

**THE SCHOOL DISTRICT OF LEE COUNTY
MINUTES**

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

Thursday, August 4, 2016

<u>Members Present</u>	<u>Members Absent</u>	<u>Others Present</u>
Toni Abrams	Mark Castellano	Tammy Martin, Aon Hewitt
Shandra Backens	Karen Cooley	Keith Coghlan, Aon Hewitt
Jill Castellano	Joseph Pitura	Gabrielle Dimitrakis, Aetna
Brian Curls	Jimmy Riley	Kim Howe, Aetna
William Grand		Leo Burt, Retiree Liaison
Bonnie McFarland		Jeanne Beatson, Benefits Specialist
Jamie Michael		Pam LaRiviere, Board Liaison
Donna Mutzenard		Terri Roney
Heather Parker		
Angela Pruitt		
Suzan Rudd		
Rita Zazzaro		

The meeting was called to order at 3:05 p.m. by Ms. Bonnie McFarland.

Approval of Minutes – June 2, 2016

Ms. McFarland reviewed the draft 6/2/16 ITF meeting minutes, and asked if there were any edits or corrections. There being no changes to the minutes, Mr. William Grand made the motion to approve the minutes of the meeting. Mr. Brian Curls seconded the motion; motion passed unanimously.

Review of Health Plan Financials

Ms. Tammy Martin reviewed the financials, noting they include claims through June 2016. The 2016-17 updated projection is 1.1% below projected 2016-17 revenues. Average monthly claims for 2016-17 is \$5.8 million. Average monthly claims for 2015-16 was \$5.3 million.

Total premium YTD is \$19,653,000 – minus board contribution going to dental, vision or cancer leaving total cost for medical insurance only at \$18,856,000. Updated projection is \$1.7 million deficit. Ms. Martin noted that the budget was set when the Board contribution was at the lower amount. Ms. Bonnie McFarland clarified that our assumptions are based on the lesser Board contribution, not the current higher one.

Ms. Martin reviewed loss ratio. Loss ratio at the end of June was at 106%. The current rolling 12 month loss ratio for all plans is 95.2%

Large claims were reviewed. There are currently 10 large claims of over \$250,000. It was noted that there are 5 kidney, urinary tract claims and it was noted that these are probably due to diabetes.

Rx spend is currently at 28%. This is up from last year when it was 26%.

PPACA Update

Mr. Keith Coghlan reviewed healthcare reform, noting that:

- The Equal Employment Opportunity Commission (EEOC) issued a fact sheet on transgender bathroom access rights.
- A sample wellness notice has been issued by the EEOC. The requirements for the notice were reviewed.
- The EEOC also released three new documents focusing on women's rights in the workplace.
- The Treasury and Internal Revenue Service released proposed regulations relating to the health insurance premium tax credit.
- Health and Human Services nondiscrimination final regulations were also clarified. Ms. McFarland noted that the District has begun to receive notices from the government based on the information that District employees have submitted to them. She noted that employees have applied for a premium credit, but have also waived the coverage the District offered to them. In these cases, employees will owe the premium credit back to the government, as they were offered coverage by the District. For employees who do not qualify for benefits through the District, the District will owe a \$2,000 penalty per employee. The District did a lot of analysis on this to see what the potential liability would be for these penalties. It is low – less than 150 people.
- The District of Columbia passed a minimum wage increase from \$10.50 to \$15.00, along with LA, San Francisco, Seattle and New York.
- The Dept. of Justice has filed a suit to block Anthem Inc.'s merger with Cigna Corp. and Aetna Inc.'s merger with Humana.
- The expanded Florida balance billing law creates a new statute which prohibits physicians from charging PPO patients for any balance not paid by insurance, even if the physician has not contractually agreed to rates with the insurance company.

Rx Data

Mr. Coghlan reviewed pharmacy rebates noting that rebates the District received so far from Aetna total \$933,182. The average quarterly rebate is \$311,000. The top 20 prescriptions by spend were reviewed. Mr. Coghlan noted that seven of these are drugs for diabetes. The top 20 prescriptions by utilization were also reviewed. Mr. Coghlan noted that these are all very low cost per script. The top 20 conditions were reviewed. It was noted that diabetes is the top condition at \$1.9 million net cost in drugs for this disease. The top 20 conditions by specialty drugs only was reviewed. The top condition is auto-immune disease.

Ms. McFarland noted that the purpose of this review is so that the ITF has a good idea where the cost drivers are when it is time for plan design for the upcoming plan year. Ms. Martin noted there is a lot that employees can do to control diabetes and lower the costs to the plan. The CHIP program will help this a great deal, and when employees are healthier, costs will be lower.

