

**THE SCHOOL DISTRICT OF LEE COUNTY
MINUTES**

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

Thursday, August 3, 2017

Members Present

Shandra Backens
Mark Castellano
Karen Cooley (3:20 pm)
Brian Curls
Kerr Fazzone
Bonnie McFarland
Jamie Michael
Heather Parker
Joseph Pitura (3:27 pm)
Angela Pruitt (3:19 pm)

Members Absent

Toni Abrams
Jill Castellano
William Grand
Jimmy Riley

Others Present

Jeanne Beatson, Ben. Specialist
Jane Kuckel, Board Liaison
Janice Belmonte, Aon
Tammy Martin, Aon
Jim Wall, Aon
Kim Howe, Aetna
Leo Burt, Retiree Liaison
Joe Pescatrice, Retiree Liaison
Terri Roney

The meeting was called to order at 3:02 p.m. by Ms. Bonnie McFarland. Ms. McFarland noted that there is not a quorum at this time; however some members are expected to arrive soon, so the minutes for the last meeting will be approved when there is a quorum.

Ms. McFarland introduced Mr. Jim Wall from Aon, a new team member who is attending the ITF meeting today.

Review of Health Plan Financials

Ms. Tammy Martin noted that claims included in this report are for April through June. The 2017/18 updated projection is 13.4% above 2017/18 revenues. Enrollment has not changed - the 3769 plan has 68% of enrollees, the 5773 plan has 30% and the HDHP 2%. June was a high claim month. This is not unusual. June claims were \$7.1 million. Average monthly paid claims for 2017/18 was \$6.8 million. Enrollment is steadily increasing – June was 10,720. The average 2017/18 monthly enrollment is 10,773. The average 2016/17 monthly enrollment was 10,441.

Ms. McFarland explained the changes made to page 5 of the financial report. The opt-out Board contribution is going to go into the health fund again. For the last three years, the Board contribution for the employees that do not take the District's insurance was not paid into the health fund, which was agreed to in bargaining. When bargained it was roughly \$3,000,000. This agreement ended on 7/1/17. Ms. McFarland also reviewed the Board Contribution line – the additional \$500 given to employees in Board contribution is coming out of the health fund.

Ms. Martin noted that total cost YTD -April to June- is \$21.9 million. The YTD deficit is \$3.3 million, with the adjusted budget the deficit is \$9 million, and the new projection is a deficit of \$10 million.

Ms. Jamie Michael asked what the health fund balance is at this time. Ms. McFarland responded that at this time we do not have the data to report out – this information will be shared at the next ITF meeting. At the last tabulation, through June 30, 2016, the fund balance was at \$45 million.

Mr. Mark Castellano asked how the \$10 million deficit will affect the health fund. Ms. McFarland replied that we projected a deficit, and have the money to cover the deficit. We will take a look at the total that is in the health fund at the next meeting, and discuss the health plans for 2018/19. At this point we are fine, and we have time to plan for the future and address course corrections.

Dr. Pruitt noted that decisions will have to be made about how rates will be affected, and what the options will be for medical insurance for the next plan year, and that this could have bargaining implications. Ms. McFarland added that we will need a decision by the October ITF meeting after looking at different scenarios/options at the September meeting. If needed, a special ITF meeting could be called.

Ms. Michael asked what impact the enhancements made to the medical plans last year had to the health fund. Ms. Martin informed her that the impact was very low, around .1%. Ms. McFarland noted the least expensive, lower use items were incentivized and this did not drive claims numbers up.

Ms. Martin reminded ITF members that there have been no premium changes for five years, but health costs have gone up. Ms. McFarland added that Wellness programs and plan management have had a positive impact generating over \$55 million savings to the plans. For five years we have had flat rates and the Board contribution has increased by \$500. She also noted that Wellness incentives have been paid out of the Health Fund.

