

**THE SCHOOL DISTRICT OF LEE COUNTY
MINUTES**

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

Thursday, February 6, 2014

Members Present

Steve Bowman
Leo Burt
Mark Castellano
Karen Cooley
Bonnie McFarland
Jamie Michael
Donna Mutzenard
Joe Pitura
Suzan Rudd
Rita Zazzaro

Members Absent

Shandra Backens
Amy Desamours
Ashley LaMar
Leanne Migliore
Joe Pescatrice,
Retiree Liaison
Jimmy Riley
Thomas Scott, Board Liaison

Others Present

Debbie Poole, Aon Hewitt
Amanda Brooke-Kross, Aon
Hewitt
Robin MacDonald, Florida
Blue
Karen Toro, Florida Blue
Karen Whitmore, Florida
Blue
Terri Roney

The meeting was called to order at 3:05 PM.

Approval of Minutes – January 9, 2014

Ms. Bonnie McFarland reviewed the draft 1/09/14 ITF meeting minutes, and asked if there were any additions, deletions or corrections, noting that Ms. Donna Mutzenard's name would be added to the list of members present. With this change being made to the minutes, Mr. Mark Castellano made the motion to approve the minutes of the meeting. Mr. Leo Burt seconded the motion; motion passed unanimously.

Review of Health Plan Financials

Ms. Amanda Brooke-Kross reviewed the medical plan financials, noting that the information includes paid claims through December 2013. The 2013/14 projection is 5.4% below the 2013/14 budget. Paid claims for December 2013 total \$5.1M. The 4/2013-12/2013 average monthly paid claims is \$5.0 million. Current medical plan enrollment is 9,991 for December 2013, a 1.2% increase since April 2013. Year to date surplus is \$4.2 million. 2013-14 projection is \$3.8 million surplus. Surplus last month was \$3.6 million. Projected surplus for 2014-15 is \$1.2 million. Ms. McFarland noted that we have been under trend for the last couple of months. Ms. Brooke Kross noted that monthly loss ratio has been consistently below the prior year data. December is right in line with last year at 88%.

Pharmacy Claims

Ms. Debbie Poole from AON presented the District's Pharmacy Analysis noting that 23% of our spend is going for prescriptions. The top 25 non specialty RX list was reviewed. It was noted that the top RX is Nexium – and many of the prescriptions on the list are in line with what we are targeting with our wellness program. Specialty prescription drug claims are 17% of our total drug claims. Ms. McFarland asked what an average cost for one prescription of Enbrel is – it was noted that it is in the range of \$1500. Ms. Rita Zazzaro asked if the wellness program affects this data and Ms. Poole noted that the wellness program will affect the non-specialty RX costs. Ms. McFarland noted that our wellness program up to

this point has not reached enough employees to have a big impact to claims spend. \$100,000 spent on a wellness program will not affect \$70 million in claims, and that as the wellness program grows, impact on claims will grow as well. Mr. Pitura noted that the Superintendent is very supportive of the wellness program and we are hopeful that the program will continue to grow. A video is being prepared to help promote the wellness program.

Ms. Poole noted that the biologics claims – such as Enbrel and Humira, have increased 20% from the previous year. The MS drug Copaxone is a \$72,000 annual spend. Drugs for Hepatitis C are at \$66,000 per treatment or \$88,000-\$176,000 per treatment. These are expected to be one time treatments.

Voluntary Benefits Overview

Ms. Poole noted that voluntary benefits are employee paid, and the pricing of voluntary benefits range greatly. There are a lot of variables that impact cost. Voluntary supplements fall into three categories – Medical Supplement, Income and Asset Protection, Work/Life Balance. Ms. Poole noted that short term emergency loans are not an insured product and would not be included as a voluntary benefit.

Ms. McFarland reviewed with members that the ITF was going to look at into the option of adding additional voluntary benefits to what the District currently offers, as we are approached quite often by vendors to do so. We can decide not to offer anything additional, or we can add a few additional benefits. If there is interest in a particular item, then we can get additional data on how that benefit would work for employees. Ms. Poole noted she is very impartial and AON will be able to tell us how the product would work for us. Ms. McFarland also noted that a lot of our current vendors offer some of things we may be looking to add. Ms. Poole reviewed with ITF members what is available and what is trending at this time, noting those that would complement a medical plan would be:

Hospital Indemnity – pays a lump sum in the event of a hospital stay

Critical Illness – pays for a specific diagnosis

Accident- pays a lump sum in the event of an injury or death due to an accident

Limited Medical-not eligible with an HSA-noncompliant with health care reform

Medical Gap – not eligible with an HSA

Vision – we already have

Dental – we already have

Income & Asset Protection Plans:

Long Term Care

Permanent Life Insurance - provides a benefit upon the death of an insured. This policy accumulates a cash value. We currently have a term life insurance policy. Some offer a universal/whole life policy with a term policy rider.

