

**THE SCHOOL DISTRICT OF LEE COUNTY  
MINUTES**

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

**Thursday, March 6, 2014**

**Members Present**

Steve Bowman  
Leo Burt  
Mark Castellano  
Karen Cooley  
Ashley LaMar  
Bonnie McFarland  
Jamie Michael  
Leanne Migliore  
Donna Mutzenard  
Heather Parker  
Jimmy Riley  
Rita Zazzaro

**Members Absent**

Shandra Backens  
Ami Desamours  
Joe Pescatrice,  
Retiree Liaison  
Joseph Pitura  
Thomas Scott, Board Liaison

**Others Present**

Amanda Brooke-Kross, Aon  
Hewitt  
Keith Coghlan, Aon Hewitt  
Tammy Martin, Aon Hewitt  
Karen Whitmore, Florida  
Blue  
Debbie Durieux

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

**Approval of Minutes – February 6, 2014**

Ms. Bonnie McFarland reviewed the draft 2/6/14 ITF meeting minutes, and asked if there were any additions, deletions or corrections. There being no changes, Mr. Mark Castellano made the motion to approve the minutes of the meeting. Ms. Rita Zazzaro seconded the motion; motion passed unanimously.

**Wellness Coordinator Introduction**

Ms. Bonnie McFarland introduced Heather Parker as the District's new Wellness Coordinator. Ms. Parker came from Lee Memorial Hospital, where she had worked for the past 8 years. Ms. Bonnie McFarland asked the group to introduce themselves to Heather. Welcome to Heather!

**Review of Health Plan Financials**

Ms. Amanda Brooke-Kross reviewed the medical plan financials which included data through January, 2014. The 2013/14 projection is 4.4% below the 2013/14 budget at this time. There was a spike in claims for January, 2014, which was expected. Large claims (over \$250,000) were up 17%. We have 7 large claims, one of which is a new one added to the list. The medical plan enrollment reached 10,010 for January, 2014. The surplus is at \$3,128,000. The projected surplus was \$3,080,000. July, 2013 through November, 2013 loss ratio came in under the previous year. December, 2013 through January, 2014 is up from the previous year.

**HSA Plan Designs**

Ms. Bonnie McFarland reminded the group that they had indicated a desire to offer a 3<sup>rd</sup> medical plan for the 2015/16 Plan Year. An HSA Plan was discussed for the 2014/15 Plan Year & it was decided to put that on hold & discuss further for the 2015/16 Plan Year.

In keeping with this discussion, Aon Hewitt has proposed three options to look at for the 2015/2016 Plan Year.

- Option A – HSA Eligible – No ER Fund
- Option B – HSA Eligible - \$1000 ER Fund
- Option C – HDHP – Not HSA Eligible

Ms. Bonnie McFarland explained that if we do nothing with our plans and the plans exceed the “Cadillac Tax” threshold that is part of Healthcare Reform, in 2018, we will have to pay approximately \$30,000,000 to the government for excise tax because our plans have a high value.

Ms. Tammy Martin explained that our 5773 Plan is 6% less rich than the 3769 Plan, and all three of the proposed options would be 10% less rich.

Ms. Bonnie McFarland said we would keep our two current plans (3769 & 5773) and just add a third plan with a lower value.

Mr. Ashley LaMar asked what the rates are for the three options. Ms. Amanda Brooke-Kross indicated that it would be hard to tell at this point, but the rates would make this the lowest plan.

- The 5773 Plan would be equal to the Board Paid Flex
- The 3769 Plan would be the buy-up plan
- New Plan would be under the Board Paid Flex, with excess dollars to use

Ms. Leanne Migliore questioned why we wouldn’t want to go with Option C because it has co-pays.

Ms. Bonnie McFarland explained that we already have two plans that have co-pays, so we should look at a totally different option, such as Option A or Option B, which are HSA eligible.

Ms. Suzan Rudd pointed out that the HSA would need to go before the bargaining teams. Ms. McFarland was not sure it would, but she would check with Dr. Greg Adkins. She assured the Union that we would want to do whatever was required.

Ms. Leanne Migliore questioned why Option B is better than Option A.

