



## THE SCHOOL DISTRICT OF LEE COUNTY

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

August 1, 2019

### **Members Present**

Toni Abrams (3:41 PM)  
Shandra Backens  
Jill Castellano  
Karen Cooley  
Kevin Daly  
Ami Desamours (3:18 PM)  
Kerr Fazzone  
Kimberly Hutchins  
Bonnie McFarland  
Jamie Michael  
Heather Parker  
Elizabeth Peterson  
Joseph Pitura  
Angela Pruitt  
Jimmy Riley  
Agnes Upeslakis

### **Members Absent**

Leo Burt

### **Others Present**

Cindy Proia, Secretary  
Jonathan Anderson, Aon  
Susan Grimm, Aon  
Kimberley Howe, Aetna  
Curtis Colbert, Simplified

Mary Fischer, Board Member Liaison (3:07 PM)  
Joe Pescatrice, Retiree Liaison

The meeting was called to order at 3:05 p.m. by Ms. Bonnie McFarland, with a quorum present. Bonnie wanted to introduce our newest ITF Member and welcomed Agnes Upeslakis, Senior Software Engineer with the Application Services Department.

First order of business is the approval of ITF Minutes from both the June 6, 2019 and June 18, 2019 meetings. Bonnie asked for any changes and/or discussions. No response. Jamie Michael moved to approve the June 6, 2019 ITF Minutes, as written, seconded by Dr. Pruitt, called and carried 14 – 0; Toni and Ami were absent for this vote.

Dr. Pruitt moved for approval of the June 18, 2019 ITF Minutes, as written, seconded by Jill Castellano, called and carried 14 – 0; Toni and Ami were absent for this vote.

**BOARD MEMBERS** GWYNETTA S. GITTENS, Chair, District 5 | CHRIS N. PATRICCA, Vice Chair, District 3 | MARY FISCHER, District 1  
MELISA W. GIOVANNELLI, District 2 | DEBBIE JORDAN, District 4 | BETSY VAUGHN, District 6 | CATHLEEN O'DANIEL MORGAN, District 7  
GREGORY K. ADKINS, Ed. D., Superintendent | ALAN L. GABRIEL, ESQ., Board Attorney



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### 2019-20 Medical Insurance Plans

Ms. Bonnie McFarland, Director, Insurance & Benefits Management, introduced Jonathan Anderson, with Aon, to go over the next item on the agenda. Jonathan reviewed the Medical Plan Financials to date. He said that the average 2019/20 monthly paid claims are \$7.5 million which is an increase over last years monthly paid claims of \$7.1 million. Jill asked if they could verify that the claims increase is proportionate to the number of employees at the district? Jonathan stated he believed so and they could break that data down for the task force. He said they attribute this increase to four matters, one is based on the assumption that the Healthcare Trend is 8.5% higher this year than last; second, expenses included in 19/20 financials are \$37.02 PEPM (per employee per month) administrative fee (medical and Rx), third, the Rx Rebates have been updated to \$10.93 PEPM, and fourth, we are assuming that the COBRA and Retiree enrollments will remain at the same level for this year. With all this taken into consideration the updated projection for 2019-20 is an almost \$4 million deficit. Right now, the 12-month Loss Ratio is higher than last year and that has to do with a high number of summer medical claims and prescriptions. (Staff usually go to more appointments when they do not work, such as the summer months.) Karen stated that there is also an increase in doctor visits from the terminated employees, because they know their insurance will expire at the end of August.

Susan Grimm, Aon, discussed with the task force, the number of large claims over \$250,000 and at this time they have 18, which they are constantly reviewing. She briefly discussed the Health Care Reform/Legislative Updates. The Drug Rebate Plan is a no-go per President Donald Trump. Second, the IRS announced the raising of the 2020 HSA Limits. The third piece of legislation has to do with a new rule implementing the nondiscrimination rules of the Affordable Care Act, possibly imposing fewer requirements on employer group health plans. Kevin asked if Aon has a plan put together with regards to patients receiving prescription drugs from Canada. Jonathan stated they have been working on a cost analysis versus rebate loss, but they still need to look a little closer at this whole plan.

