

**THE SCHOOL DISTRICT OF LEE COUNTY  
MINUTES**

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

**Thursday, April 3, 2014**

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<u>Members Present</u>	<u>Members Absent</u>	<u>Others Present</u>
Steve Bowman	Shandra Backens	Debbie Poole, Aon Hewitt
Leo Burt	Ami Desamours	Tammy Martin, Aon Hewitt
Mark Castellano	Ashley LaMar	Karen Toro, Florida Blue
Karen Cooley	Leanne Migliore	Robin MacDonald, Florida Blue
Bonnie McFarland	Joe Pescatrice, Retiree	Karen Whitmore, Florida Blue
Jamie Michael	Liaison	Terri Roney
Donna Mutzenard	Jimmy Riley	
Heather Parker	Thomas Scott, Board Liaison	
Joseph Pitura		
Suzan Rudd		
Rita Zazzaro		

The meeting was called to order at 3:02 PM.

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

Ms. Bonnie McFarland reviewed the draft 3/06/14 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 meeting. Mr. Leo Burt seconded the motion; motion passed unanimously.

**Review of Health Plan Financials**

Ms. Tammy Martin reviewed the financial summary. The 2013-14 projection is 5.4% below the 2013-14 budget. The average 2012-13 monthly paid claims was \$5.5 million. The average 2013-14 paid claims through Feb. 2014 is \$5.2 million. There was a spike in claims last month. Assumptions are the same. Current medical plan enrollment is 9,974 for February 2014. Projected medical plan enrollment reduced slightly to 9,841. Projections went down slightly from last month because claims were reduced. 2014-15 updated projection went down slightly by \$200,000 - \$300,000. Surplus deficit went up again as a result of lower claims. Loss Ratio is 89% for all plans. January 2014 claims were at 113%. Claims are running very well this year except for the jump in January.

Ms. Debbie Poole reviewed medical plan utilization, noting that the thresholds show employees with claims under \$1000 is at 45%. Less than 15% of employees are incurring claims over \$6,249. Less than 1% of employees are accounting for half of paid claims – these are large claims. Ms. McFarland reminded ITF members that the ITF had asked for this information 6 months ago and this is an update of that information.

### **PPACA Update - Health Care Reform Update**

Ms. Martin reminded ITF members that they had discussed before how the government will know who is covered by what plan and how much they pay. The ACA Employer Reporting Requirements were reviewed. There are two separate reporting requirements but these will be on one form. Information required was reviewed. Reporting will be due in January of 2016 for the 2015 calendar year. Electronic filing should be available then.

Transitional Reinsurance Fee Calculations Options were discussed. There are three different ways to calculate this and the District can choose to use the one that is most advantageous - Actual Cost or Snapshot Count, Snapshot Factor, or Form 500 Method. AON will calculate all three and let us know which one works best for the District. So far the Snapshot Factor has been most advantageous.

The deadline for Affordable Care Act Open Enrollment has been extended.

### **Medical Marketing RFP & Subcommittees – Medical ASO & Vision**

Ms. McFarland informed ITF members that there are two upcoming RFPs - Medical ASO and Vision Insurance. Ms. Poole reviewed the RFP process, noting that AON has been working with Compensation, Benefits & Insurance as well as Procurement to begin the RFP process. The specifications document includes a background of Lee County School District, current wellness programs offered and future benefit strategies, the objective of the RFP, questionnaires, how they should be completed and services expected. A separate questionnaire for Medical ASO and Pharmacy will also be included. In the specifications document it is noted the award could be given to one or two vendors for Medical and Pharmacy. Criteria and scoring points are being worked on. The scoring and weighting can be adjusted. The proposal process timelines and submissions process will also be included.

Ms. Poole noted the Medical RFP questionnaire is very comprehensive. Vendor validity, legal and contractual obligations, and network access will be important. Network reporting will be done by the same method currently used. Network management will also be looked at. Administrative requirements are also pretty bulky. Turn-around time, case management and disease management will be addressed. They want to be sure there will be no disruption if there is a change in vendor. The on-site rep must stay in place. Website will also be looked at. Wellness is currently paid for by Florida Blue and we want to make sure this is not disrupted. Performance guarantees will be asked for.

Pharmacy questionnaire components were also discussed. We want to be sure to stay in line with what is currently in place. Formulary management will be looked at. Flexibility for customizing formulary will be looked at. Distribution mechanisms and potential disruption will be looked at closely. Account management will also be on the Pharmacy RFP questionnaire.

Worksheets will be completed by the vendors to provide Administrative Services Only (ASO) fees and expected claims based on SDLC claim data and vendors' network provider discounts. Vendors will also be required to provide a network analysis – geographical access – (GeoAccess) and disruption analysis. A separate Pharmacy RFP is being issued. Wellness funds will be requested to match the \$100,000 currently being offered by Florida Blue.

