

**THE SCHOOL DISTRICT OF LEE COUNTY
MINUTES**

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

Thursday, August 29, 2013

Members Present

Shandra Backens
Steve Bowman
Lisa Brown
Leo Burt
Mark Castellano
Karen Cooley
Bonnie McFarland
Jamie Michael
Leanne Migliore
Donna Mutzenard
Susan Rudd
Rita Zazzaro

Members Absent

Ami Desamours
Ashley LaMar
Joseph Pitura
Jimmy Riley

Others Present

Amanda Brooke-Kross, Aon
Hewitt
Keith Coghlan, 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.

Approval of Minutes – July 16, 2013

Ms. Bonnie McFarland reviewed the draft 7/16/13 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 meetings. Ms. Rita Zazzaro seconded the motion; motion passed unanimously.

RFP Update

Life Insurance Recommendation

Ms. McFarland informed ITF members that the Life Insurance RFPs came back and were evaluated. Meetings were held with the top two groups – The Hartford and Minnesota Life. The RFP Committee recommended Minnesota Life to continue their service. Minnesota Life is also offering beneficiary management services which are a benefit enhancement. They are also offering a reduction to their current rate. The rates went down in total – they are offering better service for a lower price. That is the recommendation of the RFP committee.

Ms. Donna Mutzenard made a motion to accept the recommendation of the RFP committee for Minnesota Life to continue as Life Insurance provider and to make this recommendation to the Board. Mr. Mark Castellano seconded the motion.

Mr. Mark Castellano asked who was on the RFP committee and was informed that the committee consisted of Ms. Karen Cooley, Ms. Donna Mutzenard & Ms. Bonnie McFarland. Mr. Leo Burt asked

what the length of the contract is and was informed that it is for 4 years with two additional 2-year options, with a flat rate for first 4 years. There is a 10.5% fee reduction and the addition of beneficiary management services is being offered. It was noted that beneficiary management shifts liability from the District to the vendor, age-banded supplemental rates did not change, and basic life rates went down.

Ms. McFarland noted that the RFP Committee looked at several things when making their decision, including other ways to provide this benefit, but the committee felt that would add a layer of complexity that is not necessary. The structure of the benefit will be the same as in the past. Minnesota Life is also offering a premium waiver, which we didn't have before. If an employee goes out on leave due to illness, they no longer have to pay the premium for their life insurance. The details on this will be on the insurance website at open enrollment time. This will take effect 4/1/14.

Ms. Debbie Poole from Aon Hewitt noted that adding the premium waiver results in an increase of 3.5% to the supplemental rate, but the overall rate is still lower.

A vote was held on the motion on the floor to accept the recommendation of the RFP committee and to make the recommendation to the Board for Minnesota Life to be the Life Insurance provider. The motion passed unanimously with a vote of 11-0.

FSA/HSA Status

Ms. McFarland informed the ITF that the RFP for the FSA/HSA has been written, is on the street, and is expected back next month. The FSA/HSA RFP committee members are Ms. Rita Zazzaro, Mr. Mark Castellano, Ms. Bonnie McFarland and Ms. Shandra Backens. Ms. Jamie Michael noted that she would like to be added to the committee for the RFP review process.

Health Plan Financials

Ms. McFarland introduced Aon Hewitt's new team member – Mr. Keith Coghlan, noting he has replaced Ellorine. Ms. Debbie Poole noted that due to the timing of this month's ITF meeting, the ITF will be reviewing what would normally be seen in September's ITF meeting. At the last meeting in July, claims through May were reviewed, today; claims through July will be reviewed.

Ms. Amanda Brooke-Kross reviewed the Executive Summary, which includes data through July. She noted that four months of data under the new health plans is included, that it is still early in the year and things could get a little more volatile. Real data has been used for the 13/14 plan year. The 2013/14 projection is 0.7% below the 2013-14 budget. Plan 3769 has 63% of enrollment as of July 2013. July 2013 paid claims totaled \$5.0 million. Average for prior year (2012/13) monthly claims was \$5.5 million. Current enrollment is 9,842 for July 2013.

Ms. Brooke-Kross reviewed assumptions, noting that trend is still at 7.5%. The projection update was reviewed - YTD budget (4/13-7/13) is \$23.4 million. 2013-14 projection is \$70.2 million. Large claims were reviewed. There are currently 9 large claims over \$250,000, totaling \$3.176 million. In comparing the 11/12 plan year to 12/13 plan year, there is a 14% increase in quantity of claims. Total claims and trend was discussed.

