

**THE SCHOOL DISTRICT OF LEE COUNTY
MINUTES**

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

Thursday, November 6, 2014

Members Present

Shandra Backens
Steve Bowman
Leo Burt
Mark Castellano
Karen Cooley
Bonnie McFarland
Jamie Michael
Leanne Migliore
Donna Mutzenard
Joe Pitura
Angela Pruitt
Jimmy Riley
Suzan Rudd

Members Absent

Ashley LaMar
Heather Parker
Rita Zazzaro

Others Present

Keith Coghlan, Aon Hewitt
Tammy Martin, Aon Hewitt
Cathleen O'Daniel Morgan,
Board Liaison
William Tubb, Finance
Terri Roney

The meeting was called to order at 3:03 PM.

ITF members introduced themselves to Ms. Cathleen O'Daniel Morgan.

Approval of Minutes – October 2, 2014

Ms. Bonnie McFarland reviewed the draft 10/2/14 ITF meeting minutes, noting one correction on page two, and asked if there were any other additions, deletions or corrections. There being no further changes to the minutes, Ms. Donna Mutzenard made the motion to approve the minutes of the meeting. Mr. Mark Castellano seconded the motion; motion passed unanimously.

Review of Health Plan Financials

Ms. Tammy Martin reviewed the executive summary, noting that the 2014-15 update is .9% below the 2014-15 budget. The 3769 plan has 64% of enrollment. Ms. Martin noted that calculations take into account six months paid claims experience - April 2014 through September 2014. Paid claims for September total \$4.5 million. Average monthly paid claims year to date is \$5.4 million. The average monthly paid claims for 2013-14 was \$5.1million. Current medical plan enrollment is 9,571 for September 2014. Average enrollment for 14-15 is 10,000. Average enrollment for 13-14 was 9,800.

Assumptions were reviewed:

Healthcare trend of 7.5% is used

RX rebates are assumed every month.

Enrollment for retirees assumed to remain steady each month.

Updated projection shows a \$600,000 surplus for 2014-15. The reduction in the surplus is due to the change of waiver money not going into the health plan but into the compensation line for raises. This agreement was made with both TALC and SPALC. Ms. McFarland noted that we try to make claims vs premiums equal 100% because we are a self-insured health plan. All of our other insurances are fully insured, not self-insured. In a fully insured plan you are simply looking at claims vs premium and the target is 85%.

Monthly loss ratio by plan year was reviewed by Ms. Martin. Current loss ratio is 80%. Last year at this time it was 74%. Loss ratio on a rolling 12 month period is 92%.

It was confirmed that the report Jamie Michael previously requested is included in this report.

PPACA Update

Ms. Martin informed ITF members that there are currently EEOC law suits against Wellness Programs. There are conflicts in Federal Laws - HIPPA, GINA, and ADA that regulate Wellness Programs. GINA stands for genetic information nondiscrimination act.

Ms. McFarland noted that our Wellness Program and Health Fairs are going very well. She reminded ITF members that Florida Blue collects all the employee information and the District does not know what employees get their incentive money for, only that they are getting it. We worked closely with AON and Florida Blue on all of these laws to be sure we are in compliance. Any changes to these laws will be carefully monitored.

Ms. Martin noted that there is no impact to the District at this point with these law suits.

The IRS has expanded the cafeteria plan change in status rules. Employees can opt out of employer provided coverage under two additional circumstances – reduction in hours and enrollment in an exchange plan. The District must comply with these requirements.

The PCORI fee for policy and plan years that end on or after October 1, 2014 and before October 1, 2015 is \$2.08.

The FSA limit will increase by \$50 to \$2,550 for plan years beginning in 2015. This is not a mandatory change; the District does not have to do this. Ms. McFarland asked the committee what their feeling is about increasing the FSA limit to \$2550. Discussion was held.

Ms. Shandra Backens made the motion to set the FSA limit to the IRS maximum amount for FSAs. Ms. Jamie Michael seconded the motion. Discussion was held. Motion passed 11-0.

The U.S. Department of Health and Human Services (HHS) has delayed, until further notice, the requirement to obtain an HPID (Health Plan ID Number). It was noted that the District has already obtained the required HPID.

