

**THE SCHOOL DISTRICT OF LEE COUNTY  
MINUTES**

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

**Thursday, October 1, 2015**

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<u>Members Present</u>	<u>Members Absent</u>	<u>Others Present</u>
Shandra Backens	Toni Abrams	Tammy Martin, Aon Hewitt
Mark Castellano	Jamie Michael	Amanda Brooke Kross,
Karen Cooley	Leanne Migliore	Aon Hewitt
Brian Curls		Kim Murphy, Aetna
William Grand		Pamela LaRiviere, Board
Bonnie McFarland		Member
Donna Mutzenard		Joe Pescatrice, Retiree
Heather Parker		Liaison
Joseph Pitura		Leo Burt
Angela Pruitt		Terri Roney
Jimmy Riley		
Suzan Rudd		
Rita Zazzaro		

The meeting was called to order at 3:04 PM.

**Approval of Minutes – September 3, 2015**

Ms. Bonnie McFarland reviewed the draft 9/3/15 ITF meeting minutes, and asked if there were any edits or corrections. There being no changes to the minutes, Mr. Mark Castellano made the motion to approve the minutes of the meeting. Ms. Donna Mutzenard seconded the motion; motion passed unanimously.

**Review of Health Plan Financials**

Ms. Amanda Brooke Kross reviewed financials noting they include paid claims through August 2015. The 2015-16 updated projection is 5.3% below the 2015-16 budget. Things are running exceptionally well. Total paid claims for August was \$5.5 million. Paid claims for July was \$6.2 million - this is typical for July. Average 14-15 paid claims was \$5.4 million. This year's average is \$4.8 million.

The 2015-16 budget projection was a \$5 million deficit, however at this point with claims so low we are at a \$3.9 million surplus.

The gain for the fiscal year was \$4.1 million. As of June 30, 2014, the health fund balance was \$46.4 million. The health fund is now at a \$50.5 million surplus. The state requirement for the fund balance is enough to cover 60 days of projected incurred claims.

Ms. Amanda Brooke Kross noted that there is an almost \$9 million swing between the \$5 million projected deficit and the \$3.9 million surplus. Loss ratios for June, July and August are a little lower than the previous year.

Ms. Tammy Martin reviewed high cost claims, noting that this month's report does not include the rolling 12 month info as Florida Blue was unable to provide this information. This report includes only Aetna claims. There are 5 large claims of over \$250,000.

### **PPACA Update**

Ms. McFarland informed ITF members that the Insurance & Benefits Department has been contacting employees to obtain missing social security numbers from employees for their dependents. If not provided, the member may incur a \$50 penalty for not providing it.

The Department of Health and Human Services (HHS) issued a proposed rule on nondiscrimination in health programs and activities. The proposed rule implements new protections.

### **Review/Approval of Ancillary Benefits**

The plan renewal summary was reviewed:

Medical ASO – no increase to members - under rate guarantee

Vision – no increase to members – under rate guarantee

Flexible Spending – no increase to members - under rate guarantee

Life - no increase to members– under rate guarantee

Cancer – no increase to members – under rate guarantee

Ms. McFarland reviewed benefits that are going to the Board for annual expenditure approval only, and those that are going to the Board for approval of RFPs, noting that the Dental RFP is going to the Board on October 20<sup>th</sup>.

### **Disability RFP Update**

Ms. McFarland noted that a total of five vendors responded to the Disability RFP. Of those five, one was found to be nonresponsive due to the fact that large pieces of information were omitted. Of the remaining four, two finalists were interviewed – Aetna and MetLife. MetLife was the top-rated vendor, with a rate increase of less than 1% from current. The benefits are the same that employees have now. It was noted that MetLife has stated that if they get the disability as well as the dental they will provide a disability on-site rep once a week in addition to the dental on-site rep.

ITF members voted 13-0 to recommend MetLife to the Board as the Disability Insurance vendor.

### **Medical Plans & Premiums 2016-17 Plan Year**

Medical Plans & Premiums for the 2016-17 plan year were discussed. It was noted that no new plans or premiums are being proposed. There is one change required by the ACA. Out of pocket maximums on the HDHP must be imbedded, which means an individual on a non-single tier is only required to pay the individual out of pocket max, where previously each family member was required to meet the family out of pocket maximum. This makes the plan richer than it was before.

