

**THE SCHOOL DISTRICT OF LEE COUNTY  
MINUTES**

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

**Thursday, June 5, 2014**

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Members Present

Shandra Backens  
Leo Burt  
Mark Castellano  
Karen Cooley  
Bonnie McFarland  
Jamie Michael  
Leanne Migliore  
Donna Mutzenard  
Heather Parker  
Joe Pitura  
Rita Zazzaro (4:05 PM)

Members Absent

Steve Bowman  
Ami Desamours  
Ashley LaMar  
Joe Pescatrice, Retiree  
Jimmy Riley  
Suzan Rudd  
Thomas Scott, Board Member

Others Present

Tammy Martin, Aon Hewitt  
Debbie Poole, Aon Hewitt  
Karen Whitmore, Florida  
Terri Roney

The meeting was called to order at 3:09 PM.

**Approval of Minutes – May 1, 2014**

Ms. Bonnie McFarland reviewed the draft 5/1/14 ITF meeting minutes, and asked if there were any additions, deletions or corrections. There being no further changes to the minutes, Mr. Mark Castellano made the motion to approve the minutes of the meeting. Ms. Shandra Backens seconded the motion; motion passed unanimously.

**Review of Health Plan Financials**

Ms. Tammy Martin reviewed one month of claims for the new plan year starting 4/1/14. Plan cost is 1.3% below the 14/15 budget. Total paid claims for April is \$5.5 million. Enrollment is at 10,031 – up a little. Actual budget projection total cost is \$6.2 million. Recast projection for incurred claims is \$5,577,000, fees at \$436,000 for a total actual cost of \$6,013,000. Updated projection including waiver funding is expected to run at \$74,157,000. Claims are projected at \$68 million, leaving a surplus of \$931,000.

Large claims were reviewed. It was noted that claim number three dropped off the claims list and then came back on this month due to additional claims. Total of large claims \$3,184,102.

Loss ratio for all plans is 88%.

**PPACA Update - Health Care Reform Update**

Ms. Debbie Poole reviewed Health Care Reform updates and informed ITF members that the IRS released new 2015 HSA limits. HSA maximum contribution for individuals is \$3,350 and for family is \$6,650. Catch up contribution is \$1,000 for age 55 and over. Ms. Poole noted it will be important to share this information with employees should we choose to go with an HSA. These limits would apply to the 15/16

plan year. Additional guidance was released in regard to the out of pocket maximum amounts. There could be two different out of pocket maximums to administer in 2015 if we offer an HSA. The Affordable Care Act (ACA) limits and the limits set based on a formula after 2014.

Employees can still cover 25 & 26 year old dependents; however HSA funds cannot be used for child dependents age 19 (or 24 if a full time student, unless they have the same place of abode as the participant for more than half the year, and do not provide more than half of their own support. If a dependent does not meet the requirements they will not qualify for reimbursement through the HSA plan. Ms. McFarland noted she envisions a special communication to employees who have dependents between the ages of 19-26.

It was noted that a total of eight million people have enrolled in a plan through the exchange.

The government has issued guidance on the availability of exchange coverage to workers eligible for COBRA using a FAQ bulletin. FAQs were also released on coverage for preventive services,

A Health Plan Identifier (HPID) must be obtained by November 5, 2014. The HPID is obtained through the Health Plan and Other Entity Enumeration System (HPOES).

#### **TSA Consulting Group, Inc. Contract**

Ms. McFarland informed ITF members that TSACG has provided services to the District since 2001, and their contract is up for renewal. They have proposed a five year contract. We can do direct negotiations with them because they are a third party administrator – a bid is not required. They have proposed a 5 year contract with 2 additional 2-year renewals. They are keeping the rates the same for the first two years at \$4.37 per employee. They have proposed a 3% increase per year after the first two years. It is almost the exact same contract as the previous one other than the dates and the rate increase. They are a fantastic asset to the District. They have a wonderful website and the ART System which eliminates a lot of paperwork and steps for employees. They produce the annual retirement booklets to District employees. This is included in their fees. Ms. McFarland recommended that the ITF make the recommendation to the Board to renew the contract with TSA Consulting Group as presented.

Ms. Jamie Michael made the motion to recommend to the Board the renewal of the TSA contract as presented. Ms. Donna Mutzenard seconded the motion; motion passed unanimously, 10 - 0.

Ms. McFarland confirmed that there is no need for an RFP and noted that we have had excellent service from TSA. Enrollment is at 25% - roughly 2500 employees have a TSA.

#### **Open Enrollment Review**

Ms. McFarland reviewed the information for the 2014 open enrollment, noting there were not a lot of changes in benefit enrollment.

#### **Compass Discussion**

Ms. McFarland reminded ITF member that at the last meeting, Mr. Toomey from Compass presented their services to the ITF. The ITF had questions and Ms. McFarland informed the group that she received a response from Compass regarding their questions. .

- Prices were the most important question. There are 3 tiers of services that we can purchase. We must purchase their Transparency & Consumer Consulting program – this is the base piece and the cost is \$4.50 per employee.