### 2020-2021 Medical Plan (Results of 6/18/2019 Rankings and Proposed Plan Options)

Bonnie reviewed with the Task Force page 13, the Results of the Paired Comparison

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Analysis that they completed at the June 18th special meeting. She wanted to reiterate that while the results of the analysis are in rank order of preference, they are not set in stone; the top indicates the most liked option and the bottom is the least liked option. This information was only collected to try to get our team some indicators on how to prepare the plan options that will be shown here today. Page 15 shows some of the data that was requested from the ITF with regards to how many employees met the out-of-pocket max. As the task force can see the numbers are a very small percentage; anywhere from 0 – 29%. Page 16 shows the impact on the plans if we increase the copay amounts for Emergency Room and Urgent Care in the “Hybrid” plan ONLY. From here Bonnie wanted to walk through all the proposals and then go back for discussion. The Task Force agreed with this process.

- Page 18 shows the 2020/21 Rates and Contributions in the “Status Quo” mode. This would be the plan and deficit of \$12 million if nothing is done for 2020-21, keeping the four plans that we currently have.
- Page 19 shows the 2020/21 Rates and Contributions – 3 plans, Hybrid (3769/5773), HDHP, and 7419; plan and rates (Baseline). Reminder that the “Hybrid” plan is a straight average of the 3769 and 5773 plans that we currently offer; with the hybrid plan, there would be a PCP Office Visit copay of \$30 and a Specialist doctor copay of \$50. Again, by taking the average of both plans, you will have some winners and some losers. This plan does not incorporate any of the savings from the paired comparison analysis results. The 7419 plan shows a new \$50 copay and an increase to the Rx copays. With this proposal, we will still see a net deficit of \$11.8 million.
- Page 20 shows the 2020/21 Rates and Contributions – Hybrid (3769/5773) plan and rates with 100% employee contribution. Same changes to 7419 Plan with PCP Copay and Rx Copay, only this has the HDHP showing a change in the board contribution from \$1,860 per year down to \$300 per year.
- Page 21 shows the 2020/21 Rates and Contributions – Hybrid (3769/5773) plan and rates, including the #1 option chosen from the paired comparison analysis, changing the Prescription Formulary from Value Plus to Advanced Formulary; which nets around \$4.1 million in savings. When adding this savings into the plan designs, the net deficit is now down to \$70,000. There again the 7419 Plan will see the \$50 PCP Copay and Rx Copay increases and the HDHP will see a decrease in board contribution dollars down to \$300 per year.



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- Page 22 shows 2020/21 Rates and Contributions – Hybrid (3769/5773) plan and rates, including the following changes from the paired comparison analysis, #1, Increase Deductible & Out of Pocket Max by \$250 (all plans), #13, Change of Prescription Formulary from Value Plus to Aetna Advanced, #18, Mandatory Generic Provision (if member or Dr. requested/ DAW member pays copay difference), and #16, Increasing Pharmacy Copays by \$5/\$5/\$10 Retail and \$10/\$10/\$20 Mail Order; (remainder is rate changes). This plan will net a total deficit of \$20,000 as all the plans will see changes. The biggest changes will be the deductible amounts for both individual and family and the increase in out-of-pocket max for all three plans, plus adding the increase to the prescription copays. The HDHP will see the board contribution be set at \$500 per year. Even with these changes, there will be a slight premium increase. Kevin Daly asked how these plans will be affected if there is an increase in the Board Contribution? He felt that most of his employees would be looking at not only an increase in premiums, but also an increase in deductibles, which will drastically cut into the raises they just received. Bonnie wanted to table this question for just a bit; and said she would come back to him in a minute. She wanted to get through all the proposals.
- Page 23, shows 2020/21 Rates and Contributions – Hybrid (3769/5773) plan and rates, includes the following paired comparison analysis changes: #1, Increase Deductible & Out of Pocket Max by \$250 (all plans), #5, Move 5773 to Aetna Select Network from Choice POS II, #6, Move 3769 to Aetna Select Network from Choice POS II, #7, Move HDHP to Aetna Select Network from Choice POS II, #8, Move #7419 to Aetna Select Network from Choice POS II, #13, Change of Prescription Formulary from Value Plus to Aetna Advanced, #16, Increasing Pharmacy Copays by \$5/\$5/\$10 Retail and \$10/\$10/\$20 Mail Order; (remainder is rate changes), and #18, Mandatory Generic Provision (if member or Dr. requested/ DAW member pays copay difference); (remainder is rate changes). With this proposed plan, we would have a projected surplus of \$86,000, however, she was not recommending going with a total in-network plan “ONLY”. Jill asked what if someone had an emergency in Kentucky? Speaking along those lines, Kerr Fazzone asked what about international coverage? Kimberley Howe with Aetna said if you have a TRUE



