

**THE SCHOOL DISTRICT OF LEE COUNTY  
MINUTES**

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

**Thursday, March 1, 2018**

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**Members Present**

Toni Abrams  
Shandra Backens  
Jill Castellano (3:18 pm)  
Mark Castellano  
Karen Cooley  
Kerr Fazzone  
Kimberly Hutchins  
Bonnie McFarland  
Jamie Michael  
Heather Parker  
Elizabeth Peterson  
Joseph Pitura

**Members Absent**

Brian Curls  
William Grand  
Angela Pruitt  
Jimmy Riley

**Others Present**

Jeanne Beatson, Ben. Specialist  
Jonathan Anderson, Aon  
Janice Belmonte, Aon  
Gabrielle Dimitrakis, Aetna  
Kim Howe, Aetna  
Rachel Rhodes, Aetna  
Leo Burt, Retiree Liaison  
Terri Roney

The meeting was called to order at 3:03 p.m. by Ms. Bonnie McFarland.

**EAP ITN Subcommittee Recommendation and Vote**

Ms. McFarland informed ITF members that a total of six vendors responded to the ITN for the District's Employee Assistance Program. After a review of responses and scoring, the top three vendors moved forward to finalist interviews – Com-Psych, Deer Oaks and Educators EAP. Scoring results after the interviews resulted in a tie between Com-Psych & Educators EAP. In this situation, per Florida Statute, the ITN is determined by a coin toss. The toss went to Educator's EAP. Therefore, the subcommittee's recommendation to the ITF is to award the ITN to Educator's EAP. The ITF voted 11-0 to recommend Educator's EAP to the Board for approval.

**Approval of Minutes – February 1, 2018**

The draft 02/01/18 ITF meeting minutes were reviewed. 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. Kerr Fazzone seconded the motion; the motion passed unanimously.

Ms. McFarland informed ITF members that the new Service Unit Director for SPALC, Elizabeth Peterson, is in attendance for the first time as an ITF member today. ITF members introduced themselves. Ms. Peterson informed ITF members she is originally from Minnesota, and moving to Florida from Maine, where she was also a Service Unit Director.

**Review of Health Plan Financials**

Mr. Jonathan Anderson reviewed the executive summary, noting that information includes claims data through January 2018. The 2017/18 projection is updated to be 15.5% above the 2017/18 revenues. Last month's projection was 12.5% above revenues. The District originally budgeted a \$6.656 million deficit for the plan year. Paid claims for January were \$8.4 million. This is a

\$1.4 million increase compared to the average monthly claims. We are almost at the 11,000 member count so claims are expected to increase.

Ms. McFarland reminded the group that this last open enrollment was the first one in five years that we had to raise medical insurance premiums. It is possible that employees rushed to use their insurance before the next plan year begins, or there could have been a large increase in illnesses. Aon is digging into the data to determine which of these situations is the case.

Mr. Anderson reviewed projection updates – 2017/18 YTD is at a deficit of \$10.5 million. The 2017/18 adjusted income is \$9 million higher. The 2017/18 updated projection is an \$11.9 million deficit. PEPM cost moved from \$661.05 to \$688.69 – which is about \$5.5 million. They have identified \$1.4 million in new claims. As stated previously, this could be employees rushing to get their medical care completed during this plan year, but there are also some new large claims.

Loss Ratio for January was 129%.

Mr. Joe Pitura asked if there is a way to determine what the loss ratio would be without our Wellness Programs. Ms. McFarland noted it is hard to measure something that did not happen. Claims would definitely be much higher without our Wellness Programs, but there is no easy way to capture exact numbers. Ms. Heather Parker does present approximate savings to the plan for each program the District does, and there are wonderful examples of employees who have become medication free and lost a lot of weight, but it is hard to know how much savings this represents. Mr. Anderson noted that generally speaking they look at a large pool and benchmark against that claims experience.

Ms. McFarland noted that she will be meeting with Aetna and they do benchmark the District claims against Aetna's book of business to gauge how the District is doing, and determine the areas where the District is doing worse than Aetna's book of business. We then target our wellness programs in these areas.

Ms. Janice Belmonte reviewed large claims, noting there was a significant spike in large claims. There are 13 claims this month. One new claim was \$522,951.00. Last month's large claim total was \$5 million. This month the total is \$5.8 million. This is an increase of \$853,844.

Ms. Kim Howe with Aetna discussed the new claim of \$522,951 noting that this was a case of significant complications after a surgery. The actual hospital claims were closer to \$900,000.00. This person is still under care, but not at the same level as before. They are monitoring this person closely. In regard to the other large claims, Aetna reviews these large claims very carefully, so sometimes these large claims take longer to show up in our claims. For the month of February, claims are back more close to normal. They are still a little higher than normal, around the \$700,000 amount, but they are keeping a very close eye on claims.

