employers pay the federal government to cover a process to show that their plan compares to what the government offers. This all gets rolled into the total cost to of the medical plan. It is not billed separately. Lastly, a reinsurance tax will be put into place for 2014-16. Aon noted there will be some form of healthcare reform regardless of who is in the White House. They will keep us informed as things evolve.

Ms. Rita Zazzaro asked if she has to offer a payroll slot for a deduction for the federal healthcare plan if an employee chooses one from the exchange. Ms. Debbie Poole defined what the federal health care exchange is to ITF members and discussion followed.

Ms. Rita Zazzaro left the meeting at 3:51 p.m.

### **Pharmacy Analysis**

Ms. Martin reviewed mandatory generics – noting that prior to mandatory DAW claims totaled 669 in the first three months of the program. Since implementation, claim counts dropped on a monthly basis totaling 370 in the past 6 months. Florida Blue noted that there is an even larger savings per prescription due to mandatory generics. Florida Blue noted that as the program progresses, further savings will be seen, as full implementation of the mandatory mail program started in June.

### **Ancillary Renewals**

Ms. Poole discussed Ancillary Renewals. It was noted that the current Dental contract runs through March 2014. It was noted that Humana has been handling claims very well for District employees. The Vision agreement runs through March 2015, Life Insurance through March 2014 and Disability through March 2016. The agreement with Allstate for cancer insurance is in place through 2014.

Ms. McFarland noted that the new Flex Spending limit will be \$2500 next year, and noted that the ITF needed to vote recommend their agreement be extended for another year. By a vote of 9-0, the ITF agreed to extend the TASC agreement for another year, 4/1/13 through 3/31/14.

Ms. McFarland noted that dependent coverage will be reviewed at a later date when Dr. Ami Desamours is present.

Mrs. Lisa Brown left the meeting at 4:20 p.m.

### **Employee Clinic Discussion**

Ms. McFarland distributed the memo from Dr. Burke that went to the Board regarding information gathered from the Clinic RFP, noting that the proposals did not include costs for incentives, and that the range of cost per year is \$1.8 to \$8.7 million. Ms. McFarland noted that the District does not have this money to spend on a clinic. The committee discussed the savings seen by other Districts that have implemented clinics and the fact that The School District of Lee County has already implemented programs in areas where these other Districts are seeing savings. Ms. McFarland informed ITF members that as a result of the last Board meeting, there will be a Board workshop in mid-January to discuss the Employee Clinic.

### **Good of the Order**

Ms. McFarland stated that child dependent discussion would be held at the next meeting and asked members to bring their Aon books to the next meeting.

### **Adjournment**

A motion was made by Mr. Mark Castellano, seconded by Mrs. Jamie Michael and unanimously carried to adjourn the meeting at 4:38 p.m.