

**THE SCHOOL DISTRICT OF LEE COUNTY  
MINUTES**

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

**Thursday, April 5, 2018**

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**Members Present**

Shandra Backens  
Jill Castellano  
Mark Castellano  
Karen Cooley  
Kerr Fazzone  
William Grand  
Kimberly Hutchins  
Bonnie McFarland  
Jamie Michael  
Heather Parker  
Elizabeth Peterson  
Joseph Pitura  
Jimmy Riley

**Members Absent**

Toni Abrams  
Brian Curls  
Angela Pruitt

**Others Present**

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

The meeting was called to order at 3:00 p.m. by Ms. Bonnie McFarland.

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

The draft 03/01/18 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. Ms. Jamie Michael seconded the motion; the motion passed unanimously.

**Review of Health Plan Financials**

Mr. Jonathan Anderson from Aon noted that financials include claims paid through February 2018. Projection is 16.7% above 2017/18 revenues. 68% of employees are enrolled in the 3769 plan, 30% in the 5773 plan and 2% in the HDHP. February paid claims were \$7.5 million. Large claims did come down. An analysis was done in regard to whether new employees with medical issues are obtaining jobs with the District for the medical insurance. They did not find this to be the case. Most large claims were employees who have been with the District for a long time.

Enrollment is at 10,756, and is expected to grow. 2017-18 YTD – total cost is \$82 million – a deficit of \$11.9 million. The updated projection for claims is \$85 million and total costs have increased 5%. Updated projection is a deficit of \$12.864 million, due to claims, premium and loss ratio.

Discussion was held about the Board contribution, opt outs and Board contribution reversals.

Ms. McFarland informed ITF members that the plan cannot sustain a \$13 million deficit every year. As we move into bargaining, Board Contribution will need to be bargained. It is very important that employees understand their benefits and how the Board Contribution works. If we see this same deficit again next year, and we may not, but if we do, we will have to make a lot more adjustments to the plans. We should see a lot of positive results from the changes that were made for this plan year; however the plans are running very hot currently, and we will need to make adjustments if the current trend continues.

Ms. Jill Castellano noted that employees don't understand their benefits and TALC needs to educate employees. Ms. McFarland stated she would welcome the opportunity to partner with TALC at their meetings to educate employees. The Insurance & Benefits Department has implemented Benefit Connections to try to educate employees and would love to attend TALC meetings to further employee benefits education. Ms. Jamie Michael added that she does share claims information with employees to help educate them, and encourages them to attend wellness classes. It was also noted that employees can see their employee current compensation page, in PeopleSoft, which shows them what they are getting paid and what their benefits are worth.

Ms. McFarland introduced Ms. Mary Parker, our new Aetna onsite Health and Wellness Coach, and Temika Middlebrooks, our Wellness Specialist. Ms. McFarland shared that Ms. Mary Parker and Ms. Jeanne Beatson have started traveling to the bus compounds each month, so there is a benefits and wellness person at each compound once a month. This is being done on a trial basis this year, and will be continued next year if it is successful.

Mr. Joe Pitura agreed that communication and education is very important. If we can utilize staff meetings with the TALC Reps reviewing the employee current compensation page in PeopleSoft with them it would be helpful. Educating employees on how benefits are obtained would go a long way in helping. Ms. McFarland noted this could be discussed in Labor Management meetings.

Mr. Jonathan Anderson reviewed loss ratio noting that February's loss ratio was 114%. The last four months had a loss ratio of over 100%, meaning the Health Fund is paying for anything over 100%. He stated they will continue to monitor this closely, and Aetna is working closely with employees on care management to help in the area of savings.

Ms. Janice Belmonte reviewed large claims exceeding \$250,000. There was a total of 13 large claims, the same number as last month, for a total of \$5.8 million. This is \$45,000 lower than the previous month. There are two potential transplant cases that could happen in the next few months. Ms. Kim Howe noted that Aetna patient management is working closely with these employees from a clinical standpoint. She will keep us updated on this.

Ms. Belmonte noted that Rx is 28% of total claims, up from 26% last month. Medical spend is 72%. Specialty drugs are the reason for this increase, new cancer drugs can cost \$50,000. Additional drugs like the drug that cures Hepatitis C costs \$10,000-\$15,000 per month for 8-10 months. This is expensive, but could save the plan money in the long run by avoiding medical complications from Hepatitis C. Ms. Kim Howe added that Aetna is noting that that pharmacy is

going up, and they are monitoring things closely with Aetna patient management to help control these costs. Specialty drugs will be monitored closely in the next couple of months.

### **PPACA Update**

The IRS issued HSA contribution limits for 2018. The EEOC told the court that it has no plans to issue new wellness regulations at this time.

Discussion was held about legislators' vs. educators' votes. Dr. Kerr Fazzino commented that only 35% of teachers vote state wide.

### **Open Enrollment Report Out**

Ms. Karen Cooley reviewed Open Enrollment 2018 details with ITF members. 3769 plan enrollment went down a little, 5773 plan enrollment went up, and HDHP enrollment went up. There was not a lot of movement in any of the benefits. Cancer coverage was guaranteed this year, and enrollment increased a little more this year because of this. Legal Services had 846 enrollees. Disability underwriting is still pending. Long Term Disability was guaranteed this year, and also increased quite a bit due to this.

Ms. McFarland noted that the number of employees enrolled in disability insurance is very low. She noted that in the course of a 40-50 year career, if you multiply your current annual income by that many years, why wouldn't you insure your potential income in case something happens and you are unable to work? How are you going to replace this income? Ms. Jill Castellano added that she knows a lot of teachers who live paycheck to paycheck, and they don't think about getting hurt or getting ill. She does share disability insurance information with them.

