

**THE SCHOOL DISTRICT OF LEE COUNTY  
MINUTES**

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

**Thursday, May 4, 2017**

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**Members Present**

Shandra Backens  
Jill Castellano  
Mark Castellano  
Karen Cooley  
Cristal Cruz  
Kerr Fazzino  
William Grand  
Bonnie McFarland  
Jamie Michael  
Heather Parker  
Joseph Pitura  
Angela Pruitt  
Jimmy Riley

**Members Absent**

Toni Abrams  
Brian Curls  
Rita Zazzaro

**Others Present**

Jeanne Beatson, Ben. Specialist  
Pam LaRiviere, Board Liaison  
Nadia Elmunaier, Aon  
Tammy Martin, Aon  
Kim Howe, Aetna  
Gabrielle Dimitrakis, Aetna  
Ila Jones, Aetna  
Leo Burt, Retiree Liaison  
Terri Roney

The meeting was called to order at 3:02 p.m. by Ms. Bonnie McFarland.

**Approval of Minutes – April 6, 2017**

Ms. Bonnie McFarland reviewed the draft 4/6/17 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. Ms. Jamie Michael seconded the motion; motion passed unanimously.

**Review of Health Plan Financials**

Ms. McFarland informed ITF members of the breaking news that the House passed the bill to repeal Obamacare, and there will be more information to follow.

Ms. Tammy Martin reviewed the financials, noting that claims through March are included in this report, making this a full year's experience. 2016-17 actual costs are 1% below revenues, however when allowing for offset of District contributions utilized for other benefits, the plan costs are 2.4% above the 2016-17 revenues. This was expected. March was a very high claim month at \$7.2 million. April will be high as well. Average claims for 2015-16 were \$5.3 million and average claims for 2016-17 were \$6.1 million - much higher this year.

Total 2016-17 premium is \$78 million, employee contributions \$9.8 million, net employer cost \$68 million, leaving a deficit \$1.8 M. We had budgeted a deficit of \$184,000.

Loss ratio was reviewed. Current loss ratio is 98.7%. Last year it was 89.1%.

Large claims were reduced by about \$390,000 from last month. There was one new claim added – endocrine, metabolic. Ms. Martin noted that most of the diagnosis for high claims are similar – heart problems or diabetes.

Prescription drugs are now 28% of total claims cost, medical is 72%. Prescription drug percentage is slowly rising – it has increased more than the medical costs. Harvoni is \$86,000, Multiple Sclerosis, Parkinson's and cancer drugs are also very expensive and are driving up costs at a tremendous rate. Ms. Kim Howe noted that costs are shifting from medical to prescription.

### **PPACA Updates**

Ms. Nadia Elmunaier reviewed updates – Health and Human Services (HHS) released final regulations aimed at stabilizing small group health insurance markets. Ms. Martin noted that now that the House has repealed, many of these updates may no longer be relevant.

Ms. Jill Castellano asked how the repeal of Obamacare will impact the District plans. Ms. McFarland noted that our plans are currently compliant with the law. We will continue to monitor things, that there will be a minimal impact initially on what we do. We will make adjustments as we learn of changes. Ms. Martin state that the repeal will affect people who are on the healthcare exchange more than it will affect the District's plans. We may see more people come onto the District's plans, as insurance companies could charge more for pre-existing conditions. It depends on what is in the bill.

### **Aetna Health Screening Report Out**

Ms. McFarland thanked the ITF for approving the use of the health fund for wellness incentives. Ms. Ila Jones informed ITF members that 49.2% of District employees completed their health screenings this year. Ms. McFarland thanked Aetna for their assistance in helping us provide a screening event at every school. Participation jumped from 23% to 42% when this was done, and we plan on doing this again this year. Ms. Jones noted that one of Aetna's goals is to meet employees where they are. Ms. Jones reviewed the Wellness report card, noting we do need to work on reducing weight and cholesterol. These are the top two areas of risk.

Ms. Pam LaRiviere asked if the waist circumference expectation is the same for a 5 foot 5 inch male and a 6 foot male. Ms. Heather Parker responded yes, waist circumference is more accurate than body mass index for cardiovascular health. Ms. Jones noted that waist circumference is a much better clinical indicator. The cost avoidance in this area was \$1,347,385.

In the area of total cholesterol, 478 employees moved from the risk range to in-range status in 2016. The cost avoidance was \$3,807,748, which also helped to keep premiums from going up.

In the area of HDL, 37% of those who participated met optimal levels, 44% met the acceptable range, and 19% are at high-risk levels. Ms. Heather Parker noted that most people who found they were not in the acceptable range (546 employees) spoke with her or someone else at the screening to learn what they needed to do to address it.

