

**THE SCHOOL DISTRICT OF LEE COUNTY
MINUTES**

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

Thursday, August 2, 2018

Members Present

Gregory Blurton (3:10)
Karen Cooley
Kevin Daly
Kerr Fazzino
William Grand
Kimberly Hutchins
Bonnie McFarland
Jamie Michael
Heather Parker
Elizabeth Peterson
Joe Pitura

Members Absent

Toni Abrams
Shandra Backens
Jill Castellano
Angela Pruitt
Jimmy Riley

Others Present

Jeanne Beatson, Ben. Specialist
Jonathan Anderson, Aon
Janice Belmonte, Aon
Monica Digon, Aon
Kim Howe, Aetna (3:04)
Jane Kuckel, Board Liaison
Leo Burt, Retiree Liaison

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

The draft 06/07/18 ITF meeting minutes were reviewed. Ms. McFarland noted a correction to the minutes. On page four (4), first paragraph reference to **Bid Day**, the dates should read, July 26th, 7 am – 4 pm and **July 27th**, 8 am – 2pm. There being no other changes to the minutes, Ms. Jamie Michael 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 advised that the information being provided is the projected plan cost for 2018/19 with data through June 2018. With some good news, the projection is updated to be 1.3% below the net 2018/19 revenues. June 2018 paid claims was \$6.5 million. Average 2017/18 monthly paid claims was \$7.0 million and the 2018/19 YTD average monthly paid claims is \$7.0 million. Current enrollment is 10,986.

The cost per employee per month (PEPM) from the approved 18/19 budget was \$695.27 and now the updated projection is \$691.72. With the cost PEPM less than previously projected, a positive surplus of \$1,245,510 is now projected.

The loss ratio was reviewed. The June claims were at 88%. In the current rolling 12-month period (July 2017 through June 2018), the average loss ratio for all plans is 104.2%. With one new large claim over \$250,000, there are now 21 for a total of over \$8.3 million. Dr. Kerr Fazzino noted that the number of claims from this time last year increased from 12 to 21 with the cost almost doubling. He asked if there is a reason for the large spike in claims. Ms. Janice Belmonte stated it could be due to the number of transplants and specialty drugs. Ms. Kim Howe agreed. Ms. Bonnie McFarland also noted that we are using \$250,000 as a benchmark. With the rising cost of care, raising the benchmark to \$300,000, for example, may reduce the number claims, but would still have the same result.

Ms. Belmonte noted that RX claims are 28% of total claims with medical being at 72%.

PPACA Update

Ms. Belmonte noted that the US House of Representatives this week passed several items regarding health care legislation that may be tough getting through the US Senate:

- Health care bills that reforms the rules regarding HSA and delays some health care taxes under ACA
- A bill repealing 2.3% excise tax on medical devices as well as passing H.R. 6199 and H.R. 6311

Introduction

Ms. McFarland introduced Mr. Gregory Blurton, who joined the meeting, and asked the ITF members to go around the table and introduce themselves.

Teladoc Utilization

Ms. Belmonte noted the annualized utilization is 15.8%. Member activity in June was 120 visits with 73 registrations.

Transparency Tools

Ms. McFarland stated that the District was approached several years ago about having a company offer transparency services that could cost approximately \$1 million. Aetna has such tools, but the usage was minimal. By ongoing various communication avenues, we are trying to get the word out that these tools are available to our employees to view the various costs of care. Ms. McFarland asked members of other ways to send information out to employees. Dr. Fazzone asked about flyers that he could give out at the next TALC Rep meeting. Ms. Howe said yes, they do have flyers. Ms. McFarland stated that Ms. Jeanne Beatson will start going out to the bus compounds and could pass flyers out to those employees.

2019-20 Renewals & Rates

Mr. Anderson reviewed the following benefit renewals and were able to have the benefit vendors to propose an offer of a **Rate Hold** which means no rate increase for 4/1/2019:

Medical Insurance ASO (Aetna)	Group Cancer / Specified Disease (Allstate)
Teledoc (Aetna)	Group Critical Illness (Allstate)
Dental Insurance (MetLife)	
Long & Short Term Disability (MetLife)	

The following benefits are currently in rate guarantee status with no action needed at this time:

Vision Insurance (Avesis)	Life/AD&D (Minnesota Life)
Group Accident (Allstate)	EAP (Educator's EAP)
Group Legal (MetLife/Hyatt)	

Flexible Spending Accounts (FSA) and Health Savings Accounts (HSA) are currently in an Invitation to Negotiate (ITN) process for 4/1/2019.

After a short discussion, Ms. McFarland asked for a motion for a recommendation to move forward for Board approval on the October 6, 2018, Board Meeting. Ms. Michael made a motion to accept

the *Rate Hold* for the six (6) benefits (listed above); Dr. Fazzone seconded the motion; the motion passed unanimously.