Monthly loss ratio by plan year was discussed. The current loss ratio for July is 86% where last year was 108%. Current monthly loss ratio is 99.2%. The monthly loss ratio for the 5773 plan is 68% and the loss ratio for the 3769 plan is 117% - this is very typical.

2013/14 expenses were reviewed. The 3769 plan has 71% of claims and the 5773 plan has 22% of the claims.

Enrollment was reviewed. In 2012/13 there were 9,717 enrollees. In 2013/14 there are 9,865 enrollees with 3,693 in the 5773 plan and 6,172 in the 3769 plan.

Ms. Leanne Migliore arrived at 3:35 p.m.

PPACA Update

Ms. Debbie Poole noted that the PPACA update is very short this month. The only change is to out of pocket maximums – in that prescription drug costs must be included in the out of pocket maximums. All medical plans beginning on or after January 1, 2014 must include prescription drug costs included in the out of pocket maximum in addition to annual deductible, copayments and coinsurance. This adjustment must go into our plans for next year.

Ms. McFarland noted there is no big major change waiting in the wings that will make us change our plans. The District is in compliance.

Ms. Suzan Rudd noted that a nearby county was discussing the Cadillac tax. Ms. Debbie Poole from AON Hewitt informed her that this tax is long term – and we all hope it is going to change, but if it remains, it will be a tax on the employer's side.

Ms. Rita Zazzaro asked for clarification of pharmacy carve-out – this was discussed. Using a pharmacy rather than using Florida Blue to save RX dollars is an option that the District has. Ms. McFarland noted that all options are being looked at and the options that are chosen will be brought before the ITF committee.

Ms. Debbie Poole stated that there is a federally required notice that must be sent out by October 1. It is a fill in the blank form, which will go out at the end of September. Since this committee isn't meeting until after that she wanted to let everyone know. The purpose of the form is so that the District's information will be out there for comparison for employees who go out to the exchange to look for insurance. Ms. Poole recommended sending a cover letter with notice including more detailed information to be included in the information that is posted. The only information put out there does not notify employees that they will not get their employer contribution if they choose the exchange. AON will assist with a notification to employees. Mr. Leo Burt recommended that once the notice goes out, there should be something on the District's webpage explaining this and more. Ms. McFarland stated that she will work with communications on this, including the information that if you are offered an employer plan you do not qualify for the subsidy.

Mr. Joseph Pescatrice asked if retirees will get the subsidy if they are offered a plan. Ms. Debbie Poole stated that yes, they will be eligible for the subsidy, and recommended that the District send a notification about this to retirees.

Mr. Thomas Scott recommended that a video with this information be created, so employees can see somebody talking about the changes, not just read it on a computer screen. Ms. McFarland noted she is discussing this with Amity Chandler.

Ms. McFarland stated that we are looking at an HSA for our next open enrollment, which will also require a lot of communication. She is very hopeful we can move forward with that plan. The HSA plan and how our current plans operate with the exchange will require a lot of communication with employees.

Ms. Poole shared that in order to be in ACA compliance, the new HIPPA privacy notice will be required to go out by November 22nd. New Business Associate Agreements will need to be created, including a new COBRA Notice – changing it to notify employees of options to continue coverage through the District as well as information about the exchange. We are waiting for a federal model notice.

Ms. Jamie Michael discussed HIPPA changes, specifically data security, reporting a breach – the flow of information to a privacy officer.

Annual Plan Review

Ms. Poole noted that the annual review would be presented at the next ITF meeting in October. Florida Blue will come in with a clinical review of the previous plan year.

Wellness Update

Ms. McFarland reminded the committee that the Board approved using up to \$1.2 million from health care funds for the Wellness Program and stated that Ms. Lisa Brown has an update on all of the wonderful things that are happening with the Wellness Program due to the addition of these funds.

Programming/Wellness Academies – Ms. Brown informed ITF members that she rolled out the concept of Wellness Academies to principals this summer. Principals received an agreement to sign. This agreement outlines what support leadership must provide and what services ActiveLee can provide. The three levels of recognition for the academies are silver, gold and platinum. There are currently 38 wellness academies on board. Ms. Brown noted that she works with the wellness advocates monthly and sends them the information that needs to be communicated. There have been a lot of requests for programming even though it is early in the school year. There are currently about 100 advocates. 28 classes are on the exercise calendar. The diabetes program is being paid for by Florida Blue this year. Six diabetes classes are scheduled – three at transportation and three at LCPEC. Nutrition, cooking, and weight management classes are also scheduled. There are 33 sites for flu shots, 16 for the mobile mammogram bus and 33 sites are hosting wellness screenings. She is trying to combine all three services at one event for employees; however scheduling is difficult.

