

**THE SCHOOL DISTRICT OF LEE COUNTY
MINUTES**

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

Thursday, May 2, 2013

Members Present

Shandra Backens
Steve Bowman
Lisa Brown
Leo Burt
Denise Carlin
Karen Cooley
Ami Desamours
Bonnie McFarland
Jamie Michael
Leanne Migliore
Donna Mutzenard

Members Absent

Rosemarie Bobbs
Mark Castellano
Tommy O'Connell
Joe Pescatrice, Retiree
Liaison
Suzan Rudd
Rita Zazzaro

Others Present

Robin MacDonald-Florida
Blue
Jeff Olson-Prime
Therapeutics
Becky Kujawski, RN – Aon
Hewitt
Tammy Martin, Aon Hewitt
Debbie Poole, Aon Hewitt
Lizzette Roman
Terri Roney
Melissa Roof

The meeting was called to order at 3:06 PM.

Approval of Minutes – April 4, 2013

Ms. McFarland reviewed the draft 4/4/13 ITF meeting minutes, and asked if there were any additions, deletions or corrections. None were requested. There being no changes to the minutes, Ms. Donna Mutzenard made the motion to approve the minutes of the meetings. Dr. Denise Carlin seconded the motion; motion passed unanimously.

2013-14 Wellness Program Discussion and Vote

Ms. Lisa Brown reviewed with ITF members the discussion of the incentive program held at last month's meeting involving incentives to reward employees. Lisa reviewed a proposed plan for incentive amounts. Lisa informed ITF members that some concerns and questions were received from ITF members after last month's meeting, and those concerns will be discussed at this meeting. Lisa reminded ITF members that this is a one year proposal for \$1.2 million to come out of reserves to fund the incentive plan. She noted that approximately 40-60% of employees are expected to take advantage of the incentive program, at a cost of \$400,000 - \$600,000, however if 100% of employees participated, the cost would be \$1,000,000 for the first year, and the funds must be available. Lisa informed members that an additional \$200,000 out of reserves is being requested to pay for additional classes due to program growth with more employees participating. The total request is for an amount not to exceed \$1.2 million. It was noted that wellness programming is currently being rationed due to an increase in class requests and very limited funding. A committee member asked if quarterly reporting would be done, showing how much is spent on incentives.

Lisa informed ITF members that Florida Blue will manage the program and monitor points earned for incentive payouts, as well as provide other data. The program would begin at the start of the new fiscal year, and reporting would begin probably in October or November.

Lisa reviewed Point Plan Proposal A with ITF members, noting that this proposal includes:

- Employees eligible for \$100/ year - must complete HRA & biometrics to be eligible.
- Incentive dollars are paid for programs and health outcomes and 1 point = \$1
- \$50 incentive payment for reaching ideal BMI
- \$25 incentive payment for reaching ideal cholesterol levels
- \$25 incentive payment for reaching ideal blood pressure range
- \$25 incentive payment for a 5% or more reduction in body weight from prior year
- \$25-\$50 incentive payment for completing any of the following classes: Food for Life, Pear Down, On-Site Exercise, Diabetes Prevention

Lisa noted that incentives can be expanded in future years; however starting with a simple program is a good idea to avoid confusion at the start of the program.

Lisa noted that one suggestion/concern that was made is to relax the blood pressure range to something easier to reach – then tighten it down in future years.

Ms. Jamie Michael asked about employees whose BMI is low – underweight. Lisa noted that this is not a significant cost driver of current claims. Robin MacDonald with Florida Blue noted that body circumference is being used in lieu of BMI by some companies. Becky Kujowski stated that hip to waist ratio is also looked at, and perhaps BMI could be adjusted as well.

Ms. Lisa Brown noted that the second suggestion/concern she received was the concern that the HRA is required to be eligible for any of the rewards. Will this deter our highest risk employees from participating? Perhaps the point value should be changed to at least give employees something for completing the HRA. This would be a good idea for those employees who know they won't meet other criteria. They could complete the HRA and still receive an incentive even if they don't meet any of the health outcomes.

Point Plan Proposal B was also reviewed, with changes to point distribution with points for participating in the HRA included.

Dr. Ami Desamours left the meeting at 3:27 p.m.

The purpose of the incentive program is to identify health risks and get employees into a program to help lower these risks. We want to reward the healthy employees and get the at risk employees into a screening. Ms. Donna Mutzenard stated that this incentive plan should be tried for the first year to see what the outcome is, keeping it as simple as possible, then adjust the program in future years. An overwhelming program would not be successful as it would be too complicated. Online programs could be a future option. Ms. Bonnie McFarland noted that we need to try an incentive plan and then adjust it higher if needed. If the ITF is happy with the concept in general, she asked that they decide to try it and review the data, and then we will know what to try to increase participation in the future. At this point in time, the ITF should vote to implement the incentive program if members feel it is a good program, and discuss details in the future. And, if very positive results are achieved, next year we will be discussing changes to the program.

