

**THE SCHOOL DISTRICT OF LEE COUNTY
MINUTES**

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

Thursday, April 6, 2017

Members Present

Shandra Backens
Mark Castellano
Karen Cooley
Brian Curls
William Grand
Bonnie McFarland
Jamie Michael
Joe Pitura
Angela Pruitt

Members Absent

Toni Abrams
Jill Castellano
Cristal Cruz
Kerr Fazzino
Heather Parker
Jimmy Riley
Rita Zazzaro

Others Present

Jeanne Beatson, Ben. Specialist
Amanda Brooke Kross, Aon
Nadia Elmunaier, Aon
Tammy Martin, Aon
Gabrielle Dimitrakis, Aetna
Dr. Jane Kuckel, Board Liaison
Leo Burt, Retiree Liaison
Ila Jones, Aetna
Joe Pescatrice, Retiree Liaison
Terri Roney

The meeting was called to order at 3:06 p.m. by Ms. Bonnie McFarland.

Approval of Minutes – March 2, 2017

Ms. McFarland reviewed the draft 3/2/17 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. Mr. William Grand seconded the motion; motion passed unanimously.

Wellness 2017-18 Incentives – Utilization of Health Fund

Ms. McFarland informed ITF members that Wellness is moving forward with programming and planning in Heather's Parker's absence. At the next ITF meeting we will review all of the outcomes.

Roughly half of eligible employees participated in health screenings this past year. Wellness is working with the Aetna team and Quest on some strategies to improve this number for 2017-18. Exercise classes have been successful, the mobile mammogram bus made 12 visits to District locations, CHIP had 82 participants, financial wellness had 428 participants, Food for Life had 231 participants, Healthy Wage had 191 participants, & health coaching was done on a monthly basis at the transportation locations and one on one when employees requested.

Incentives offered were a \$50 gift card for completing the health screening and health assessment, and up to \$150 with wellness programs. Wellness is proposing to continue with this model, adding two items: Fitness technology –online gamification wellness challenges (wearables will be added as an incentive) – and DIETFREE – an online and live nutrition program. A pilot DIETFREE class is being held at LCPEC now. This will be offered electronically to employees in the future. We are confident that we can do all of this with the same funding we used last year: \$1.5 million for wellness incentives and \$250,000 for programming.

Mr. Castellano made the motion to approve up to \$1.75 million for wellness incentives and programming for FY18. Dr. Pruitt seconded the motion for discussion.

Mr. Castellano asked how much is usually paid out incentives. Ms. McFarland informed him that it is between \$500,000 and \$600,000. Discussion was held - The reserve fund is currently at around \$51 million. Claims are running more true to what we budgeted and we also took out the additional amount for the increase in Board flex that employees were given. The money is also being taken out for the wellness campus build out. The health fund is approximately 3.5 to 4 times what is required. We are required to keep \$12-\$13 million. The wellness programs are designed to keep employees healthy – these programs will continue to make employees healthier and claims lower. The District’s negative trend in claims is attributed to the wellness programs. The District has avoided more than \$55 million in claims with these wellness programs. There was less spend in 2013, 2014, 2015 & 2016. We are now back up to what we spent in 2012 on a per person basis. The programs will specifically target the high risk factors that our employees have. This will mitigate future costs. The health fund is still in a good financial position to use – to spend on employees in a way that helps them improve their health, productivity and their lives. Dr. Pruitt noted that this is good practice to retain good employees. Ms. Jamie Michael noted this provides the unions a place to send employees for help with health issues.

Ms. Shandra Backens called the question, and a vote was taken. The motion to approve up to \$1.75 million for wellness incentives and programming for FY18 passed with a vote of 9-0. Ms. McFarland thanked the ITF for their continued support for Wellness for the District.

Dr. Pruitt noted that this is not arbitrary – there is actual data to support this decision. Ms. Michael noted that stress reduction would be a good program for District employees and Ms. McFarland responded that wellness is exploring options. She also noted that health screenings will be available at Transportation during bidding.

Review of Health Plan Financials

Ms. Amanda Brooke Kross noted that this report includes data through February. Updated projection is .4% below the projected revenues; however, when allowing for the offset of District contributions utilized for other benefits dental/vision/cancer the updated projection is 3.1% above projected revenues.

Enrollment is 10,644 for February 2017. Last year average enrollment was 10,177.

Updated projection is a \$2.3 million deficit. This is in line with what we saw last month. Loss ratio was reviewed. The loss ratio for all plans is 98.8%. The loss ratio for all plans for 2015-16 was 88.1%.

Large claims were reviewed. One claim came off and one new claim was added. Total large claims are \$207,397 higher than last month. It was noted the new claim is another kidney/urinary tract claim, more than likely related to diabetes.

Medical spend is 72% of spend and Rx is 28%.

PPACA Updates

Ms. Nadia Elmunaier informed ITF members that the Health Care Reform bill was pulled from the floor after it was determined it was likely to be defeated. Employers will now have to determine the impact of ACA provisions that might adversely affect employer group health plans. Ms. McFarland noted we will continue to closely monitor the situation.

The U.S. House of Representatives passed with a 236-175 vote the Small Business Health Fairness Act which would make it easier for small businesses to band together and offer employer coverage through association health plans. It will go to the Senate for consideration.

President Trump signed the H.J. Res 37 into law, which nullifies the former "blacklisting" executive order.

Ms. Tammy Martin informed ITF members that the IRS recently addressed taxes on fixed indemnity benefits. The District has critical illness, accident and our new cancer insurance which are fixed indemnity plans. This means that these benefits are taxable. At some point, the District will have to pay the tax on the benefit or the premium will be paid on an after-tax basis. At this point, vendors have no way of tracking and reporting payments received by employees and the IRS has not provided guidance on this issue, only a position, so it is a moot point at this time. There will be more discussion at a later date.

Open Enrollment Report Out

Ms. Karen Cooley gave a preliminary report of open enrollment: 2,040 enrolled in accident insurance, 1,335 enrolled in critical illness, 8,426 enrolled in vision insurance – (an increase of approximately 400), 9,411 enrolled in dental insurance – 8,592 enrolled last year. Ms. McFarland noted the increase in enrollment is likely a result of the unused Board flex \$, for medical insurance – the 3769 plan was at 7,024 enrollees - is now 7,264, the 5773 plan was 3,336 - now 3,136, the high deductible health plan was 221 - now 242. Cancer coverage is still going through medical underwriting, but at this point is at 2,754 - was 2,791. Disability is still going through medical underwriting – evidence of insurability forms are still being processed. Ms. Cooley will update ITF members further at the next meeting.

Cancer RFP Update

Ms. McFarland noted that recently there was a lawsuit (not a District lawsuit) and the ruling was that when an RFP is issued and opened, rates and fees cannot be negotiated. As a result of that ruling, The District will no longer be issuing RFPs for insurance, we will be issuing ITNs - Invitations to Negotiate. The processes will be basically the same, we will just be using the Invitations to Negotiate, as we do need the ability to negotiate.

As far as the current Cancer RFP, book review has been completed. Finalist meetings are scheduled for April 25th. The committee plans to bring a recommendation to the ITF in May.

Good of the Order

Ms. Shandra Backens noted she received her Teladoc magnet. Ms. McFarland asked ITF members to share with employees that their employer for the Teladoc website is "The School Board of Lee County, FL."

Adjournment

The meeting adjourned at 3:51 p.m. with motion by Ms. Jamie Michael and second by Mr. Brian Curls.