The Transitional Reinsurance Fee is included in the monthly financials. Self-insured and fully-insured health plans are required to pay \$63 per member. The first per member payment of \$52.50 per member is due by January 15, 2015. The second payment of \$10.50 per member will be due by November 15, 2015.

Mr. Joe Pitura joined the meeting at 3:40 p.m.

Ms. Martin noted that the snapshot count method of paying the Transitional Reinsurance Fee works best for the District as it produces the lowest enrollment count for calculating the transitional reinsurance fee of approximately \$717,578.40. The member count must be submitted by November 15, 2014.

Ms. McFarland noted that in January 31, 2015 the benefit values of health plans must be on all employees' W-2s.

Ms. McFarland informed ITF members that the District is in a very good place regarding compliance in providing insurance to employees who are not full time, but work over an average of over 30 hours per week. We exceed the 95% and would only have to pay a penalty on the people who do not get health care through the District AND get coverage through the exchange AND get a subsidy.

Ms. McFarland noted that the District will eventually end up paying penalties to the IRS as the Federal Healthcare Laws were designed to create that. However, we have minimalized those penalties as much as possible.

Ms. Martin reviewed claim examples – different scenarios and costs to employees on the different health plans – which were requested at a previous meeting. Ms. McFarland noted the Insurance & Benefits Dept. will hold at least 20 meetings at school locations to educate staff on their plan choices. An Aetna representative will be on site in the Insurance and Benefits Department starting in January to meet with employees. Open enrollment will be held February 6 – February 20, 2015.

Ms. McFarland noted that the Board Paid Flex earnings will look different on paystubs for employees who choose the HDHP. Instead of showing the full \$265.50 Board flex as earnings, theirs will show earnings of \$203.65 Board flex going in and the balance of \$61.85 Board Flex will be shown in the employer contribution box. These two figures will total the \$265.50 employer contribution. Ms. McFarland noted that she and Ms. Karen Cooley are happy to attend TALC and SPALC meetings to explain this if they wish. Meetings will also be held here at LCPEC. Mr. Mark Castellano asked for Ms. McFarland and Ms. Cooley to meet with TALC on Wednesday, December 17th at 5:00 p.m. Mr. Jimmy Riley asked them to meet with Maintenance. Ms. McFarland noted she will call Victoria to set this up.

Status Update – Wellness Fairs & Health Screenings

Ms. McFarland noted the Wellness Fairs are going extremely well. Several critical values were identified at the health fairs. These employees sought immediate medical care and this prevented a critical health event.

The CHIPS class is underway, and results are phenomenal. There will be another class in the spring – there is a waiting list; however there are still some seats available. Some aggregate results from the current CHIP Program will be shared at the December ITF meeting. This is a great class – influencing the health of our employees, and lowering claims for the health plan.

Ms. Donna Mutzenard asked about the status of the wellness specialist position. Dr. Pruitt noted the job description has been created, but the position is on hold as it was not part of the original reorganization. Dr. Pruitt noted her concern that Ms. Heather Parker will be going on leave in the near future, and we will need someone to run the Wellness Program during her absence.

Mr. William Tubb noted the CHIP program is having their commencement ceremony next Thursday at LCPEC and anyone is welcome to come. Before and after pictures will be shared, and successes will be celebrated. Employees have agreed to share their information. A potluck dinner will be provided.

Ms. Shandra Backens praised Ms. Parker for running such a well-organized health fair. She feels it was fabulous, and she is thrilled with the program.

Dental RFP

It was noted that discussion was held recently about going out for a dental RFP; however the Board approved a one year extension with Humana so it won't be necessary to do a RFP at this time. There will be only one open enrollment. Dr. Angela Pruitt thanked Ms. Cathleen O'Daniel Morgan for her support in this area, noting the ITF is very grateful for it. Efforts will now be focused on educating employees about the new medical vendor and health plan. The Dental RFP will be discussed in the spring.

Open Enrollment Update

Open enrollment will be held from February 6 through February 20, 2015.

Good of the Order

None

Adjournment

The meeting adjourned at 4:38 p.m. upon motion by Mr. Mark Castellano with second by Ms. Leanne Migliore.