Disability Income Insurance

Work Life Balance:

Auto/Home – Florida's rates are so high this is not utilized very much

Group Legal – some of these services are currently provided by Minnesota Life

Identity Theft – notifies employee when potential identity theft has occurred

Discount Purchasing – discounts on electronics, software & clothing

Pet Insurance

Ms. Poole noted that in thinking about which benefits to offer we need to choose benefits that align with our demographics – for example young singles won't be interested in the long term care policies, which is unfortunate as this is when the premiums are cheaper, and young families would be interested in home and auto insurance.

Ms. McFarland asked ITF members if they have any interest in adding to our current lineup. If we feel we are happy with what we offer then we won't add anything, and will let vendors know that we have made the decision not to add anything at this time. This discussion is being held so we can have a response to the many vendors who contact the District about offering their products to the District.

Ms. Suzan Rudd noted that a group went to transportation and told management they were part of the union and endorsed by the union and were talking with employees and giving them free food. They were told to leave. Ms. McFarland noted we often get calls from schools saying they have someone there who wants to speak to employees and asking if they are legitimate. Ms. Poole informed ITF members that page 17 of their information packet contains a market check of what other clients are currently offering to their employees. Critical illness, accident plan and cancer insurance are very popular. Ms. McFarland asked ITF members if they feel our current lineup is sufficient or if they want to look into any of these coverages a little more. Ms. Rudd stated that SPALC feels the current benefits offered are adequate. Many SPALC members are already spending a good portion of their paycheck on insurance premiums. Members are not asking for more coverage. Mr. Castellano stated that he has not heard about any requests. Two that interest him personally are long term care and whole life coverage. Ms. McFarland noted she looked into providing long term care at a previous job and the price was sticker shock. Ms. Poole also noted that if an employee's average salary is not more than \$60,000, they won't be eligible for it. Ms. Rudd noted that the NEA offers a long term care policy and the premiums are very high. NEA covers both of the unions – for members only. Anyone who is covered by the SPALC or TALC contract could join the union and obtain this coverage. This would be a duplicate coverage if we added it. Ms. Donna Mutzenard feels that we have adequate insurances now, however if we go to an HSA we might want to revisit some – such as critical illness coverage. Ms. Zazzaro stated that if we are planning on implementing an HSA for next plan year, add the critical illness piece to that when it is discussed and perhaps the hospital indemnity coverage. It was agreed to table the HSA discussion for now, and further the discussion when we begin evaluating medical plans/HSA for the next plan year.

Ms. Donna Mutzenard made a motion that the ITF has reviewed the current plans and agrees they are sufficient at this time. The motion was seconded by Mr. Leo Burt. Motion was unanimously carried.

It was reviewed that at this time the FSA has been implemented, and we have the option to start the HSA with Wage Works should we decide to implement one for the next plan year. 24 pay FSA enrollment is on PeopleSoft this year. 20 pay employees must enroll on paper.

PPACA Update - Health Care Reform Update

Ms. Poole reviewed with ITF members that federally contracted employees' minimum wage increased to \$10.10. This has no impact to the District. 60% of those enrolled in the public marketplace are enrolled in the silver plan. This is where the subsidy is. Older enrollees are enrolling in the more expensive plans. The 18-34 age group is enrolling in the Bronze plan. A total of 558,099 people have enrolled at this point. If the governor had expanded Medicaid, it would have affected these numbers. They would be higher. Another issue arising is that if you are enrolled in the market place and have a life event - i.e. marriage and wish to add your spouse, you are basically rewriting your policy because this impacts your subsidy and your deductible.

