

**THE SCHOOL DISTRICT OF LEE COUNTY  
MINUTES**

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

**Tuesday, July 16, 2013**

---

Members Present

Shandra Backens  
Steve Bowman  
Leo Burt  
Mark Castellano  
Karen Cooley  
Ami Desamours  
Bonnie McFarland  
Jamie Michael  
Donna Mutzenard  
Jimmy Riley  
Susan Rudd  
Rita Zazzaro  
Susan Rudd  
Rita Zazzaro

Members Absent

Lisa Brown  
Leanne Migliore  
Joe Pitura

Others Present

Amanda Brookes-Kross, Aon  
Hewitt  
Tammy Martin, Aon Hewitt  
Debbie Poole, Aon Hewitt  
Karen Toro, Florida Blue  
Karen Whitmore, Florida  
Blue  
Mr. Joe Pescatrice, Retiree  
Liaison  
Mr. Thomas Scott, Board  
Member

The meeting was called to order at 3:03 PM.

Ms. Bonnie McFarland introduced Ms. Amanda Brooke-Kross from Aon Hewitt, and asked ITF members to introduce themselves to her. Ms. McFarland reminded everyone that June's ITF meeting was cancelled due to bad weather. It was noted that as all expected ITF members were not present to make a quorum at this time, the approval of the May 2, 2013 meeting minutes would be done after Aon Hewitt's financial updates.

**Health Plan Financials**

Ms. Amanda Brooke-Kross from Aon Hewitt reviewed the executive summary of the financial information that was handed out, noting that projections have not yet been updated as there has only been two months of experience under the new plans. Plan 3769 has 62% of the population enrolled. Paid claims were \$5.6 million for April and \$5.2 million for May. Average monthly claims for 12/13 were \$5.5 million. Current enrollment as of May is 9,889, a 2% increase since April 2012. Trend is still at 7.5%.

Projection updates were reviewed. Final numbers for 12/13: Budgeted - \$70.5 million, actual claims/fees - \$70.15 million, leaving a \$349,000 surplus. For the 4/13-5/13 period: Budgeted - \$11,743,000, actual claims/fees - \$11,664,000, leaving a \$79,000 surplus after two months.

The large claims report was reviewed. There are currently 11 claims aver \$250,000.

Monthly loss ratio was reviewed and is currently at 92%. The final 12/13 average loss ratio was 99.5%. Ms. Bonnie McFarland noted that it is the goal for the plan to be sustainable and not make a lot of money. Current loss ratio is 99.5% and that is a very good results. Ms. McFarland also pointed out that January, February and March loss ratios were 101%, 97% and 90%.

Ms. Amanda Brooke-Kross reviewed the 2012/13 incurred fees and claims, noting that the 3359 plan had 36% of claims and the 117 plan had 35% of the claims. For 2013/14, plan 3769 had 68% of the claims and plan 5773 had 27% of the claims.

Enrollment figures for 12/13 and 13/14 were reviewed. Currently, plan 5773 has 3708 enrollees and plan 3769 has 6,181 enrollees.

Ms. Debbie Poole noted that “a year in review” was to be a part of the June meeting, and as that meeting was cancelled, she would review the 2011/12 plan year and the 2012/13 plan year at this time (April 2012 through March 2013, and April 2011 – March 2012). Ms. Poole noted that from a claims-paid perspective, payments for outpatient claims increased by 18% and paid prescriptions claims increased by 10% in the 2012/13 plan year. She noted that seeing outpatient services increase and office visits increase is a positive, as people are preventing larger claims. Loss ratio for April 2012 – March 2013 was 94% and loss ratio for April 2011 – March 2012 was 87.5%. Loss ratio for the 3359 plan went from 65% in 11/12 to 75% in 12/13. Total medical and pharmacy claims paid increased 8.9% from 11/12 to 12/13 and average monthly enrollment increased 1.9% from 11/12 to 12/13.

Claims by size of payment were reviewed. 4% of employees are incurring 48% of our total claims. 25% are responsible for claims under \$500. This information will come into play when the high deductible health plan is discussed. 13% of employees are incurring claims between \$500 and \$999. 675 employees have no claims at all. 54% of our enrolled population have not gotten their preventative services and could end up with large claims for serious health issues. Some of these 675 members could be child dependents. The question was asked if these members could be sent a reminder and Ms. Poole noted that a blanket reminder from Wellness is the best way to do this. Singling people out is not a good idea. HIPAA prevents anyone from knowing who these 675 members are so a more global approach must be used. Ms. McFarland noted that Wellness is starting to target notifications sent out based on demographics, for example, women over 40 will receive mammogram reminders and all employees over 50 will receive colonoscopy reminders. This will be done to encourage screenings to those who may not be inclined to do so. We can incentivize it and make it as easy as possible.