We can purchase tier 1 only, tiers 1&2, tiers 1&3 or tiers 1, 2& 3.

Tier 1) Transparency & Consumer Consulting program is a concierge and price transparency program, which includes a health pro that will help employees with information, reconcile bills, etc. They provide personalized provider choices, including whether there have been actions against a doctor. Also included is appointment scheduling, bill review and resolution, including out of network negotiation. No health file is necessary for this service. The cost is \$4.50 pepm (\$540,000).

Tier 2) Health Prompt & Accountability program is the wellness piece. They reach out to employees to remind them when they need to have preventive services to keep them compliant with managing their disease. This would include calling employees with specific health issues and reminding them to have their recommended health services. They can also prompt employees to participate in ActiveLee wellness programs. The cost is \$2.50 pepm (\$300,000).

Tier 3) Premier Provider programs direct employees to the best physicians and hospitals available to them. Compass mines a ton of data such as readmission rates, in-network physicians, doctor compliancy, tests ordered etc. The cost is \$1.75 pepm. The idea is to direct employees to the top 5-10% of doctors in the area. Ms. McFarland noted she can see the value in this; however it may not apply to us, as the only Health System available to our employees in this area is Lee Memorial Health System.

Ms. McFarland noted that the ROI for tier 1 is 4:1. Compass notes they usually have up to 50% engagement if we use the health prompt & accountability.

-The question of security was addressed. Ms. McFarland stated the medical data is out there. The state of Florida tracks information on all babies born, insurance companies have info, and doctors have data. Safety precautions are in place for these and Compasses uses precautionary measures as well. Ms. Tammy Martin noted that anyone who works with medical data has to comply with HIPPA regulations. They are audited by the same people who audit health insurance companies and hospitals.

Mr. Mark Castellano asked who else is using Compass. Ms. McFarland informed the group that Sarasota County Government has been using them for 6 or 8 months and are giving them high praise. She will ask them again for references. There are other large employers in the area looking at using Compass.

If we elect the first Tier only, we will not submit health information to Compass. There will be no sharing of claims data.

The way they calculate ROI is done 2 ways. 1) Track savings by looking at expected and actual costs. 2) the most accurate way to track saving is by claims data. If we don't submit claims data to them, they cannot do this. It will be difficult for them give us a savings analysis.

-Liability issues of employees using their services. Ms. McFarland noted this issue would go to the District's Attorney. They are not recommending one specific doctor, just giving several recommendations. Liability is limited for this reason.

-Where do they get their data - They buy data, and use market data. Most of what they do is assimilation of information. I.e.: gather helpful information such as actions against a doctor, etc.

-It was confirmed that Compass is not funded by health care providers. They are privately owned.

-Wellness initiatives provided. This is part of Tier 2. Compass provides great tracking and reporting of information. This would require a claims file feed. All District employees could be eligible to the program. We can define who we want to be eligible. We can tell employees only those on the health plan are eligible. If we include all employees, it would cost more money.

Ms. McFarland noted that she feels there is value to this program and it should be made available to all employees who are on one of our health plans.

Ms. Tammy Martin stated that we also need to include retirees who are on the health plan. There are 500-600 retirees on our plans. They are included in the 10,000 employee number with Compass.

Tier 1 & 2 would cost \$840,000. An RFP would not be required. We can direct negotiate this.

Mr. Mark Castellano stated that he would like to see some references before any decision is made.

-Engagement – Compass’ average engagement is 24.9% on Tier 1. Tier 1&2 is 50% or more engagement. They have a communication campaign they put out to employees to encourage engagement. They send out a lot of communication. Samples were shared with ITF members. Postage is a client expense. Creation of mailings is included in their fees.

There are no long term contracts. There is a 60 day notice to terminate if we are not satisfied. Ms. McFarland noted that we would need to have their services in place for a length of time to determine if ROI is good. If we are very unsatisfied, we can stop with 60 days’ notice.

Ms. McFarland stated that she will work to get references and have them checked before the next ITF meeting. It would be good to come in with these services after open enrollment, in November of this year, or over the summer. We have a lot of options. This is not tied to open enrollment. There is no pressure and no timeline to make a decision on this.

Ms. McFarland or Aon will call on the references. She is unaware of another Florida School District using their services. She will try to locate one out of state. As far as Aon knows, there is no other company that provides all of the services Compass provides. There is no huge capital involved – no upfront expense to get on board and no cancellation fee, which is unique.

### **2014-15 ITF Meeting Schedule**

Ms. McFarland noted this is the last official meeting of the FY14 year. We need to review the meeting schedule for FY15. A copy of the 14/15 school calendar and the Board meeting date schedule was provided to each ITF member. It was agreed that there would be no meeting in July. Ms. McFarland proposed to continue meeting on the first Thursday of the month.

All ITF members agreed. It was agreed there will be a couple of exceptions – January 8<sup>th</sup> and April 9<sup>th</sup>, due to holidays. Meeting requests will be sent out.

**Good of the Order**

None

**Adjournment**

The meeting adjourned at 4:50 p.m.