Ms. McFarland added that she is trying to determine if these are long time employees who are now getting ill, or are these new employees who are seeking employment with the District for the health insurance. If the claims are for long time employees, we will look at what we could have

done as far as a Wellness Program for these employees. If the latter, there is not much we can do.

Ms. Belmonte stated that Rx is 26% of total claims, medical is 74%. Rx was 28% of total claims for April 2016 – January 2017. Ms. Howe noted new bio drugs – specialty drugs – which are expensive, are raising the percentage. Harvoni cures Hepatitis C, and the cost of the drug vs the cost to treat someone with Hepatitis C is something that is a balance they keep an eye on. Mr. Anderson added that some cancer drugs cost \$250,000. Bonnie noted she expects the Rx % to change next plan year, as we have changed formularies.

### **PPACA Update**

The Bipartisan Budget Act of 2018 signed into law by President Donald Trump repeals a major cost control provision of the Affordable Care Act, revises the contribution structure in Medicare Part D, and increases premiums for high income Medicare beneficiaries. Changes are as follows:

- Repeal of the Independent Payment Advisory Board (IPAB)
- Medicare Part D “Donut Hole” closes earlier

### **Wellness Update**

Ms. Heather Parker stated she will be presenting a full Wellness report to the ITF next month. So far incentives to be paid out to employees are approximately \$572,000. Incentives will be paid in the May 15<sup>th</sup> paychecks. Ms. Parker added that she is looking to get data on how much certain diseases actually cost the District. A diabetic costs the District \$2,700 per year just for the medications. She is also looking at adding some new Wellness programs. One is Retire Wise, which teaches people how to put money away for retirement in addition to FRS. Ms. McFarland noted that so far this pilot program is going well and we anticipate this program will be rolled out in the Fall to employees. This program is more about budgeting, saving and investing, not really retirement. They are also planning a giant health fair in the LCPEC Building. It will be on August 1<sup>st</sup> in the Caloosahatchee room. We anticipate the time ranging from 12:00 noon to 6:00 p.m. Benefit vendors will attend, in addition to health care vendors to provide eye exams, flu shots and other immunizations like shingles, DTAP, and others. This is a way to get more employees vaccinated. Certain shots have age requirements, which will have to be met, but this is a good way to extend vaccines to employees. Roughly 2,500 flu shots given this year at the health screenings. Wellness programs are wrapping up with the school year ending. There are three new Food for Life classes starting next week. The CHIP programs at the bus barn and Tortuga are wrapping up. Ms. Mary Parker, the new health coach is starting Tuesday, March 6<sup>th</sup>. Ms. McFarland added that they are beginning to schedule the health screenings for next year.

Ms. Jamie Michael noted that Mr. Cody and the bus drivers need to know about the health fair on August 1<sup>st</sup> so nothing is scheduled to conflict with the health fair. Ms. Michael also noted that bus drivers greatly appreciated Ms. Jeanne Beatson going out to help them enroll in their benefits. Discussion was held regarding the best way to share open enrollment information with the transportation locations.

### **Good of the Order**

Dr. Kerr Fazzino noted that House Bill 7055 is detrimental to public education in general. It allows a business to direct their taxes where they want – namely Charter Schools. There is also a statement that says if a union does not have 50% membership, it will be decertified. The District's SPALC does not have 50% membership. Please call Senator Benacquisto and Senator Passidomo and ask them to vote no on House Bill 7055. Talking points are at [feaactioncenter.org/act](http://feaactioncenter.org/act). There will be a box on the page where you put your zip code and it will direct you to your senator. Mr. Mark Castellano added that this bill was put together by Mr. Corcoran who is an advocate of charter schools. His wife owns a charter school. Please call and ask them to vote no.

Mr. Castellano thanked Aon for their sponsorship of the 5K run. They have enough money to offer two scholarships. He also noted he wears a wrist band since the Sandy Hook shooting happened. We have teachers here who graduated from the school where the recent shooting occurred. He is having bracelets made for the recent shooting, and if anyone wants one, let him know.

Ms. Karen Cooley informed ITF members of the upcoming Medicare Seminar with Cathy Furr from Aon. Anyone is welcome to attend. The seminar is at 5:00 p.m. on Tuesday in the Board Room. She hopes to have open enrollment preliminary numbers at the next ITF meeting.

### **Adjournment**

The meeting adjourned at 4:19 p.m. with motion by Mr. Mark Castellano and second by Ms. Shandra Backens.