Ms. Bonnie McFarland pointed out that 38% of employees spend less than \$1,000. Option B has \$1,000 funded by the District (comes out of the \$6,372 flex credits) So, if you have someone who only has their wellness visit; or even if they only had to go the doctor once or twice – that \$1,000 would cover the charges most likely & the employee would not be taking money out of their pocket to pay the claim. That same employee if they had the 5773 Plan or 3769 Plan, they would have a co-pay for going to the doctor, so they would be taking money out of their pocket. If the employee had no need to see a doctor, then they keep that \$1,000 in their plan. HSA money can be used for dental and vision – even premiums in retirement (after age 65). An HSA is not for everyone. If you are a person who utilizes the insurance on a regular basis for a chronic condition, then an HSA is probably not the plan for you. An HSA works best for those employees who are healthy and do not anticipate using the health plan on a regular basis.

Ms. Jamie Michael made a motion to look at Option B with WageWorks administering it; Ms. Donna Mutzenard seconded the motion; motion passed unanimously.

Ms. Jamie Michael pointed out that the group decided not to offer the HSA for the 2014/15 Plan Year and delay it to the 2015/16 Plan Year so employees would have time to be educated about the HSA.

Ms. Bonnie McFarland will get with WageWorks and ask them to come give a presentation to the ITF, demonstrating online account access, etc. She will have them conduct some education to our employees, as that was part of the RFP.

Ms. Suzan Rudd said she had read that there is a State Bill pending that prevents plans from forcing employees to get their 90-day supply from mail order. The Bill would allow members to purchase any of their drugs from a local pharmacy. She wanted to know how that would affect our plan. Ms. Bonnie McFarland said it would have a financial impact on our plan as it would cost us more money if employees did not use mail order for their maintenance drugs.

### **Wellness Incentive Discussion**

Ms. Bonnie McFarland indicated that due to the wellness incentive dollars offered, participation in the Health Appraisals were up from 1100 to 2000 employees who participated this year.

- \$25 is awarded just for participating in the Health Appraisal
- Addition amounts are awarded if an employee met a certain target, such as blood pressure, BMI, cholesterol.
- Employees could also earn money by attending certain classes offered.

Ms. McFarland suggested that we increase the incentive from \$100 to \$150. She suggested upping the amount for participating in the Health Appraisal from \$25 to \$50. She further stated that this year, money was awarded if you met certain criteria/targets. These targets were generous – they were not the desired outcomes. For 2014/15, it is recommended to remove the points for biometrics that are less than ideal.

Mr. Steve Bowman supports only giving incentive dollars when an employee meets the healthy target.

Mr. Mark Castellano supports increasing the incentive dollars.

Ms. Bonnie McFarland indicated that Ms. Lisa Brown had been looking at doing the CHIP Program and she had attended training classes for CHIP. Ms. Heather Parker has experience with this program, as they had implemented it at Lee Memorial. Ms. Parker will be attending training classes as well. CHIP stands for Complete Health Improvement Plan.

Ms. Heather Parker explained that the program targets 30 key people (ones on the health plan who have multiple health risks). There are 18 sessions normally. We would do a 9 week course (twice a week). One would start 9/8/14 through 11/17/14 – held on Mondays & Wednesdays. The second 9 week course would be on Tuesdays & Thursdays and be held after the Winter Break.

Participants would have blood work done three times: at the beginning of the class; one in the middle; and one at the end of the session.

Ms. Heather Parker pointed out that the target of this program is to make you healthy inside first. Losing weight generally happens once you are healthy inside. The program is not focused on weight loss. Participants usually measure the success by the fact their blood pressure improves, their BMI is better, their cholesterol numbers are better, etc. Once you obtain these goals, you will start losing the weight.

Employees would have to apply for the program since there is limited space. It is a voluntary program.

The investment is high, but the return on the investment exceeds that investment. Estimates of the costs would be \$600 per person, plus \$100 for blood work. The estimated return on the investment would be \$1,800 per person. The total cost estimation is \$42,000, with an estimated return of \$108,000.

Ms. Suzan Rudd supports using some of the reserves to give back to employees in some way. She supports the wellness incentives.

### **Good of the Order**

Mr. Mark Castellano said the Scholars for Dollars fund-raiser is being held on April 5, 2014 at 7:00 PM.

### **Adjournment**

The meeting adjourned at 4:53 p.m.