### **PPACA Update**

Ms. Tammy Martin noted that quite a few things have come down regarding health care reform. Employer mandates have been delayed until 2015. The individual mandate is still in effect. People still have to obtain insurance by 2014, but employers don't have to provide it. The PCORI fee is still in place at \$1 per member for the plan year ending 3/2013, and \$2 for the plan year ending 3/2014. (PCORI – Patient-Centered Outcomes Research Institute.)

Dr. Ami Desamours arrived at 3:46 p.m.

Ms. Bonnie McFarland noted the purpose of reviewing this information is to discuss how these changes affect the district's health plan. Ms. Tammy Martin stated that no later than Oct.2013, notice must be sent

out to employees as far as what their options are. Ms. Bonnie McFarland noted that the District is already in good shape because we have already implemented a lot of the requirements. It was also noted that it will be important to communicate to retirees who are under 65 that they may be able to get insurance cheaper on the exchange than through the District. Ms. McFarland also noted there will be a segment of the population who fall between Medicaid and healthcare exchange guidelines. It will also be necessary to communicate to employees at open enrollment that they will have to have coverage in 2014.

Ms. Tammy Martin informed ITF members that 13 states and DC currently allow same sex marriages. Florida does not. The District's current plan definition of a dependent includes a lawful spouse, so as the plan currently stands, this would include a same sex spouse, based on the new Supreme Court decision. There has been no guidance from the Federal Government. Currently, if an employee was married to a same sex spouse in a state where same sex marriage is legal, our plan would cover them based on the recent Supreme Court ruling that the Defense of Marriage Act (DOMA) is unconstitutional.

Dr. Ami Desamours made a motion that in light of the new DOMO ruling, the District leave the plan design as is, which means that a spouse in a same sex marriage is a covered dependent. Mr. Leo Burt seconded the motion. Motion passed 12 - 0.

### **Approval of Minutes – May 2, 2013**

Ms. McFarland reviewed the draft 5/2/13 ITF meeting minutes, and asked if there were any additions, deletions or corrections. None were requested. There being no changes to the minutes, Ms. Rita Zazzaro made the motion to approve the minutes of the meetings. Mr. Mark Castellano seconded the motion; motion passed unanimously.

### **RFP Update**

Ms. Bonnie McFarland reminded ITF members that an RFP has been issued for life insurance. Proposals were turned in at the end of June. The first meeting to review proposals was today, and she will continue to keep the committee informed. The FSA RFP will go out at the end of August, or the beginning of September. Ms. McFarland stated that she will circle back up with the folks who have volunteered for RFP committees.

### **Personal Health Assessment Executive Summary Report**

Ms. Bonnie McFarland stated that the Board recently approved \$1.2 million from the health fund for the use of incentives. A copy of the Personal Health Assessment Executive Summary Report was handed out to ITF members. Ms. McFarland noted that Health Risk Appraisals look at what is coming down to become claims, not at claims that have already happened. The health risk appraisal (HRA) looks at a lot of factors to determine who is at risk for an illness so people can change their behaviors and avoid a full manifestation of the health issue. Employee risk profiles were reviewed - 583 employees are in the 0-2 risk range, 421 employees are in the 3-4 risk range and 171 employees have 5 or more risks. The goal is to move employees down to the 0-2 risk range. Employee's physical activity was reviewed as well as BMI – body mass index. 375 people are in the obese category. Targeting BMI will lower a lot of other risks. Bonnie asked ITF members to read this assessment through, as it is full of good information and data on the LCSD employees. This information was used to determine what areas would be incentivized by the Wellness program.

Ms. Karen Toro noted that Ms. Lisa Brown will be presenting the Blue Rewards program in conjunction with the Better You from Blue program. Ms. McFarland noted that we are working very diligently to offer programs throughout the District.

**2013-14 ITF Meeting Schedule – August 2013 – June 2014**

ITF members held discussion and then scheduled ITF meetings for August 2013 through June 2014.

**Good of the Order**

The question was asked about the current number of retirees. Ms. Karen Cooley stated that there are currently 554 retirees. It was noted that pre 65 years of age retirees are the employees that cost the plan the most.

Mr. Mark Castellano noted that TALC membership is talking about establishing a TALC team to run 5Ks in the area.

Ms. McFarland thanked everyone for their attendance at this meeting and extended best wishes for the start of school year.

**Adjournment**

The meeting adjourned at 4:37 p.m.