

**THE SCHOOL DISTRICT OF LEE COUNTY
MINUTES**

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

Thursday, May 3, 2018

Members Present

Jill Castellano
Mark Castellano
Karen Cooley
Brian Curls
William Grand
Kimberly Hutchins
Bonnie McFarland
Jamie Michael (3:06pm)
Heather Parker
Joseph Pitura
Angela Pruitt (3:09pm)

Members Absent

Toni Abrams
Shandra Backens
Kerr Fazzone
Elizabeth Peterson
Jimmy Riley

Others Present

Jeanne Beatson, Ben. Specialist
Jonathan Anderson, Aon
Janice Belmonte, Aon
Gabrielle Dimitrakis, Aetna
Rachel Rhodes, Aetna
Mary Parker, Aetna
Temika Middlebrooks, Wellness
Jane Kuckel, Board Liaison
Joseph Pescatrice, Retiree
Liaison
Leo Burt, Retiree Liaison
Kevin Daly, TALC Pres. Elect
Terri Roney

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

Ms. Bonnie McFarland introduced Mr. Kevin Daly, who is currently a teacher at Royal Palm Exceptional Center and will be replacing Mr. Mark Castellano as president of the Teachers Association of Lee County effective July 1st. ITF members and meeting attendees introduced themselves to Mr. Daly.

Approval of Minutes – April 5, 2018

The draft 04/05/18 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. Mr. William Grand seconded the motion; the motion passed unanimously.

Review of Health Plan Financials

Mr. Jonathan Anderson noted that financials include data through March 2018. The 2017/18 projection is 14.8% above 2017/18 revenues. This is a reduction of 1.9% from the prior month, which is an improvement. March paid claims were \$6.4 million. Average 2017/18 monthly paid claims is \$7 million. 2016/17 average paid claims were \$6.1 million.

Per employee per month cost increased slightly, and the total cost of the plan is \$88.387 million. We have \$76 million collected in premium. There is a gap – a deficit - of \$11.4 million. An improvement of \$1.45 million from last month.

Loss ratio for March is at 97%, the best loss ratio since November 2017. We should continue to see an improvement with the new plan changes in place.

Ms. Janice Belmonte reviewed large claims over \$250,000. There are now 17 claims on this list. There were 13 last month. The good news – 7 large claims have dropped off – and there will be no more claims associated with these. The two potential kidney transplants cases discussed last month are now on the list. One large claim has left the plan and there will be no more claims associated with this claim.

Rx is 27% of total claims, down 1% from last month. Medical is 73% of total claims.

PPACA Update

The Dept. of Labor issued guidance on the Fair Labor Standards act. The IRS issued FAQs for employers on paid FMLA tax credit – there will be more information to follow. There is no new news on Wellness regulations. The HSA family limit is now \$6900 – Ms. McFarland noted this does not affect the District as we were able to catch this before any deductions were taken for our employees.

Aon Hewitt Contract Renewal 10/01/18 – 09/30/20

Mr. Jonathan Anderson and Ms. Janice Belmonte from Aon chose to leave the meeting for this discussion at their discretion. Ms. McFarland noted we entered into contract with Aon in 2012 with two 2 year extensions. The last 2 year extension is 10/1/18 – 9/30/20 and needs approval to continue. Ms. McFarland informed ITF members that Aon serves the District at the pleasure of the ITF, and the ITF must make a recommendation to the Board for this contract extension if that is what the ITF wants. Ms. McFarland noted that they have done a good job for the committee. Ms. Jill Castellano asked that Ms. McFarland explain in more detail what Aon does for the District. Ms. McFarland stated that Aon is the broker/consultant/actuary for the District. They act as actuaries to work with the vendors as brokers on the District's behalf. As consultants they work with the District to be sure we are in compliance with all the laws that change and that all financial reports are done properly. As actuaries, they work with us on premium equivalents – what is needed in premium to pay the expected claims for each plan year – Amanda Brooke Kross from Aon is our actuary.

