

**THE SCHOOL DISTRICT OF LEE COUNTY
MINUTES**

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

Thursday, August 7, 2014

Members Present

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

Members Absent

Shandra Backens
Ami Desamours
Ashley LaMar
Leanne Migliore
Jimmy Riley
Thomas Scott, Board Member

Others Present

Tammy Martin, Aon Hewitt
Debbie Poole, Aon Hewitt
Karen Whitmore, Florida
Blue
Karen Toro, Florida Blue
Terri Roney
Aetna Representatives

The meeting was called to order at 3:35 PM.

Approval of Minutes – June 5, 2014

Ms. Bonnie McFarland reviewed the draft 6/5/14 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. Jamie Michael seconded the motion; motion passed unanimously.

Bonnie noted we pushed the meeting start time to 3:30 p.m. for this meeting only due to members in negotiations meetings prior to this meeting.

Review of Health Plan Financials

Ms. Tammy Martin from Aon noted she would be reviewing plan financials and a small amount of healthcare reform. It was noted that financial covered experience through June 2014. The 2014/15 update is 4.4% below the 2014/15 budget. Average claims for 4/14 through 6/14 were \$5.2 million. Average claims for 2013/14 was \$5.1 million. Projected average 2014/15 enrollment is 9,997. Average enrollment for 2013/14 was 9,841.

\$18.6 million in actual claims for 4/14-6/14, incurred claims of \$15.6 million and fees of \$1.3 million for a total cost \$17 million. Net employer cost was \$14.4 million, leaving a surplus of \$1.5 million.

14/15 budget projection for the full year is \$73.7 million. It was noted that this figure includes \$531/mo. for the 522 waiver people. Ms. McFarland informed committee members that the bargaining unit has tentatively agreed to put the money from waiver employees back into salaries rather than into the health fund. Until such time that is ratified and approved, this money will remain in the projections.

Large Claims were reviewed. It was noted that three new claims were added to the large claim list, w which account for approximately \$919,000 in claims.

Loss ratio for all plans is at 92%.

PPACA Update - Health Care Reform Update

By 11/5/14 the District will have to go on line and apply for a HPID –Health Plan Identifier. This will be a unique identifier for the District.

The bona fide orientation period will be permitted. An employee orientation period can be 30 days, and then a ninety day waiting period before they are eligible for benefits. This does not impact the District as we have a 45 day waiting period.

The case of Burwell v. Hobby Lobby regarding contraceptive coverage was reviewed. Closely held corporations have more leeway after the new ruling.

Health Coverage Information Reporting form drafts have been released. Because the District is self-insured, we must fill out both B & C forms. These will be due in January 2016 for the 2014/15 plan year.

Health Insurance Exchange Subsidies: There is a law suit that states without their own exchange should not receive the subsidies. One court said it was illegal and another court said it is legal. This will probably go to the Supreme Court as well. This does not impact the District.

Ms. McFarland noted we officially paid our first PICORI fee this month.

Medical TPA RFP

Ms. McFarland noted that the Medical TPA RFP was issued and the subcommittee met. The TPA and pharmacy pieces were released separately. Ms. Poole distributed a packet with the RFP results to committee members. Vendors could respond to either or both. Aetna and Blue Cross responded to both, and four responded to pharmacy only.

The evaluation process narrowed responses down to Blue Cross and Aetna for TPA and Caremark and Aetna for pharmacy.

The committee's final decision was to recommend Aetna as their recommended Third Party Administrator and Pharmacy Benefit Manager. The RFP was set up as a 5 year contract with 2 additional renewable 2-year terms. Aetna is offering a large investment to wellness of \$400,000 per year which includes \$100,000 for an onsite nurse. Also offered is a \$50 annual cash incentive for each covered member for completing an online Health Risk Assessment and one online wellness program.

Aetna's 5 year overall cost presents a saving of \$12 million. They have unique case management and disease management pieces, an on-site rep and on-site nurse. Their reporting capabilities are good and online tools are available to employees such as interactive health management.

As far as disruptions, Aetna noted there are 75 providers on the Florida Blue network that are not on theirs. They will work diligently to recruit these providers. 94.1% of employees will have no prescription formulary disruption.

It is the recommendation of the committee that the award be made to Aetna for TPA and Pharmacy.

A motion was made by Rita Zazzaro and seconded by Mark Castellano to make a recommendation to the Board of Education that the Award of the TPA/Pharmacy RFP be made to Aetna. The motion passed unanimously with a vote of 11 – 0.

This recommendation will go to the Board at their briefing meeting on September 9th and their action meeting on September 23rd. With Board approval, the contract will begin April 1st, 2015.

Good of the Order

Ms. McFarland reminded the ITF committee that at the March ITF meeting a discussion continued about Health Savings Accounts and the ITF agreed to select a plan – Option B – and to implement it with WageWorks. Ms. McFarland informed ITF members that at the September ITF meeting the costs of this plan will be discussed. This will be done in September to allow enough time to implement the changes needed to be made internally in PeopleSoft and all other changes necessary before the start of open enrollment and the new plan year. This will go to the Board before the end of October and then information will begin to go out to retirees and employees for open enrollment.

Ms. Tammy Martin noted that Aon will be bringing the actual pricing for Option B – the high deductible health plan and Health Savings Account (HSA) to the September meeting. Ms. McFarland noted the ITF committee decided to keep the two current medical plans and add Option B – the high deductible medical plan with HSA.

Ms. Martin noted they have discovered that there is another vendor that offers the same services that Compass does. This company is called MAP. They actually provide nurses that answer calls rather than college students. This information will be shared with Ms. McFarland and perhaps we will have them come in to do a presentation. Ms. McFarland noted this service is fairly new to us in general and it would be helpful to have a presentation from a second company. We can then decide if we want to procure this type of service. If so, this would have to go to RFP. It merits exploration. It is expensive and the committee would want to be sure it is worth the cost before we decide to procure it. This is entirely exploratory at this point. Mr. Pescatrice noted he would appreciate seeing a 2nd presentation. Ms. Suzan Rudd asked if Aetna offers some of these services. Aon noted that Aetna can partner with Compass. Most of the information Compass provides is public information, they just take the time to package it and provide it. The committee agreed it would be a good idea to see the 2nd presentation.

Ms. Karen Toro requested a copy of the TPA RFP documentation. Ms. McFarland advised her that she can acquire this from Ginny Nierop in procurement

Adjournment

The meeting adjourned at 4:19 p.m.