Medical Plans & Premiums 2019-20

Ms. McFarland stated that the scenarios being presented today is for information only and the members will not be asked to vote on anything today.

Mr. Anderson began with Scenario Status Quo - no changes to benefit design or premiums. This scenario projects a deficit of \$5,887,000. Mr. Kevin Daly asked if the deficit would come out of the reserves. Ms. McFarland responded yes and further stated that the reserve funds have been spent down over the last couple of years. Last year, we had a \$11 million deficit. The amount in the reserves should be around \$20 to \$25 million, approximately. However, we do not know until the 112.08 report has been completed. We should have this data at the next ITF meeting.

Ms. McFarland explained that the health fund cannot absorb the \$5.8 million deficit. In order for the plan to remain solvent, you must have at least 60 days of claims in reserves. This committee spends what has been bargained.. Prior to 2007, the Board contribution equaled the high plan employee only premium. In 2007, the contribution was locked to \$6372/ annually. It remained \$6372 until 2016, when the contribution was increased by \$500.40 / annually (\$6,872.40) which was paid out of the Health Fund for two (2) years. Effective 4/1/18, the annual contribution increased to \$7000.80 / annually.

Mr. Anderson presented with Option 2 before discussing Option 1 – no benefit design change; increase employee contribution: \$90 per month employee only for Plan 3769; \$45 per month employee only for Plan 5773; \$0 employee contribution for employee only for the HDHP plan, however, the HSA employer contribution reduces to \$1500 per year. This scenario projects a surplus of \$420,000.

The Option 1 presented was the same rate structure as Option 2 including the reduction in the HSA Employer Contribution. However, add a new traditional PPO plan with a \$1750 / \$5250 deductible; no copays, all services subjected to deductible /co-insurance including RX with the exception of Preventative services paid at 100% (in network) by the plan. This scenario projects a surplus of \$589,000.

Ms. McFarland asked the committee if they wanted Aon to work on any other plan design / option. Mr. Daley asked if they could see what the premiums would look like under the Status Quo option if \$2.5 million of the reserves were used. Ms. McFarland stated yes, but reminded the committee, it could depend upon the outcome of the 112.08 report.

FSA/HSA ITN Update

Ms. McFarland stated the ITN is in a "code of silence" process and will provide information at a future meeting.

Additional Insurances Discussion

At the June 7, 2018 ITF meeting, the members asked for additional information regarding two (2) additional voluntary benefits to offer employees: Hospital Indemnity and Whole Life.

Monica Digon with Aon explained that hospital indemnity policies pay lump sum benefits for hospital admission and confinement per day due to sickness/accidents. Premiums for these types of policies depends upon the plan design. In order to receive benefits, employee must be confined to the hospital. Emergency room visits would not be covered. Ms. Digon presented different scenarios to show how the benefit would work. Ms. Digon continued by reviewing the differences between Whole Life and Universal Life.

Ms. Michael raised concern for adding more benefits that the District will not be paying for. Upon further discussion, Ms. McFarland asked if the committee could conclude review of additional options and continue with the benefits that we offer. The committee members agreed in a vote of 11-0.

FY19 Wellness Update

Ms. Heather Parker discussed the health screenings on bid day that was held on Thursday, July 26th and Friday, July 27th. She stated that they had some technical issues in using IPADS for check-in and ended up using paper. She felt they had a good turnout. On Thursday, they had a total of 279 and Friday having a total 84. Last year, they had 292 and it was only for one (1) day.

Ms. Parker stated they held a health fair, which included health screenings, here at LCPEC yesterday (August, 1, 2018). The last health fair held was four (4) years ago. She stated they received a lot of positive feedback and 328 people went through the health screening.

Ms. Michael suggested on Bid Day to have someone stay for the Substitutes to take their blood pressure and explain the Wellness program.

Ms. Parker added that starting tomorrow (August 3, 2018), the tracking system for Wellness programs will be going LIVE. Employees will be able to enroll in classes on-line and will just need their District User ID and Password.

Good of the Order

Ms. McFarland reminded everyone that the next ITF meeting, September 6th, will be held in Media Rooms 1 & 2 which are located in red hallway.

Dr. Fazzone noted the TALC 5K is set for February 23, 2019. Ms. Parker stated she would help advertise and also noted that the Foundation 5K is February 2, 2019.

Ms. Michael asked Ms. McFarland if she handled the DOT physicals. Ms. McFarland responded that is handled through Transportation.

Adjournment

The meeting adjourned at 4:54 p.m. with motion by Ms. Jamie Michael and second by Mr. Kevin Daley.