Eat Right for Life is a 10 week campaign beginning in September. Each week participants read a section, and use the tracker to set personal goals and track progress. If personal goals are met, participants get a prize at the end of the challenge. This is a great book from which to learn good nutrition information.

Employees can also participate in the weight loss challenge at \$10 per employee/\$50 per team. The team with the greatest weight loss will split the entire pot of money at the end of the challenge.

Ms. McFarland noted that this programming is only possible through the use of the \$1.2 million from the health care fund, which has been vital in getting this far.

Point Plan - Ms. Brown informed the ITF that the Point Plan runs from October 1st through March 31st. The results will be given to payroll so incentive payments can be included in paychecks. The incentive amount per employee can be up to \$100. This incentive payment will be taxed on their paychecks. There will be one payout rather than multiple payouts. The incentive is for employees on the health plan only, not spouses or dependents. Florida Blue will provide reporting – their reports will not include protected health information. The first step to being eligible to receive incentive dollars is participating in a health screening. Employees get \$25 for doing the health screening. Last year, participation doubled with the movie ticket incentives.

Ms. McFarland noted that the reason the health screening is the requirement for incentives is because it catches problems as they are trending towards becoming a big expense to the health care plan. It will also let us know where we need to focus - what issues are the greatest.

Ms. Jamie Michael noted that employees are concerned about confidentiality of their health information. Ms. McFarland stated that this is a voluntary program and that Florida Blue does the health assessments. Florida Blue keeps the information to prepare the reports. The District does not have access to any of this information, only final figures on the reports that Florida Blue provides.

Ms. Karen Whitmore, our onsite Florida Blue representative stated that Allstate, who provides cancer insurance coverage to District employees, has agreed to accept the health screening to qualify for a wellness exam to receive their \$50 annual wellness payment.

Ms. Brown reviewed the Incentive dollar amounts with ITF members:

\$25 for completing health risk appraisal

\$50 BMI – ideal

\$25 BMI - overweight

\$25 Cholesterol Ratio – ideal 4.0 or less

\$25 Blood Pressure – ideal

\$15 Blood Pressure – borderline

If an employee doesn't meet all of the above, programs are available for employees to take to help them meet these goals. These programs will be the reasonable alternative standards. If an employee is unable to do any of the programs offered, there will have to be alternatives offered to these employees. There should be very few of these, but we are required to offer them. In the future, online courses may be offered.

Mr. Pescatrice congratulated Ms. Brown on a job well done, stating that he was on the hiring committee and he is very glad they hired her.

Ms. Brown thanked Mr. Pescatrice and stated that she is hoping to get 30-40% of employees to participate in this program to see the saving to the health plan. Cost savings will be able to be projected if enough employees participate.

Ms. Zazzaro asked Ms. Brown if she is looking to include other programs in the point plan. Ms. Brown noted there is not time for her to include and track additional programs at this time. Ms. McFarland noted that they are working to try to obtain the use of ELM for registering and tracking participation. Mr. Castellano asked if there is potential to increase the incentive amount over time. Ms. Brown noted that this is a challenge as she is not sure how this programming will be funded in the future. It is possible that savings to the health plan could be motivation to increase the incentive amounts. Ms. McFarland noted we are also fighting trend which is usually a 7.5% additional expense for the same services. She noted there are different possibilities such as getting the trend line less, improving quality of life. No wellness program is going to generate dollars. Ms. Brown noted that Collier has in place three health plans with different cost sharing levels based on wellness participation and screening compliance.

Ms. Jamie Michael suggested scan cards for employees that could help to track participation in Lisa's classes. Ms. Brown thanked Ms. Michael for the suggestion and noted that marketing and communication are the biggest challenges at this point, and are next on her agenda. Mr. Leo Burt asked how the incentive proposal will get out in the field. Ms. Brown informed everyone that she is going to visit transportation compounds personally, and she will be relying on wellness advocates at the schools.

It was mentioned that taking classes on line would be helpful for custodians as they already are required to take some classes on line.

Mr. Scott noted that marketing is critical. It must be directed and personalized toward the employees you want to participate. Amity Chandler in Communications may have an angle on how to target different groups.

Mr. Castellano requested that Ms. Brown attend the Wed. Sept. 18th TALC meeting to share her information with their group. Ms. Brown stated she would be happy to do so.

Good of the Order

Mr. Mark Castellano thanked Ms. Brown for doing a phenomenal job and Mr. Leo Burt seconded his comments.

Adjournment

The meeting adjourned at 4:44 p.m.