Medical Plan Enhancements – 2017-18 Plan Year

Ms. McFarland noted that the ITF usually talks about plan design for upcoming plan year in the fall. Over the last several years there has been a large surplus in the health plan fund. There have been requests to make the plans more cost effective when the plan is used. At this point, the Board contribution covers the entire cost of all three plans at the employee only tier. We are looking at ways to lower copays and coinsurance for employees, and to increase compliance – for example - making it easier for employees to complete their therapy sessions after surgery, etc. Ms. McFarland asked Aon to give the ITF a list of plan enhancement options, and what the costs for each option will be so the ITF can make informed decisions. Ms. McFarland noted she would like to have a decision by the next ITF meeting so this can go to the Board, and encouraged ITF members to ask for additional information if there is another option they would like to explore.

Ms. Martin noted that the actuaries have made plan design changes for the 3769 plan and the 5773 plan only. The High Deductible Plan cannot be changed.

The current total premium to run our PPO plans is \$79,794,000. If we lower the specialist copay by \$10 for employees, the cost goes to \$79,915,000. If we lower specialist copays for the 3769 plan to \$40 (from \$60), and the 5773 plan to \$60 (from \$85), the cost goes to \$80,110,000. If the copay for urgent care was lowered to \$75 (from \$85 on both plans), the cost would be \$79,801,000.

If all of these changes were made, the cost would be an increase to the plan of \$417,000 or 0.5%.

Ms. McFarland asked the ITF members if these changes are the ones that they are hearing from employees about - are these changes moving the plans in the right direction. Ms. Jamie Michael noted that these are the issues she hears about. It was discussed that it would be helpful to increase the limit of chiropractic visits to 24 – so employees could go twice a month. It was noted that the increase to the Board contribution helped employees when paying for dependent care – saving them \$500.

Dr. Pruitt asked if those employees who have extra Board flex money can spend that money on things besides using it on dental, vision or cancer premiums. Bonnie noted that currently there is no other option.

Ms. Rita Zazzaro asked if the prescription formulary could be adjusted in any way. Aetna noted the District is already on the premium formulary at this time. Ms. Martin noted that they could look at making a change to the plan design. She also noted that the District's drug plan is very rich. She will ask Aon's pharmacy people to take a look and Ms. Amanda Brook can address this with the ITF at their next meeting. Ms. Zazzaro noted that some employees are paying higher copays for their drugs than they were on the old plan.

It was discussed that lowering the specialist copays to \$40 and \$60 is the best option. Mr. Bill Grand asked if Aon could provide information on how many employees go to a specialist and how often. Ms. Martin stated that Aon will get the numbers on how many employees see specialists.

Ms. McFarland noted that the purpose of this discussion is to give Aon direction on plan design so they can come back with rates. She asked Aon to price the plans as presented today, and then price them with some modification to the Rx copay.

The following information will be discussed at the next ITF meeting:

- Prescriptions numbers – how many filled at brand, at generic
- Number of employee visits to PCPs and specialists
- Plan cost with current discussed enhancements
- Plan cost with current discussed enhancements and Rx copay modification

Actual plan rates will be presented at the next meeting and the ITF can decide on whether to move forward with these enhancements. It was noted that we do not want to make these changes and then have to increase premiums the next year.

Teladoc was discussed. Ms. Martin noted that employees can call Teladoc and describe their symptoms and the doctor will write a prescription if one is warranted. There would be a cost to the employee and an administrative fee as well. This is an Aetna service which is available 24/7/365. It can be set up as a no copay, or a PCP copay. The cost to the plan per visit is \$40. Some employers charge the employee the full \$40, some pay part of it. It could potentially lower the cost of care for the employee and the plan. The employee can use FaceTime, Skype or just a phone call. Dr. Pruitt asked how we know what average utilization will be. Ms. Martin suggested offering an incentive to employees to enroll with Teladoc and to enter their medical history. Ms. Suzan Rudd noted that she has heard rave reviews about Teladoc from people who have used it. Utilization and cost information will be provided at the next meeting.

Urgent Care was discussed. There are only about 150 employees who do not have an Urgent Care within 10-30 miles from their home. Med Express just opened four locations within the last six months.

EAP Consultants, Inc. 2017-18

Ms. McFarland noted that the District has had a contract with EAP for many years. We get reports on their service and the vast majority of responses are very positive. The face to face model of EAP is the best for employees. She is requesting that the ITF make the recommendation to the Board to renew EAP's contract for the 2017-18 plan year. Ms. Jamie Michael made the motion to recommend to the Board the renewal of EAP's contract to provide service to District employees for the 2017-18 plan year. Ms. Shandra Backens seconded the motion. Motion passed with a vote of 10-0.