Review of Health Fair Attendance

Ms. McFarland reviewed that last year the ITF recommended \$1.2 million to the Wellness Program - \$1 million for incentives, \$200,000 for programming. 2,024 people participated in the health screenings/incentives. The max that will be paid out in incentives is \$202,400 plus the \$200,000 for programming resulting in a total of \$402,400. 2,024 is a 70% increase in participation in the health screenings. We have received very positive feedback and have started discussions on how the health screening will be offered next year. We did over 30 health screening events and we are looking at holding longer health fairs at fewer locations. We are looking at having a comparable number of hours, with fewer locations. We will continue to attend all the transportation compounds, and create a model that is sustainable. We had to cancel one health screening, and almost had to cancel several others due to participation. 20% employee participation starts inching towards the point where you can start making some global statements about your population. We can start to make some logical projections with this percentage. This accomplishes two things. Many employees came through the screening process for the first time. We got very positive feedback from these employees. Health factors were identified. The District gets aggregate data to better target the risk factors of our employees. We get a much better picture of health issues at 20% participation than we do with 10%. We can impact employee health positively and increase productivity. Not only will the District benefit from having healthy employees, employees will benefit by having longer, healthier more productive lives. We are not yet done with the assessment period where people have the opportunity to earn points. We will eventually have the data of how many points, but we won't know how they got the points. We will not have any personal data on employees. Wellness classes available are on the Wellness website. Communication has been hampered by the loss of staff. The new Wellness Coordinator, Heather Parker, starts February 26th, and she will attend the March 6th ITF meeting. She will be helping to wrap up programming for this year and begin planning programming for next year. Ms. McFarland informed ITF members that as soon as we have more data and final numbers and costs, she will update the ITF.

Wellness 2014-15

Ms. McFarland asked ITF members to think about whether or not the wellness program should continue its incentive programming again next year, noting she would like to discuss this today, then revisit this discussion in the future, asking ITF members to let her know if they need additional information. Mr. Castellano noted that the money for the incentives came out of the health plan reserves. If claims continue to move in a positive direction, the money spent on incentives is cost effective. We will have more participation next year once employees are paid the incentive. It was discussed that the projected health plan surplus is \$3.7 million, and YTD is \$1.2 million. We are looking at a surplus for the coming plan year at this point and at our current projections, we will be adding to this surplus.

Mr. Castellano stated he feels we should continue the incentive program, and perhaps increase the incentives. Ms. McFarland noted the incentive program did well for the first time out, and if we were to offer it again, we would improve and have better participation. We could increase the incentive amount and increase what is eligible for incentive dollars etc.

The ITF agreed they would like to see a status quo proposal for a wellness incentive program for next year, as well as a couple of other options. Ms. McFarland noted that one program Lisa Brown was looking at is the CHIPS program. Heather Parker is also very familiar with this program and it is possible

this could be added to the wellness program next year. Results from this intense program are phenomenal. ITF members agreed that there is interest in looking at a status quo program as well as a couple of additional models. Ms. McFarland noted she will come back with some ideas and discussion at the next meeting.

Open Enrollment

It was noted that open enrollment is going well. FSA enrollment has been a little confusing as this is the first year it is being done in PeopleSoft, but the word has gone out about this. Mr. Castellano mentioned that the process of clicking submit, submit is ok, but he would like to see a “print this screen for your records” option at the end of the process. Ms. McFarland stated she will make the request – which will involve IS and IT. She also informed ITF members that in the next 11 months we are implementing PeopleSoft 9.2. The District has to test every program we are using to be sure it will work in 9.2 as it is now, therefore nothing new can be added at this time. Ms. Zazzaro noted that she expected to get a confirmation page after she clicked submit. She also stated that she wants to reiterate how well CBI staff has done during this open enrollment and how helpful they have been.

Good of the Order

Ms. Jamie Michael and Ms. Suzan Rudd requested discussion regarding what drugs are on the NDC lockout list. Ms. McFarland reminded them that when we chose to do the NDC lockout we agreed on the list of drugs on the list. They asked to revisit the NDC lockout list. Mr. Robin MacDonald noted we cannot customize a list, but we can elect not to participate in the NDC lockout as a whole. We will need to look at the cost impact of dropping the entire option. He will work on getting that data - look back at prior to implementing the NDC lockout list and then look at it globally. Ms. Karen Toro reviewed how the list works. Ms. Rudd noted that transportation employees are concerned that their costs are not broken down on the website for open enrollment. Ms. McFarland noted that the calculator is on the insurance and benefits webpage, and the results they get with the calculator will give them what they will see under prepay and prepay A on their checks.

Adjournment

The meeting adjourned at 4:58 p.m.