### **FY18 Wellness Incentive Report Out**

Ms. McFarland noted that this report is a report out of the health screenings, and reminded ITF members that Hurricane Irma came through right in the middle of our health screenings, and there are substantial health impacts that come with natural disasters. In addition we had to cancel eleven health screening events at high schools – the largest events. This information is from the end of July through January.

Ms. Heather Parker presented FY18 data, noting that the District's blood pressure risk is at 50%, a 35% increase over last year. This is believed to be due to the hurricane. Waist circumference stayed close to last year at 36%. Cholesterol was at 30%

Participation of health screenings was 4,849 in FY17 and 4,929 in FY18. Completion of the online assessment is also increasing. It was noted that only those who completed their assessment and screening were awarded a gift card. Wellness is working on increasing the number of employees who complete their online health assessment. Ms. Heather Parker added that assistance is given at health screenings.

Discussion was held about trend for health screening attendees.

Money received by employees through gift cards provided by Aetna:

FY16 \$149,100

FY17 \$181,200

FY18 \$198,750

Wellness incentive money paid to employees from the health fund reserve:

FY14 \$181,136

FY15 \$298,643

FY16 \$414,297

FY17 \$611,655

FY18 \$591,850

Wellness is working to change the requirements for incentives to encourage employees to do more Wellness activities to earn it.

Last year, \$1.5 million was allocated for incentives and a total of \$591,850 was paid out. Ms. McFarland noted when we request authorization for incentive dollars, we ask for the maximum amount, which is the total number of District employees earning the maximum incentive, to be sure there is enough money to pay out the incentives. Money does not leave the health fund until the incentives are paid to employees. Only the amount of the incentives paid is deducted from the health fund.

Ms. McFarland noted that for FY19, the amount of money employees can get for perfect biometrics is being reduced by \$5, and the amount paid out for an annual physical and blood work is being increased to encourage employees to get a better picture of their overall health by having an annual physical. Many conditions can be caught by complete bloodwork. About 56% of our employees get their annual physical. If we can increase this, it will save the plan money.

Ms. Heather Parker reviewed FY18 programming with ITF members. CHIP, Food for Life, Diet Free – an online nutrition class, (great feedback on the Diet Free class - employees have access to the information for their lifetime, and they can share access with family members). This costs \$70 per employee. Healthy Wage is going on now. The bus barn is doing very well with this weight loss competition. The walking challenge was a huge success. 87% of our population engaged in this program. Thirty-three exercise classes were taught throughout the District. Run Club participated in several local runs. Volleyball and basketball leagues are very popular. They are looking into kickball and tennis leagues for next year. Smart Dollar – an online financial wellness class - is popular. Employees have access for 12 months. Smart Dollar CDs and books are available to employees as well. The EAP program is very good and a Retire Wise pilot was recently done. This is a program offered by MetLife at no charge. Ms. McFarland noted she attended this program with several other employees in the LCPEC building. The name is misleading. It is for anyone who plans to retire at any time. It covers all financial areas from when you start working until you are ready to retire. The class includes a book with great information and it is a very valuable program. It is not product specific. They are looking forward to offering it to employees.

A smoking cessation program was also held. Our smoking population is down to 7.5%. Three people attended the smoking cessation program, and all three stopped smoking. Ms. Mary Parker will be communicating with employees to see if there is a need for this class.

Weekly ActiveLee Connections are going out to all employees, along with a monthly newsletter, and there are wellness academies at schools where there is a wellness advocate. Water cooler awards were given to schools.

Cost avoidance was reviewed:

CHIP \$127,796

Food for Life \$32,450

Healthy Wage \$22,244 as of 4/5/18

Financial Wellness \$89,208

Flu Shots \$478,500

Walking Challenge \$151,500

Smoking Cessation \$13,973

Total \$915,671 in cost avoidance.

### **FY19 Wellness Incentives**

Ms. Heather Parker shared with ITF members the incentive structure for FY19. Biometrics - \$120 if you pass everything, not the \$150 there was last year. Wellness visit - \$30 to total the \$150, the flu vaccination has a \$10 incentive. Class incentives range from \$30 to \$100, if requirements are met for the class.

Programming for FY19 was reviewed. Ms. McFarland reviewed that Retire Wise is the new program. Adjustments are being made to the budget by doing fewer CHIP classes and bringing in some less expensive programs. The walking challenge will be done again. She also reviewed with ITF members that the incentive money comes from the Health Fund, and programming money comes from the health fund and Aetna wellness funding.

Ms. Jill Castellano noted she would love to see programming for people who are healthy. Bonnie informed her of a project that Wellness is working on - a computer program to capture results of the exercise classes so we can capture the effectiveness of the classes, and hopefully the leagues as well. Being able to capture this information will allow ActiveLee to build incentives around exercise.

Ms. McFarland stated that her original goal was to vote on the use of the Health Fund for incentives today. However; she suggested that the vote be tabled until the next meeting in May, when the final Aetna data is reviewed. She noted that we are looking to reduce incentive dollars and will be asking for \$1.6 million for incentives – which is \$150 per employee, the total dollar request is higher because there are more employees. \$200,000 will be requested for programming, down from \$250,000 – the amount requested last year.

### **Good of the Order**

Ms. Shandra Backens asked about Aetna/CVS. Ms. Kim Howe responded the shareholders have passed the vote, they hope to have more information this summer after the government reviews it.

Ms. McFarland shared with ITF members the sad news that Ms. Tammy Martin with Aon passed away recently, and asked members to contact her if they are interested in making a donation in Tammy's name.

### **Adjournment**

The meeting adjourned at 4:55 p.m. with motion by Mr. Mark Castellano and second by Dr. Kerr Fazzone.