Ms. Martin noted that now that the economy is better, more people are going to the doctor and utilizing the plan. This also increases claims. Ms. Michael informed ITF members that other school districts in other counties have been raising their premiums a great deal.

Ms. McFarland noted that at the next ITF meeting the 112.08 health fund report will be reviewed and plan options for 2018/19 will be discussed. The health fund is fine for now, but we will have to make some course corrections to keep the health fund healthy.

Ms. Martin noted that the loss ratio for June was 111%. The loss ratio for June 2016 was 106%.

High cost claims were reviewed. Ms. Martin noted that there were no additions, and not much change. There are still several kidney claims. Claims analysis revealed that several employees are going to a dialysis center not in network. It was discussed that Aetna could reach out to these employees and explain the savings to the plan if they go to in network facilities.

Prescription claims are 27% of total claims. 3.1% of total members account for 51% of total claims. Of the total covered population, 57% incurred claims under \$1,000. Specialty medications are increasing claims.

PPACA Updates

Ms. Janice Belmonte with Aon reviewed the PPACA updates, noting that as of July 28th, the US Senate voted 51 to 49 against the appeal of the affordable care act. This leaves employers to deal with the ACA compliance issues including the Cadillac Tax, Employer mandates, fees, and group market reform.

Ms. McFarland noted that a lot of the ACA applies to those who have no health coverage – the people who are uninsured or those who have coverage on the plans on the market place. It was noted that the uninsured have a large indirect impact on employer healthcare costs.

Approval of Minutes – May 4, 2017

Ms. McFarland noted that as there is now a quorum, the minutes for the previous meeting can be approved. The draft 5/4/17 ITF meeting minutes were reviewed, and Ms. McFarland 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. Dr. Angela Pruitt seconded the motion; the motion passed unanimously.

Legal & Identity Theft ITN – Recommendation to ITF

Ms. McFarland reviewed that an ITN (Intent to Negotiate) was done for legal services and identity theft protection services. The subcommittee was comprised of Karen Cooley, Jamie Michael, Kerr Fazzone, Joe Pitura, and Bonnie McFarland and was guided by Aon. Two bids were received for legal services and two bids were received for identity theft services. A book review, and a finalist interview were held for the legal services. The committee's recommendation is to award this to MetLife. MetLife works on a copay model – this along with the service capabilities made MetLife the more desirable vendor.

The recommendation for the identity theft piece is to not award at all. The top candidate could not guarantee that they could handle the District's 834 file – they changed their response to this question twice so the committee was not comfortable awarding the ITN to the vendor. It was noted that it is easy to find Identity Theft from an outside vendor, either directly or through other organizations like financial institutions.

For the legal services, advice and consultations are fully covered in network, and covered 70% out of network up to an allowed amount. Consumer protection, personal property protection, small claims assistance, and attendance at hearings to negotiate settlements are covered. Also provided is civil litigation defense, assistance with estate planning, powers of attorney, wills, codicils, and adoptions. There is a panel of attorneys that have a high level of experience. Ms. Martin noted that MetLife has been around for a long time and is highly respected. They provided a lot more services than the other vendor that responded. The cost to employees is approximately \$15 per pay period.

Ms. Jamie Michael made a motion to make the recommendation to the Board to award the ITN for Legal Services to MetLife and to not award the Identity Theft services. Mr. Kerr Fazzino seconded the motion. The motion passed with a vote of 10-0. Ms. McFarland noted that this will go to the Board in September.

Cancer Insurance – Special Enrollment

Ms. Cooley informed ITF members that Allstate's contract for Cancer Insurance ended March 31, 2017 and we had a 6 month extension to the contract taking it to Oct. 31, 2017. A new RFP was done and Allstate won it with the same coverages. There will be a special enrollment for cancer insurance only from Aug. 21 through Sept. 1, 2017. This will be a special paper enrollment. Everyone will receive a notification sheet with the enrollment form printed on the back. This form is due to Insurance & Benefits by Sept 1, 2017. No action is required for employees who already have the coverage and don't wish to make any changes. If they don't have cancer insurance, and want it, they can enroll with no medical underwriting. An email has gone out to all Benefit Contacts, and a Benefit Connection will go out Tuesday. Ms. Cooley noted there probably won't be a lot of changes to enrollment during this special enrollment.

