



THE SCHOOL DISTRICT OF LEE COUNTY

Insurance Task Force Minutes
October 3, 2019
3 pm - HR Community Room

Present:

Shandra Backens
Jill Castellano (3:12 pm)
Kevin Daly
Kerr Fazzone
Kimberly Hutchins
Bonnie McFarland
Jamie Michael
Joseph Pitura
Angela Pruitt
Jimmy Riley (3:08 pm)
Agnes Upeslakis

Absent:

Toni Abrams
Karen Cooley
Ami Desamours
Kimberly Hutchins
Heather Parker
Elizabeth Peterson
Leo Burt
Mary Fischer

Others:

Cindy Proia, Secretary
Jonathan Anderson, Aon
Susan Grimm, Aon
Nadia Elmunaier, Aon
Clarissa Knowles, Aetna
Kimberley Howe, Aetna

Non-Voting Member

Joe Pescatrice, Retiree Liaison (3:10 pm)

Bonnie McFarland, Director, Insurance & Benefits Management, called the meeting to order at 3:03 p.m. with a quorum present.

Contract Renewal with MetLife for Short Term & Long Term Disability (3/31/20-4/1/21)

Bonnie stated she would be going in a different order than what was listed on today's agenda. She was going to start with item #3, Recommendation of the contract renewal with MetLife for Short Term and Long Term Disability from 4/1/20 through 3/31/21. She asked Nadia Elmunaier, with Aon, briefly reviewed this item with the Task Force. Nadia referred to page 13 of "The Deck" - reviewing the loss ratios for both Short Term (74.5%) and Long Term (77.1%) Disability Plans from 7/1/2017 - 6/30/2019 - 2 years time. She stated that the School District is in a really good position with these numbers. Angela Pruitt moved for approval of the contract renewal with MetLife for Short Term and Long Term Disability from 4/1/2020 through 3/31/2021 at no cost to the district, seconded by Jamie Michael. Bonnie just wanted to state that they have had no issues with MetLife over the past four years and MetLife is even moving to simplifying the EOI process to an online system for 2020-2021. Following a brief discussion, the motion was approved unanimously 9-0.

Dr. Pruitt and Kim Hutchins left the meeting at this time.



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2019-20 Medical Plan Health & Financials Legislative Updates

Jonathan Anderson, VP Aon, discussed with the Task Force, Item #2 on the agenda. He reviewed the items listed on pages 5-7 of The Deck. He said the updated projection for the 2019-20 plan deficit is now down to \$3.091M, which is a \$1.5M improvement over the budgeted amount of \$4.534M. He felt the School District was moving in the right direction. Jonathan also reviewed the 12-Month Loss Ratio and said that August was a really good month getting down to 96% and said this too, is moving in the right direction. Susan Grimm, Aon, briefly reviewed the Large Claims over \$250,000. The District is now up to 24 large claims (up from 22 last month) and she said they will continue to monitor and investigate these claims. With regards to Prescription Percentages of total claims, this number has been sitting very consistently at a 75/25 split. Bonnie asked if Aon could put this item in the back of the deck beginning next month and if there is a large change, then they would bring this to the Task Force's attention. Everyone agreed. Sue went onto the Health Care Reform and Legislative Updates, on page 11. She said in 2010 the Legislature approved the collection of a fee, based on premiums collected, to be paid to the Federal Government. In 2018, this fee was suspended, however, in 2020, this fee will go back into effect again, if no changes are made. This would be \$15.5B. The second item is the Supreme Court has scheduled oral arguments in ACA Insurer Cases for 12/10/2019. Three Insurance Companies are claiming they are owed millions of dollars in ACA Payments from the Federal Government. We will stay tuned to these two items.

Approval of Minutes from 9/5/2019

Kerr Fazzone reminded Bonnie that we needed to approve the Minutes from September 5, 2019. Bonnie said upon reviewing the minutes one error was found. Under the Avesis Vision Insurance Renewal, it was written "Per Pay" and it should have said "Per Month" in 3 different locations. Bonnie said we have made those changes. Kerr moved to approve the 9/5/2019 minutes, including that one correction, seconded by Shandra Backens, called and carried unanimously.

FY 19 - 112.08 Update as of 6/30/2019 (Actual Reserve vs. Required Reserve)

Bonnie said at the last meeting, a question of Reserves came up, so she had Aon prepare the information requested and this information is found on page 16 of The Deck. As of 6/30/2019, the actual reserve amount was \$28,238,146. The projected reserve for end of year 2019-20 sits at \$24,500,000. In order to keep our Self Insurance status, we MUST keep a little over \$14M, so while we are good now; we are getting close to those numbers.



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Pharmacy Audit

Bonnie said one of the parts of our Aetna contract is conducting audits. Bonnie wanted to reiterate that while we meet here once a month, her team works everyday on insurance plans and premiums; always looking for new opportunities to improve. One way to do this is regularly conducted audits of Aetna by Aon Consulting, Inc. The information that Nadia will be going over is based on a Pharmacy Audit just completed. Again Bonnie said we are always checking ourselves and our policies to make sure we are offering the best possible plans and premiums. Nadia stated that this audit was based on the 2017-18 pharmaceutical rates whereby Aetna did not meet the aggregated drug guaranteed discount rates. Based on this audit, Aetna will be issuing us a rebate check of \$71,077. For the Task Force's knowledge, this item was self-reported by Aetna. One additional problem found in the Benefit Audit, was a prior authorization override caused an incorrect copay application. This amount was \$30 and that too, will be rebated to the School District. All these funds will go back into the Health Plan account line. Kimberley Howe, Aetna, said Aetna did make a mistake based on the mixture of drugs and for that error, they owe the district a rebate. Kimberley said they appreciate working with Aon in making these things correct. Once again, Bonnie stated that audits are a standard part of this process and she appreciates Aetna working so well with Aon on these.

2019 - 2020 Wellness Awards

Bonnie said that Heather is attending a conference this week, so there will be no wellness awards discussion, however, she wanted to take this time to discuss the 11/11/2019 Health Fair, which will be held in the Gym at the North Entrance of the LCPEC. While there is no school that day, we are here and the event is going to include everything imaginable. Jill Castellano asked if the Pneumonia shot was a covered expense? Bonnie said it is, when available, and when certain eligibility, clinical guidelines have been met. Kerr offered the FEA Room for future Wellness Screenings, if space(s) are still needed. Bonnie said she would let Heather know. Bonnie briefly explained the new Incentive options for employees as they were revised a bit from last year. One requirement was for employees to join an exercise/wellness/food class. Based on that requirement, their wellness portals blew up and so many people signed up for classes that classes had waiting lists. Bonnie said they are living through the growing pains this year and will learn a better process for next year. They had some employees sign up for every class; Jill suggested some sort of fee if the employee fails to show to a class. Bonnie said that is one idea.

Bonnie asked for any Good of the Order Items.



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Kerr motioned to adjourn the meeting at 3:37 p.m, seconded by Shandra Backens, called and carried.

A copy of the 10/5/2019 Deck from Aon Consulting, Inc. is on file in the Insurance & Benefits Management Office for review.