Critical Illness & Accident Insurance RFP

Ms. McFarland discussed the RFP for Critical Illness Insurance and Accident Insurance, noting this coverage is straight indemnity coverage. If you have a certain illness, you get so much money paid to you. This coverage is a good idea for people who are considering the HDHP but don't yet have a lot of money in their health savings account (HSA).

Mr. Coghlan noted there was one RFP for critical illness insurance and accident insurance, but the District did have the option of choosing different vendors for each. There were 12 responses to the RFP. Three vendors were chosen as finalists. Allstate scored the highest for both coverages. Allstate's rate had the best value for the District. The District chose the option where the member will experience premium increases as they reach different age bands. The \$10,000 benefit level and the \$20,000 benefit level will be offered. For accident insurance, Allstate was the only vendor who offered an on/off job policy. They offered two benefits levels. Their low option was better than the other vendors' options, and there is no evidence of insurability required by Allstate.

Ms. McFarland noted that if the benefit offered on the critical illness policy is better than the cancer policy, this will replace the cancer policy offered to employees. If the cancer plan is richer, we will close it, which means new employees wouldn't have access to it, but current employees who have it could keep it. We could also keep the current cancer policy open so new employees could enroll in it.

Ms. Jamie Michael made a motion to make a recommendation to the Board for Allstate for both Critical Illness and Accident Insurance coverage. Dr. Angela Pruitt seconded the motion. The motion passed with a vote of 10-0.

Aon Hewitt Contract Renewal

Aon's contract renewal period is coming up. Ms. McFarland recommended that we renew their contract as Aon has contributed a great deal to the District and their team is doing a wonderful job. There is no increase to their rates for this renewal period. This is standard in the industry. Ms. Rita Zazzaro noted they are very detailed and break down the information in a very helpful way so informed decisions can be made. Ms. Donna Mutzenard made the motion to renew Aon's contract for the first 2 year renewal period of 10/01/16 – 09/30/18. Ms. Jamie Michael seconded the motion. The motion passed with a vote of 10-0.

Wellness 2016-17

Ms. McFarland noted that staff are back at school and there are already 1,000 people registered for health screenings. Ms. Heather Parker informed ITF members that the website for the health screenings has been changed to be compliant. Ms. Parker shared that there will be ten Food for Life classes – including one at Leonard and one at south. These classes will address diabetes, which is the highest health issue in the District. There are five CHIP programs planned for the upcoming school year. 25 people have enrolled in the first CHIP program. 12 of these people have diabetes. Ms. Parker, Ms. Aly Hall and Ms. Temika Middlebrooks went to bidding day at the Transportation. They were very well received. Employees enjoyed the water bottles they were given and were enthusiastic about the water coolers being installed. Next year Ms. Parker plans on doing the health screenings on bidding days, in addition to one later on to include new drivers. There will be a hydration challenge at all transportation locations next year. Headaches, constipation and high blood pressure are sometimes caused by dehydration. Wellness will have bulletin boards at each location to share information, and these will be updated on a regular basis. The bus drivers are getting a lot of information from Ms. Hall, the Aetna Wellness Coach, when she is there. Ms. Parker noted that it is exciting to impact employees' lives by improving their

health. She has seen great results with employees who had diabetes and have gotten off of their medications and lost a great amount of weight.

Ms. Parker also shared that information about the Run/Walk Club is on the website. Two races are planned so far. The info is on the website. The goal for the club is an average of one run a month. People can join in and get a dry fit shirt. Ms. McFarland noted that the principal leads will help by being team captains. They are hoping to get employees more involved in wellness and the community

Dr. Pruitt noted there are two other events that should be mentioned. The first is the welcome back event on August 20th. There is a run at this event, but it is not connected to the Run/Walk Club. Wellness will be manning a wellness booth at the August 20th event and employees can sign up for their health screenings at this event. The second event associated with this is that Dr. Adkins and some other administrators will be running on a regular basis and can be joined by any employee at any of the scheduled runs.

Ms. McFarland thanked the ITF for their support in believing in the concept of the Wellness Program and celebrating the wins with us.

Good of the Order

Mr. Leo Burt noted that Ms. Suzan Rudd is retiring and this is her last ITF meeting. Her last day at the District will be August 26th.

Ms. Heather Parker informed the ITF she is expecting a baby and is having a boy. She is due in January.

The meeting adjourned at 5:26 p.m. with motion by Ms. Rita Zazzaro and second by Shandra Backens.