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- emergency, both claims would be covered as “in-network”. However, if it was a non-emergency in Kentucky, the member would have to research the Aetna Web Page to find an in-network doctor or facility in Kentucky. These choices are on a national selection of doctors, not just an area selection. The biggest reason for the surplus on this proposal would be because you are deleting all those out-of-network expenses.
- Bonnie said the whole thought of no out-of-network scares her, however, if the Task Force was leaning toward this option, she would recommend that they move the Hybrid plan to the no out-of-network option, and keep the other two plans as Choice POS II (with out-of-network benefits), and this proposal design is outlined on Page 24, which would be her recommendation. This would bring the projected deficit to \$20,000. Based on this plan, they have come up with a couple of add-ons, which she is also recommending on page 25.
- Page 25 – Physician Access Options. This proposal includes lowering the copay for Teledoc from the PCP copay to \$10, if an employee uses CVS MinuteClinic it would be \$0 copay, if you were in the Hybrid plan or the 7419, a Teladoc Behavioral Health option could be used to see a psychiatrist, psychologist, social worker, or therapist via web, phone or app. All these items are cost neutral for the projected impact. Inquiries were asked about the CVS MinuteClinic and members of the ITF liked the Teladoc option for Behavioral Health issues. Bonnie thought that if we moved to adopt these three items, odds are that Aetna may add hours, staffing and/or new clinics in our area to help with additional volume of traffic.

Questions and Comment time:

Kerr asked if a decision on these proposed plans needed to be completed by today? While Bonnie said it was her intention to get these completed today, she had hoped to at least get very close to a decision today.

Discussion ensued about all the proposed plans.

Mary Fischer referred to a personal incident that she recently had to deal with; her being charged by a doctor as an Outpatient Facility visit versus a doctor appointment visit. Bonnie said that this issue has been escalated and she will be putting out this information through a Benefit Connection information piece. Mary thought she may have been out-of-network for her appointment and it was confirmed that she was in-network, just when processing, the doctor's office coded



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it incorrectly. While Mary said she paid for the appointment, she felt that this may cause a hardship to many others. Bonne said she was correct, and this is currently a high priority item being worked on.

Bonnie responded to Kevin's inquiry about a larger Board contribution and stated that even if we may receive an increase to the Board Contribution, it doesn't mean we still won't have to raise rates. That increase could offset the rate increase, but it may not eliminate the process of a rate increase. Kevin felt that the employees were getting a double whammy, by incurring a premium and a deductible increase. He felt that his staff may make a lot of noise about these two items; as they will feel that they are giving up the raise that they all just received.