The proposed timeline for the RFP process was reviewed. The Medical RFP will be released at the end of April and will be due May 29<sup>th</sup>. AON will take the analysis and report back to the evaluation committee on or around July 14<sup>th</sup>. Finalist meetings will be held on July 24<sup>th</sup>, and finalist selection will also be on

July 24<sup>th</sup>. The ITF briefing will be on August 7<sup>th</sup>, Board briefing will be on Sept. 9<sup>th</sup> and Board Action will be on Sept. 23<sup>rd</sup>.

Ms. McFarland noted there is a lot of work done between when the Board has awarded the RFP and when it can be offered – including entering everything in PeopleSoft.

Ms. McFarland noted that the Medical RFP is for the Medical Plan Administration – not the medical plan itself. The District sets the plan design and pays its own claims. We pay someone to handle the plan administration only. This RFP will not change plan design at all - it is the administrative piece only.

It was noted that it will be important that the Board understands this. Ms. McFarland stated she will follow up and clarify this with Mr. Scott. Ms. Suzan Rudd noted that in previous years this service has been referred to as the Third Party Administrators (TPA) and it is confusing to hear it referred to as Medical ASO. Ms. McFarland agreed and noted that for internal purposes we will refer to this as a Medical Third Party Administrator RFP rather than a Medical ASO RFP from this point forward.

Ms. McFarland asked for volunteers for the Medical TPA RFP subcommittee and the following ITF members volunteered: Mark Castellano, Joe Pitura, Heather Parker, Suzan Rudd, and Rita Zazzaro. Bonnie McFarland and Karen Cooley will also be on the committee. Ms. McFarland asked members to stay for a brief period after this meeting to schedule meeting dates. It was noted that meeting requests will be sent out.

The Vision Insurance RFP will follow approximately one month after the Medical TPA RFP. The following ITF members will be on the Vision RFP subcommittee: Steve Bowman, Jamie Michael, Donna Mutzenard, Bonnie McFarland and Karen Cooley.

### **Wellness Incentive Discussion**

Ms. McFarland noted that incentive payouts were discussed at last month's ITF meeting and that incentive pay outs for the current year will be paid in May. Last year the incentive money came out of the self-insured fund based on the recommendation of the ITF and the Board. We are asking for health fund dollars again to run an incentive program for next year. We started out small last year with programming offered and have made adjustments to the program for next year, creating more opportunity to earn incentive money, and a greater variety of wellness courses. We had a 70% increase in participation last year, which increased participation to 20%. We hope to get participation even higher next year.

Heather Parker passed out the proposed wellness incentive plan for next year, noting that the target numbers are different for next year, and reviewed the proposed incentive plan. The health screening incentive is increased from \$25 to \$50. The health screening will be required in order to be eligible for all other incentives. The diabetes prevention program incentive has been increased to \$100.00. Minimum class participation for the Am I Hungry class series is increased to 7 classes. Body Mass Index was discussed with Daniel Moore from Florida Blue and it was determined that it is the best option for measuring health and the incentive amount for the screening will be \$50.00. Ideal cholesterol ratio and blood pressure incentives were also increased to \$50.00. The total incentive that can be earned will be \$150.00 – up from \$100.00 last year. If these incentive amounts are used, the total amount needed for incentives would be \$1.5 million dollars. Funds needed to run programming would be \$250,000, making the total being requested \$1.75 million.

Ms. McFarland informed ITF members that last year, of the \$1.2 million asked for, the total spent was between \$600,000 – \$700,000. This includes incentive payouts of a little over \$400,000 and additional programming costs. \$1.5 million is the most that would be spent in incentives next year. We will probably spend about half that. Ms. Parker noted that we will be sure to get incentive and programming information out to employees early, and we will be holding fewer but larger health screening events at more convenient locations next year.

Ms. McFarland noted that there will be a big two day kick-off health screening event here at LCPEC in October – noon to 6:30 PM on day one and 7:00 AM to 2:00 PM on day two. There will be seven additional events around the District and a concluding event here at the LCPEC. We were swamped at the last event here last year and hope to avoid that by doing the big two day kick-off event. Ms. Jamie Michael added it would be a good idea to get this information to the principals before the end of the school year so they can include it in their packets to staff for next year.

Restricting incentives to medical plan members only was discussed. Ms. McFarland explained that if all employees were included, there would be a health screening cost for those who are not covered by our plan. This would cost approximately \$16,000 for health screenings and additional money for incentive payouts. Administratively it would have to be all or nothing. It was noted that as the incentive program is currently designed, all employees can participate in the exercise classes or the wellness classes; they just don't get paid the incentive as they are not covered by our medical plan. Employees not covered by our medical plan are not eligible for the health screenings as Florida Blue pays for them as part of their administration.