Robin MacDonald noted that Florida Blue implemented a similar program 6 years ago. The program is very fluid and changes year to year. Data is tracked and benchmarks are set year to year as the program grows. Performance is outstanding. If the District implements this program, it is heading in the right direction.

Ms. Lisa Brown reminded ITF members that the incentive items on the list are the plan cost drivers. Once these items are under control, incentive points can be modified. Getting risks under control will benefit the plan and the employees.

Lisa informed ITF members that suggestion/concern #3 asked that if an employee deals with all of this health information with their own physician rather than the Wellness HRA, can they still get the incentive dollars. The concern with this is that the District is using the HRA as a benchmarking tool to look at aggregate health risks now and over time. The tool won't be effective if we don't have an aggregate report representing all of our participants. A form could be filled out by a physician, but it is impossible to validate a form such as this. A lot of coaching and resources are given at the HRA, and this does not happen when blood work is done at a hospital lab. Ms. Bonnie McFarland asked for a motion to recommend to the Board consideration and approval of the utilization of funds from the health plan, not to exceed \$1.2 million, to support the Wellness Incentive Program.

Ms. Donna Mutzenard made the motion that the ITF move forward with the recommendation to request the approval of the utilization of funds from the health fund, not to exceed \$1.2 million, to support the Wellness Incentive Program. Ms. Shandra Backens seconded the motion. The motion was approved unanimously.

Review of Health Plan Financials

Ms. Tammy Martin with Aon Hewitt reviewed the Executive Summary of the financial information that was handed out; noting that updated projections show the plan to be 0.5% below the 2012/13 budget and the 2013/14 updated projection is 0.9% above the 2013/14 budget. Average claims per month are at \$5.5 million. Enrollment is up 2% since the beginning of the plan year.

2012/13 projections include a \$36 PEPM administrative fee. 2013/14 projections include a \$37.80 PEPM administrative fee and a \$5.25 PMPM estimate for Transitional Reinsurance Fee (under HCR) effective January 2014. Open enrollment results have been incorporated into the 2013/14 projections.

RX rebates projections are assumed at \$250,000 per quarter.

The Projection Update was reviewed by Ms. Tammy Martin as well, who noted that YTD claims are at \$65.9 million – up \$5 million (claims for March), employee contributions are up. The total YTD cost of the plan is \$58.5 million. The 2013/14 projected total cost is \$70.6 million, projected incurred claims at \$66 million, fees at \$4.6 million for a total projected cost of \$71.3 million. Employee contributions remain close to \$10 million.

Ms. Martin reviewed large claims noting that no new large claims came on the list, and two claims went off the list.

Monthly Loss Ratio was reviewed: the current plan year loss ratio is at 90%. The YTD loss ratio is at 94%. The loss ratio for all plans is 94% across a rolling 12 month period, an increase of about .4%

Overall, the health plan is running at a 99.5% loss ratio – total. Claims are divided between plans at about the same per plan. Enrollment by plan was reviewed, with 9,700 enrolled for the 2012/13 plan year and 9,900 enrolled for the 2013/14 plan year.

Ms. Martin informed ITF members that next month Amanda Brooke-Kross from AON Hewitt will be here to give a deeper year-end review of the 2012-13 plan year. Mr. Robin MacDonald informed ITF members that Florida Blue will have a deeper look at the 2012-13 plan year probably in September.

Ms. Debbie Poole discussed the high deductible plan with ITF members, reminding them that the idea of introducing a high deductible plan with an HSA was discussed recently. Illustrations of a High HSA plan and a Low HSA plan were discussed. Sample plan designs were reviewed. The value of the plans was discussed, noting that the high deductible plan worth 99.5% of the current 3769 plan even though the high deductible plan looks very different, it compares very closely with the current 3769 plan.

The low deductible HSA plan has the \$3000 deductible, and is closer to what the limits are that are set by the IRS. This plan is worth 76% of the current 3769 plan.

They have looked at the possibility of having a 60% minimal essential plan to compete with the lowest plan offered on the exchange. Discussion was held about having a plan like this available to the younger, healthier employees, paid in full by Board flex, with some money left to use toward other voluntary insurance – dental, vision, cancer.

It was noted that the High HSA is similar to a gold plan on the exchange, and the Low HSA is similar to a bronze plan on the health care exchange.