Shandra was concerned about dependent care and asked why it always seems to go up? Dependent premiums are a multiple of the employee only premium. Bonnie said that they can bargain for employee only and family only tiers of Board Contribution, if that is the bargaining teams desire. Again, Bonnie reminded the Task Force that premiums collected need to equal our claims submitted. Kevin wanted to share his concern about the page 24 Hybrid Plan and the fact that it will cost an employee \$42.50 per month. Right now, they pay nothing; so, this means they will have to pay out \$510 per year. Bonnie said while she agrees with Kevin's statement, he is forgetting the bubble chart that shows how many employees are using their insurance plans and how many are not. The Hybrid plan will be marketed as a "New" Plan and not mention anything about 3769 or 5773. Again, Kevin felt there needs to be more Board contribution, and Dr. Pruitt said there is no time to wait for that decision. Bonnie stated if there is an increase in the Board contribution, we would have to start all over again. The assumptions and proposals are built on the current data. If that data changes, everything will have to be recalculated based on the new data. That is the reason she informed the ITF about this deficit a few months ago, to get started early on the process. Bonnie also reminded the ITF that Board contributions are part of the bargaining process, not the ITF. Kerr asked what would happen if we pulled a little bit of money out of the reserves to offset the employee premium costs by maybe increasing the Board contribution by \$10; bringing down the monthly premium to \$32.50. Bonnie said if you do that for one plan you would have to do the same for all plans, so it would be more reserve money than what was originally thought. Shandra felt that the HDHP plan needs to be sweetened so that more employees roll into it. There is no real incentive for them to be in this plan, with the reduction in board contribution.



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Dr. Pruitt asked that the task force take a 5-minute break; Bonnie announced that we would resume at 4:35 p.m.

Following the break, Bonnie asked the task force if they could live with the plan design as outlined on page 24; she was not talking premium dollars only plan design, and the enhancements on page 25 to go with the plan. The task force agreed. Dr. Pruitt just wanted to share some information with the Task Force. She said one of the biggest draws to the Lee County School District is the Insurance package we offer. She said our District has such rich plans, and this is a great draw for future employees. Bonnie agreed saying that we have Gold (AV – 80%) plans available for our employees, and most other plans available throughout Lee County at other entities are Silver (AV – 70%). Page 24 shows the deficit of \$20,000. Bonnie said she is willing to put together a few new premium options which will allow the deficit to grow a little and then to see how that will affect employee premiums. We can bring these plans back to the September 5th meeting. She said this is 5 weeks' worth of time, so she wants to make sure that the Task Force knows that something must be decided in September. The Task Force agreed.

### **2019-20 Wellness**

Heather Parker discussed the proposed Wellness Programs for 2019-20. She said yesterday the District received the Blue Zone Worksite Location Award. To explain The Blue Zone Project:

What if generations of people could live longer, healthier, happier lives? What if it wasn't so hard to do because their surroundings made it easy? Leveraging secrets discovered in Blue Zones around the world—rare longevity hotspots—Blue Zones Project® is helping transform communities across the U.S. into areas where the healthy choice is easy, and people live longer with a higher quality of life.

Heather said this has been a long time coming, but once you achieve the award you always hold this distinction. This school year, we are planning on rolling out this program to the individual schools.

With regards to successful programs held here, the Lee County School District has been featured in the EBN (Employee Benefit News) Magazine for our Zombie Challenge. This program was very successful during the past school year. She said



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the district purchased 2,000 licenses and for the first walk, 1,378 were used; they then held a second competition, which used up the remaining 722 licenses. She said this year they will be launching this program on 12/14/2019 to coincide with American Heart Associations' Walk and the Million Mile Movement. This will encourage people to exercise and pay attention to their eating habits over the holiday period.

Heather said her team attended the Transportation Bid Days at Island Coast High School on July 25 and 26, 2019. The first day 283 screenings were completed and the second day, 65 screenings were completed so she felt their visit was very successful.

Heather said they have a new team member in the Wellness Office; Kimberly Albertson is now our new Aetna Wellness Coach. Bonnie said she will bring her to the next meeting to introduce her.

Bonnie said that they are currently interviewing an Aetna On-Site Representative and hope to have that position filled within a couple of weeks.

Bonnie asked if anyone had any Good of the Order items and no one responded. Bonnie adjourned the meeting at 4:59 p.m.

*\*As always, the Aon Deck is available for review in the Insurance & Benefits Management Department.*