Ms. Rudd noted that healthy employees are beneficial to the District. SPALC represents all of these folks, even if they are part-time. They have heard from folks who waived the medical coverage in regard to being included in the incentive program.. Ms. McFarland reminded ITF members that the wellness programs have been offered to all employees, and that additional programming will benefit all employees even though they won't get the incentive if they are not covered by our medical plan. Ms. Rudd said she feels not all folks understand that they can participate in the wellness programs if they don't have our medical insurance. Ms. McFarland stated that we will work hard to communicate this information to employees. We can do a query in our system and send targeted emails i.e.: only to employees who have the vision insurance. We should be able to target the incentive discussion only to employees who have our medical insurance, and target information on the wellness programs to all employees.

Discussion was held as to the limits on the number of people who can participate in Wellness classes. CHIPS – 2 classes of 30 – a total of 60 and there will be admission criterion.

Food for Life – we offer many of those. We would like the flexibility to offer additional classes if we find some good ones. As Ms. Parker learns more about the District, she hopes to include additional course offerings. We have a couple of months to add to the course menu. A 7-8 class course will earn a \$50 incentive and a 16-18 class course will earn a \$100 incentive.

Mr. Leo Burt made a motion to approve the incentive plan as presented. Ms. Jamie Michael seconded the motion. Motion was approved with a vote of 11 – 0.

Ms. Parker stated that ITF members are welcome to attend the commencement ceremonies for the CHIP program.

Ms. McFarland reminded ITF members that the projected surplus for the health fund is at \$3.7 million for the 2013-14 plan year, and using \$1.75 million for the Wellness Program will not be a problem for the health fund.

### **Good of the Order**

Ms. McFarland informed ITF members that she recently was asked to participate in a meeting with a vendor. She was skeptic about this particular meeting but found they have a product which is interesting and unique, and wanted to share the information with the ITF committee. The meeting was with Compass Health - Dr. Conard and his son - who is also a doctor. They provide a concierge service for employees who plan to have a medical procedure – i.e. someone who is going to have a knee replacement would contact them and receive information about local providers who are Board Certified. She asked the ITF if they would be interested in having a presentation from this company, noting it would cost \$1.5 million to \$2 million per year to provide this service to employees. Ms. Martin informed everyone that this company is really into transparency. They help you choose a doctor or facility to provide the service you need. Employees can make a choice between Dr. a b or c that may all have the same qualifications but their charges may be different. Also, if you go out of network, they help you negotiate your bill. They help you get clarification about the procedure needed, and check your bill after the fact. They give you the exact prices, not a range of pricing. This may be helpful as we ask employees to be a better consumer of health care. It is a good program.

Mr. Robin MacDonald noted that Dr. Conard is the founder of a hospital. Florida Blue is also looking at this program and sees high value in it as well. It saves significant money down the road.

Ms. McFarland noted that this will also save the health plan money as it will reduce readmissions, and asked if this is something that the ITF would be interested in learning more about. The District would pay a per-employee per month fee regardless of how many employees use the service. It would not be mandatory for employees to use their services. Their services are similar to the services of a concierge at a hotel - they only provide service to employees who reach out to them for help. Having them come to present would not obligate the District to retain them for their services in any way. This could be very helpful to employees who utilize the HSA plan. It would help them make good choices.

Ms. Karen Toro noted that Florida Blue has care consultants that offer a comparison of three facilities for the services needed. Ms. Tammy Martin noted that Compass Health offers a lot more than this. They can help you choose the best quality in-network doctors and tell you what the price will be. They have guaranteed savings – however the employee always makes the final choice of who they want to use.

Mr. Leo Burt stated he feels it would be worthwhile to listen to a presentation and the ITF agreed. Mr. Steve Bowman asked if an RFP would be necessary. Ms. McFarland stated that to her knowledge this is the only company that offers this type of service. If it was decided that we did want to retain them for their services, we would work closely with procurement to follow proper procedure.

Ms. McFarland informed ITF members that WageWorks is attending the May ITF meeting to review their services. She will look at bringing Compass Health here as well.

Mr. Mark Castellano informed ITF members that we are down to the wire for registering for the Dollars for Scholars 5k run.

Ms. Jamie Michael asked if the dental info has been updated for the new plan year. Ms. Karen Cooley noted that she has had some electronic submission issues with dental and Florida Blue - and this should be corrected soon.

**Adjournment**

The meeting adjourned at 4:38 p.m.