Discussion was held in regard to offering the High HSA similar to the 3769 plan (premium higher, HSA contribution lower), or offering the Low HSA which is similar to the low plan offered on the exchange (with additional \$ put in the HSA), and how this offering would line up with the other plans offered by the District. The logic behind the HSA plan is first dollar coverage – you can take money out of your HSA to pay for your care, or if you don't go to the doctor, the HSA dollars stay in your account.

The preventive care is still covered 100% on an HSA plan. Employees can also contribute money into their HSA account – pretax. The Board contribution money becomes the employee's money – it rolls over year to year and doesn't go away – even if the employee changes jobs. Board contribution is distributed in different ways – often per pay period rather than in a lump sum at the start of the plan year.

Ms. Leanne Migliore stated it may be a good idea to offer the low HSA plan to encourage more employee participation and comparison shopping. Ms. Tammy Martin stated that if employers offer plan options, the plans should be distinctly different – to appeal to different types of employees.

Other points made:

- If it is decided to move forward with an HSA, there will be a great deal of education to employees.
- The HSA is a good option for covering children – much more reasonable rates than the current plans.

Discussion was held on mandatory generics and the fact that they wouldn't all be free. Further discussion on drug costs was held.

It was noted that the HSA would be the 3rd option in addition to the two other plans we currently have in place. The HSA might work very well for some employees. The HSA makes employees better stewards of their healthcare. If you have the HSA for a longer period of time you could have a balance that meets the deductible so you are self-insuring until you meet your deductible. HSAs do offer \$0 generics, however the list is narrow. Ms. Martin noted that once an employee learns how to use an HSA plan, they don't go back to the other type. In many large companies, enrollment in the HSA plan is much higher than in the copay plans because the premiums are lower.

PPACA Update

Ms. Tammy Martin updated ITF members on the updates on Summary of Benefits and Coverage (SBC) effective Jan 1, 2014. The actual value of the plan has to be stated on the SBC.

Open Enrollment Recap

Ms. Karen Cooley ran queries to see how employees are enrolled in the new health plans by tier. Dental enrollment did not change much at all. Some employees dropped voluntary benefits due to having less extra Board Flex \$. There were not as many changes in those covered by dental insurance as were believed to be.

2013-14 ITF Meeting Schedule

Discussion regarding the ITF meeting schedule for 2013/14 was tabled due to the absence of Ms. Suzan Rudd. This item will be put on 6/6/13 agenda. Members were asked to bring their calendars to the next meeting and be prepared to make a decision and vote.

NDC Lock Out Drugs

Ms. Jamie Michael noted that during plan design discussion for the 2012/13 plan year, there was a lot of discussion about drug programs for the plans. One of the programs was the NDC Lock Out where a certain list of drugs is not covered by the plan. Recently an employee has had an issue where the drug being taken was not covered, and all other similar drugs were tried unsuccessfully. The employee was led to believe there would be an appeal process. Not taking this drug has created a lot of health issues for the employee, who started an appeal process in October, and has gone through many months of frustration in trying to resolve this issue, including frustration when calling Florida Blue and speaking with customer service reps. The employee has been paying out of pocket for the prescription for months, and hopes the task force can look at a way to get the medicine she needs that she cannot afford, as not using this medication is costly to the plan in that the health of the employee is greatly affected.

Mr. Robin MacDonald apologized for the difficulty and confusion regarding the appeals process as well as the customer service issues. He noted that he will look into these specific instances and use them as a learning moment for customer service people. It was noted that Florida Blue did not deny the drug on an individual basis but on a macro level to the benefit of 99.9% of the employee population. The NDC lockout is just one of the utilization management programs that are in place. This issue is not an appealable event because the drug is on the NDC lockout list.

Ms. Becky Kujawski noted that perhaps a case manager could be assigned through Florida Blue to help this employee with this issue. Mr. MacDonald stated that this should be happening through her physicians and nurses; however he will look at her specific claim. He also noted that for future reference, there are people at Florida Blue centers who can advocate for her.

Mr. Jeff Olson from Prime Therapeutics and Mr. Robin MacDonald will look into the individual situation and report back and will confirm at the next ITF meeting that these issues have been resolved. It was noted that 137 employees were affected by the NDC lockout.

Ms. Bonnie McFarland noted that the District is in the middle of a plan year, and the program cannot be changed at this time – all of the programs, including the NDC lockout list, are factored into the cost of the plan. Discussion can be made for the next plan renewal for next April. This will be an ITF discussion.

Good of the Order

Ms. Jamie Michael thanked the committee for their time in helping this employee with this issue.

Adjournment

The meeting adjourned at 5:08 p.m.