Ms. McFarland noted that she asked Aon to look at the plans for the 2016-17 plan year in three different ways:

- Trend only
- No cost increase to the employee – push us into the deficit to see what that amount would be
- If keeping rates flat pushed the deficit into more than \$8 or \$9 million, to look at plan design changes.

The deficit is not more than \$8-\$9 million so no plan design changes are being recommended, and no increase to rates is being recommended.

Ms. Amanda Brooke Kross noted that overall trend is down and they anticipate it to be 6.5% based on plan design and what is happening in the marketplace. Projected cost for 2016-17 is \$73,678,076. Projected contributions for the 2016-17 plan year is \$73,494,225. Ms. McFarland noted that when we project rates for employees, the goal is to be sure that revenue coming into the plan is enough to pay for claims with a projected surplus/deficit of \$0. If no changes are made to rates or employee contributions, the deficit is only \$184,000, and we do have the \$50 million surplus in the health fund to cover any unexpected cost increases.

The recommendation is to continue the current plans with the current plan designs, with the increased benefit to the HDHP with a deficit of \$184,000 which can be covered by the \$50 million surplus in the health fund.

Discussion was held regarding the current Board contribution of \$6372 per employee being included in these projections. If this amount changes, that will be reflected in these figures. Plan design would not change, however funding could potentially change. It was noted that the District's plan is currently less expensive than KidCare and we will more than likely see an increase in dependent coverage during open enrollment. This will increase claims, but will also increase premium so this will balance out.

A motion was made to recommend to the Board to continue the current plans with the current plan designs and rates for the 2016-17 plan year. The motion was approved with a vote of 13-0.

### **Claims & Utilization**

Dental:

Ms. Tammy Martin informed ITF members that the dental RFP is waiting for Board approval. Claims and utilization information was reviewed. The PPO plan averages 7,300 people. Premium is \$4.6 million and claims are \$3.9 million with a loss ratio of 84.7%.

The HMO averages 1,000 people. Premium is \$262,586 and claims are \$198,000 with a loss ratio of 75.7%.

Low PPO - \$1,000 maximum

14/15 - 183 people exceeded their annual maximum

15/16 - to date 74 people exceeded their annual maximum

High PPO - \$2,000 maximum  
14/15 – 151 people exceeded annual maximum  
15/16 - to date 39 people exceeded their annual maximum

**Vision:**

7,200 people are enrolled  
\$865,000 paid in premium  
Claims \$552,415  
Loss ratio 63.8% - very good  
Most employees using the vision plan are using it for contacts, not glasses.

**Life:**

Paid claims - \$1.6 million  
Premium - \$2 million  
Loss ratio - 78.8%

**AD&D**

Paid claims - \$1.3 million  
Premium - \$1.8million  
Loss ratio - 71.6%

Ms. McFarland noted that the cancer insurance will be renewed at no increase. ITF members voted 13-0 to recommend renewal of the cancer insurance. She is also proposing that the agreement with EAP Consultants Inc. be continued for the 2016-17 plan year with no increase in premium, and asked for a vote on this. ITF members voted to recommend to the Board to continue the agreement with EAP Consultants, Inc. for the 2016-17 plan year with a vote of 13-0.

Utilization figures for EAP Consultants, Inc. will be brought to a future meeting.

**Good of the Order**

Ms. Heather Parker shared that a total of 961 health screenings have been completed so far and 1,576 are scheduled for a total of 2,537. Last year a total of 2,246 screenings were done, so we are already over last year's total. Ms. Parker noted that at a recent screening event an employee was found to have critical values and was sent to convenient care. The employee was actually having a heart attack, and catching this early saved the plan a lot in claim costs and possibly prevented a severe heart attack. Next week's screenings will be on the Cape. Every week there is a screening at a high school from 1-5 p.m. Employees can also go to Quest Labs for their health screening.

**Adjournment**

The meeting adjourned at 4:13 p.m. upon motion by Mr. Mark Castellano with second by Ms. Rita Zazzaro.