Ms. Michael requested a flyer be made to send to Robert Cody and Denise Paz to put on the monitors at the transportation locations.

Wellness FY17 Report Out

Ms. McFarland noted Ms. Heather Parker will be reporting out what happened in Wellness in 2016/17 and Wellness plans for 2017/18:

Expenditures were reviewed:

FY14 program costs were \$128,245 & Incentives paid out were \$181,136

FY15 program costs were \$158,507 & Incentives paid out were \$298,643

FY16 program costs were \$158,795 & Incentives paid out were \$414,297

FY17 program costs were \$143,135 & Incentives paid out were \$645,344

5 year total program costs were \$588,683.87 and 5 year total incentives paid out were \$1,539,421.19.

Ms. Parker noted that FY16 was the first year that health screenings were offered at all locations. In FY16 42% of employees participated in screenings, in FY17 49.2% employees participated in health screenings. Ms. Parker noted that programming costs of approximately \$2 million have resulted in a savings of \$55 million to the health plans.

Ms. McFarland informed ITF members that nobody is doing wellness the way our school district is. Other organizations are calling us and asking us to share with them how we are being so successful. Ila Jones, our Aetna Wellness Coach, is training other groups for Aetna on how our Wellness program has been so successful.

Wellness FY18

Ms. Michael noted that the Wellness wearables were very popular at the bus bidding event this year. Ms. Parker added that 292 employees attended the transportation health screening this year. It was very successful and more employees completed their online Aetna health assessments this year because I&B staff were present to assist them on the computer with this. There were 1,000 employees last year who did the screening, but not the online assessment. This event at the transportation bid day will help close this gap.

Ms. Parker informed ITF members that flyers about the CHIP program were distributed. Three people who were candidates for bariatric surgery have decided to try the CHIP program instead of surgery. This is very exciting. Leadership will be attending CHIP classes as well. Eight Food for Life classes will be held this year. Google Forms are being used for signups for classes this year. There were 44 exercise classes last year, and there will be 30 this year. A few additional classes are planned for the wellness center here at LCPEC this year. Fall classes run August 21st – December 7th. The Diet Free online nutrition program is the first online nutrition program being offered. It is in line with what is being taught in CHIP and Food for Life and there is a way to track attendance for incentives. Access to Diet Free is unlimited – once signed up, you have access to it forever. Smart Dollar is being offered again this year.

ASA – A Step Ahead challenge – is being offered in October. This will be a team challenge that should be fun for employees and also reduce stress.

Ms. McFarland noted that she is very excited about the Wellness plans for this year. She also noted that the wearables are only being given out to those who complete their health screening by September 22nd.

Good of the Order

Ms. Shandra Backens noted that the Caloosahatchee Room has been in use by employees all summer, and she realized several employees don't know that the gym is right around the corner. She asked if there could be some information in the hallway. Ms. McFarland suggested a wellness table be set up near the entrance of the Caloosahatchee Room to catch people and have them sign the release for the gym and get a key fob.

Mr. Castellano asked about the status of the walking path. Ms. McFarland stated she met with Mr. Jimmy Flock last month. Final drawings are to be submitted tomorrow, and work will begin on the walking paths after school gets going. The walk closest to the building is approximately .75 miles, and around the outside perimeter of the building is approximately 1.5 miles.

Ms. Michael noted that one employee had an issue with their wearable and this issue was handled very quickly and efficiently.

Adjournment

The meeting adjourned at 4:33 p.m. with motion by Mr. Mark Castellano and second by Dr. Angela Pruitt.