Mr. Mark Castellano stated that he feels that Aon's work with the ITF and at the ITN meetings has been very good. He supports the recommendation to extend their contract. Ms. Jamie Michael stated they did a wonderful job at the last ITN.

Dr. Pruitt noted that Ms. McFarland did explore other options and did a lot of leg work before making the recommendation to extend Aon's contract. Ms. McFarland noted there used to be a lot more brokers that did this kind of work. There are now a lot fewer – they have combined forces – consolidated, and if the District were to put an ITN out on the street, we would probably get four bids for broker/consultant/actuary.

Dr. Pruitt left the meeting at 3:27 p.m.

Ms. Jamie Michael made the motion to recommend to the Board the renewal of Aon's contract for the period of 10/01/18 – 09/30/20. Ms. Jill Castellano seconded the motion. The motion passed with a vote of 10-0.

FY19 Wellness Incentives & FY18 Aetna Wellness Data

Ms. McFarland informed ITF members that Ms. Heather Parker is going to update the ITF members on all of the details of the Wellness Program to update new and old members on all that the Wellness Program offers.

Ms. Heather Parker shared the following information:

2006 - the first year the District hired a wellness coordinator

2007 - BCBS provided \$100,000 for wellness programming

2013 – the District offered a \$100 incentive per employee

2014 – Ms. Heather Parker was hired, and \$1.5 million was requested for wellness programming and incentives

2015 – a health coach and wellness specialist was added

Wellness helps with employee retention, student achievement & healthier employees, and decreased healthcare spending.

Ms. Heather Parker shared a chart with ITF members showing there is a \$95 million dollar difference between trend and what the district paid in claims over this time period. This is \$72 per employee per paycheck.

Ms. McFarland noted that in 2013/14, the District had negative trend – we spent less than the previous year. Wellness is an investment that is well worth continuing to address health issues and health risks. Addressing risk before it becomes a claim is the best savings to the health plan, and the best prevention for dollars being spent. One example – an employee lost 100 pounds and is working towards running a marathon. With that, she is off all of her medications, and the impact to the plan is a big savings.

Ms. Jamie Michael recommended the chart that Ms. Parker shared be put on the Wellness website.

Ms. Heather Parker reviewed Wellness programming:

- District wide health screenings – all locations – a lot more personal attention for employees
- Health coaching
- Exercise classes, wellness center, and clubs
- Caring wellness team
- Commitment to wellness
- Leadership Support
- Disease reversal – CHIP – 18 Sessions – holistic approach to total health transformation – proven to reverse disease
- Food for Life – 4-7 week program – focuses on weight loss, diabetes and cancer prevention
- Diet Free – online videos to encourage better behaviors

Fitness programs were reviewed:

- Group fitness at 33 locations – i.e. yoga, Zumba
- Clubs/Leagues – running, volleyball, basketball
- Wellness center – gym with one on one training
- Walking Challenge – online gamification I

The LCPEC walking/exercise path is still in the works – it was delayed due to Hurricane Irma, but is still expected to be completed.

Ms. Heather Parker reviewed behavior modification services offered:

- smoking cessation
- EAP
- Health Coaching
- Financial Wellness – Smart Dollar online program and Retire Wise

The incentive structure for FY19 was reviewed.

The well visit has a \$30 incentive and this is now part of the \$150 incentive. This is a good way to get employees to schedule their well visit, which is the best way to learn of any health issues. It is covered at 100% under Federal Healthcare Reform.

Ms. Heather Parker stated that FY19 proposed funding being requested is \$1.6 million for incentives at a max of \$150 per employee and \$200,000 for programming for a total of \$1.8 million. Ms. McFarland reviewed that in the past we have asked for \$1.5 million. The additional request is due to the increase in employees - 11,000 employees – up from 10,000 in previous years.