85% of participating employees are in range for blood pressure. Cost avoidance for this was \$272,422. Ms. Kim Howe noted that Lee County School District has done a very good job of increasing participation in screenings and health improvement. They don't normally see this much movement to the positive. 95% of participating employees are in range for diabetes, and this is phenomenal. We saw a huge shift to the good range from last year. This cost avoidance was \$2,796,876. Ms. Parker noted that this was very successful and stated that the finger stick is more effective for our purposes than the blood draw because employees know their results immediately and talk with someone right away.

Ms. Jones noted that the total health plan avoidance is \$8,224,431. This is because of the wellness team, the programs and incentives. They are looking at stress reduction programs for this year and DIETFREE classes are also being offered. They are offering fitness tracking bands (wearables) to employees who go to a health screening and complete their assessment by a certain date. Ms. McFarland noted that these wearables will measure what employees are doing and make them aware of what they need to work on.

Mr. Kerr Fazzone asked how we know the savings is \$8.2 million. Ms. Parker noted that only those that participated in the screenings are being tracked. Mr. Fazzone noted that it would be best to state that for the employees who participated in health screenings, the cost avoidance was \$8.2 million. Ms. Martin noted that it is remarkable that we have almost 50% participation in health screenings. The cost avoidance could greatly improve with higher participation. LCSD is way ahead of most districts that are around 25% participation. Ms. McFarland added that she is pleased that what we are doing is having such an impact. Our workforce is getting healthier, and claims data includes all employees, not just those participating in health screenings. We are spending less per employee per year. If we had moved with average trend, we would have spent \$55 million dollars more than we did. Our wellness programs have had a huge impact. Ms. Jones added that they are looking into getting a new technology system to track participation and keep wellness data.

### **Open Enrollment Report Out**

Ms. Karen Cooley noted that cancer enrollment was at 2,754, and is now 2,844 with 7 approvals pending. Short term disability enrollment is at 3,325 with 55 approvals pending, long term disability enrollment is now 3,310 with 28 approvals pending. Benefits enrollment has increased. Ms. McFarland noted that the pending cases could be those employees who are not responding to the vendor's requests for additional information. Eventually these will close out as non-approved.

### **Legal & Identity Theft ITN (Invitation to Negotiate) Update**

There is no update. The RFP release was targeted for this week, but it has not gone out yet.

### **Cancer RFP Update/Recommendation**

The responses were reviewed in March and the finalist meeting was held on April 25<sup>th</sup>. Allstate was the top vendor by a large margin. The committee's recommendation is to award the RFP to Allstate as the District vendor for cancer insurance. Their product best matches the District's needs.

Ms. Jamie Michael made a motion to bring forward to the Board the recommendation of Allstate as the vendor for Cancer insurance. The motion was seconded by Mr. Mark Castellano. The motion passed with a vote of 13-0.

Ms. McFarland noted this item will go to the Board in June for an October 1st effective date. Ms. Cooley noted that there will be no medical underwriting in October or during next year's open enrollment for the cancer insurance. She also stated that October's cancer enrollment will be a paper enrollment.

### **Draft 2017-18 Meeting Schedule**

Ms. McFarland stated that we are proposing to continue with the first Thursday of each month, as the meeting dates for ITF meetings, except for January, which will be January 11<sup>th</sup>, due to the winter break. There will be no July meeting. The schedule was approved with a vote of 13-0.

### **Good of the Order**

Ms. Parker informed ITF members that Tortuga Preserve won the healthy wage competition and will be awarded their check in the near future.

Dr. Angela Pruitt asked if we track how many members use the tools through the Aetna website. Ms. McFarland stated that yes, this data is reviewed in June or July. Ms. Howe noted that in the future Aetna will include this information in their quarterly report.

Ms. Jill Castellano noted that some of the high school water fountains have been changed out to the new water coolers and asked if there will be any more installed in other schools. Ms. Parker noted that the wellness platinum schools get these water coolers as an award. Ms. McFarland added that these coolers can also be purchased by schools.

Ms. Jamie Michael presented the idea to transform unused busses into exercise equipment areas with air conditioning for the transportation compounds.

Ms. Shandra Backens noted that someone she knows recently used Teladoc and from the time she created her account, spoke with the doctor, and her prescription was ready, only one hour had elapsed. Ms. McFarland added that if anyone ever has any difficulties with Teladoc, please call Ms. Kim Murphy, our Aetna onsite rep, for assistance.

### **Adjournment**

The meeting adjourned at 4:13 p.m. with motion by Mr. Kerr Fazzone and second by Ms. Jill Castellano.