Mr. Castellano asked for a review of the status of the health insurance fund for ITF members. Ms. McFarland stated that we won't have official figures on the health fund until June – when the 112.08 report is done for the state. However; she noted that:

- A couple of years ago the health fund was at over \$50 million
- We paid for the increase in Board Contribution for three years at a cost of \$15 million out of the health fund and the health fund was then down to \$35 million
- \$3 million from the health fund was paid out to employees who waived medical insurance
- We budgeted a \$6 deficit – which translates to another \$5 million spent out of the health fund

We are now in the low to mid \$20 million range as a balance in the health fund. Ms. McFarland stated that her best estimate is that the health fund is at about \$20 million. The law states that the health fund must have 60 days of reserves – which is \$14 million. We have about 50% more than required. It is looking like the changes we made to the plan are going to help with claims, and our target is to break even. The health fund should stay in the low to mid \$20 million range.

Mr. Mark Castellano reviewed that the health fund is once again receiving funding for all employees, even those employees who waive coverage. Ms. McFarland added that when the fund was over \$50 million, the District was beginning to get notices from auditors that we were carrying too much money in the reserve. More money was supposed to be spent in the actual plan year than we were spending, and there was a need to spend the health fund down. The state wants

this money spent down. We are out of that range now. We have three months of claims in the reserve fund, and this is a very good place to be.

Ms. McFarland stated:

- We know of many employees who went to the doctor's office instead of the emergency room.
- We know who attended the CHIP program.
- Wellness works – it lowers claims.
- She is very comfortable in making the recommendation of using this money to fund incentives and wellness programming.
- Employees are participating and this impacts the claims dollars spent.
- She and Ms. Heather Parker are both recommending the utilization of \$1.8 million from reserves for wellness incentives and programming.

Mr. Mark Castellano made the motion to recommend to the Board the utilization of \$1.8 million from health fund reserves as outlined: \$1.6 million for incentives and \$200,000 for programming. Ms. Jill Castellano seconded the motion. The motion passed with a vote of 10-0.

Ms. McFarland and Ms. Heather Parker thanked ITF members.

Ms. Bonnie McFarland shared with ITF members that Dr. Ron Goetzel, Director of the Institute for Health and Productivity Studies at Johns Hopkins Bloomberg School of Public Health and Vice President of Consulting and Applied Research for and IBM Watson Health, contacted Ms. Heather Parker to discuss the District's Wellness program. He does a lot of work on wellness programs and he is interested in doing a research paper on the success of LCSD's Wellness Program. She noted that the success of the District's wellness program is due to the support of the ITF, Dr. Adkins, and the Board members. They are planning to invite Dr. Goetzel to the upcoming SDEW (School District Employee Wellness) meeting and hope to have him join this meeting.

2018-19 ITF Meeting Schedule

The draft 2018-19 ITF meeting schedule was reviewed. It was noted that meetings are scheduled for the first Thursday of every month with the exception of January 10th. The last FY18 meeting is June 7th. The first FY19 meeting is August 2nd. Ms. Jamie Michael made a motion to accept the 2018-19 ITF meeting schedule as presented. Ms. Karen Cooley seconded the motion. The motion passed with a vote of 10-0.

Good of the Order

Ms. Heather Parker noted that Ms. Mary Parker, Aetna Wellness Coach, is working on a new curriculum for nutrition for pain management called Nutrition for Reducing Pain. This program will be piloted in May. It is similar to a Food for Life class. She noted that the District has a lot of employees taking opioids – 30% of employees are taking a prescription for pain management. This program will educate employees on how to manage pain with nutrition and hopefully prevent employees from starting to take opioids. If this goes well, it will be incorporated into the wellness program.

Mr. Mark Castellano thanked everyone for all of the good work they do.

Adjournment

The meeting adjourned at 4:18 p.m. with motion by Ms. Jamie Michael and second by Mr. Mark Castellano.