

**THE SCHOOL DISTRICT OF LEE COUNTY  
MINUTES**

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

**Thursday, June 6, 2019**

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**Members Present**

Shandra Backens  
Jill Castellano  
Karen Cooley  
Kevin Daly  
Kerr Fazzino  
Bonnie McFarland  
Jamie Michael  
Heather Parker  
Elizabeth Peterson  
Joseph Pitura  
Angela Pruitt

**Members Absent**

Toni Abrams  
Ami Desamours  
William Grand  
Kimberly Hutchins  
Joe Pescatrice  
Jimmy Riley

**Others Present**

Jeanne Beatson, Ben. Specialist  
Cindy Proia, Secretary  
Curtis Colbert, Simplified  
Amanda Brooke Kross, Aon  
Susan Grimm, Aon  
Nadia Elmunaier, Aon  
Beth Bly, Aetna  
Clarissa Knowles, Aetna  
Kimberley Howe, Aetna

Mary Fischer, Board Member Liaison

Kelly Letcher, Director, Business Services, was filling in for Dr. Ami Desamours, Chief Financial Officer.

The meeting was called to order at 3:04 p.m. by Ms. Bonnie McFarland. Ms. McFarland asked everyone to please sign-in before leaving today. Bonnie briefly reviewed today's agenda with members.

**Approval of Minutes – 05/02/2019**

Ms. McFarland said that all members have received a draft version of the 5/2 minutes and asked if anyone had any questions or revisions at this time? No response. Jamie Michael moved to approve the minutes as written, seconded by Kevin Daly, motion approved unanimously.

**Review of 2019-20 Medical Plan: Health Plan Financials and Legislative Updates**

Ms. Amanda Brooke Kross, Aon Actuary, reviewed with the Task Force, the Plan Year 2019-20 Medical Plan Financial Review and stated we are only in the first month of the plan. The updated data for April 2019 is 2.2% below the net 2019/20 revenues. 55% of employees are enrolled in the 3769 plan, 40% in the 5773 plan, 0.6% are enrolled in the 7419 plan and 4% in the HDHP. Current Medical Plan Enrollment for the district is 10,836. The average monthly claim payout for this period was \$7.2 M. She reviewed the projection updates and the 12-Month Loss Ratio. She noted that last year and this year's information is running along the same type of pattern.

Susan Grimm, Aon Assistant Vice President, discussed the large claims list, which included three new claims. The #1 claim is almost \$1 million. Dr. Pruitt asked if this was going to be an ongoing expense and Susan responded, yes, this claim is only one eye; the second eye still needs the procedure. Susan stated that the Medical portion of the claims is 72% and the Prescription rate is at 28%, which is a slight increase. Dr. Pruitt asked what dollar amount equals a percentage point? Bonnie informed the members that 1% is approximately \$70,900. Next Sue reviewed the Legislative Updates with the Task Force. She stated the House has passed a Drug Pricing Bill

with ACA Provisions, however, now it needs to go through the Senate. So, currently, there are no updates as we still wait on this vote.

### **Wellness Incentive Discussion**

Heather Parker, Wellness Coordinator, discussed with the ITF, the Employee Wellness Performance Overview. She reviewed the 2018-19 Programs and the Return on Investments (ROI) for each project. For all the programs offered this year, the ROI calculation was approximately \$1.3 million in savings to claims. Heather next discussed the Proposed Programs for 2019-20, stating that the classes listed have been selected to address the District's top 3 costliest disease expenditures based on review of District Medical and Pharmacy claims. She said next year they will be focusing on Diabetes, Autoimmune Diseases, and Multiple Sclerosis to try to limit some of these claim costs. (There are 1,000 diabetes patients, 103 autoimmune patients, and 17 MS patients within the district that drive those expenses upward.)

Next Heather and Bonnie reviewed the proposed changes to the Wellness Incentives for 2019-20. There are a few changes coming to try to get the staff more engaged in their health when it comes to the Incentive Program. Bonnie felt physical activity should also play a major role in the way employees earn their incentive dollars. Also, while many attend the Health Screenings, only 18% of staff visit their Primary Care Physicians for an annual physical and yearly blood draw. Heather said they are trying to increase this percentage point as well. When discussing exercise programs and the incentive dollars for these programs, it was asked about personal workouts at a gym? Bonnie stated there is currently no way of tracking these workouts, however, we may be able to come up with a plan for this in the next fiscal year. Bonnie said she would be glad to meet one on one with Jill to discuss how these exercise programs can be tracked for incentive purposes. One new program being offered next year is the Lift Project – and members asked what this program was. This program is a Mental Health Improvement Program, which focuses on different methods for reducing depression risk factors, which eventually cause higher prescription fills. Dr. Pruitt wanted Bonnie to give an explanation on this program. Bonnie said that this program focuses on doing things, for example, exposing yourself to being outside more, since this can change your mental health. Jill hoped that the district would consider these thoughts when building new schools, more windows, and more outside classrooms, to eventually lift kids' quality of life and learning. Mary Fischer asked how an ROI is calculated? Heather stated it is based on data received from an instructor and the claims received at the district level. Bonnie asked for a motion to approve an amount not to exceed \$1.65 million for Wellness Incentives for the 2019-20 school year. Shandra Backens so moved, seconded by Jill Castellano. It was suggested that the Claim Codes be added on the back of the 2019-20 Wellness Incentives sheet, so that employees can make sure the correct code is being sent in by their doctor. Kelly Letcher asked why the Zombie Challenge was being given so much weight versus a 24-event exercise program? Heather said that this was her highest ROI Program this past year. Many employees were engaged in this program. We have already purchased next year's licenses, but she added that more licenses can be purchased if we need them. It was asked why they needed to approve such a high amount, since this year, we paid out approximately \$726,000 to 9,108 employees. Kelly Letcher stated that because every employee was eligible, it should be budgeted for the full amount possible, so there is enough to pay out. The motion was called and carried unanimously.

### **Review of 2020-21 Medical Plan:**

Ms. McFarland wanted to preface that this section of the agenda is based on last month's meeting, where different designs and plans are being brought to the Task Force to try to get a direction for plan proposals for 2020-21. Susan Grimm, reviewed with the committee, the Aetna Administrative Services Only (ASO) Renewal period that is fast approaching. Aon's Contract was originally for a 5 – year period beginning 4/1/2015 and running through 3/31/2020, with two optional 2-year periods, 4/1/2020 – 3/31/2022 and 4/1/2022 – 3/31/2024. Susan said that the contract will not change based upon a couple of items, as listed on page 15 of their packet. Amanda Brook Kross reviewed with the Task Force, page 18, which indicates a \$12.2 million deficit if no changes are made to our current Insurance Program, keeping everything status quo. Bonnie stated that they will not be able to dip into the reserves like in the past, since that would leave too low of a balance and the State could take over our insurance programs. She said a couple of things need to happen, we will need to either increase premiums and/or modify our insurance plans. Kevin Daly and Kerr Fazzone asked if this would have to go through Bargaining. Ms. McFarland stated that, based on union contracts, ITF Committee made recommendations to the Board. Joe Pitura asked why the \$12.2 million deficit and Amanda Brook Kross stated that more medical expenses are the key driver for the increase, plus the increase in Board Contribution that the District picked up, and the opt out money was removed from the plan.

Dr. Pruitt left the meeting at this time.

Jill Castellano left the meeting at this time.

The Committee referred to page 21, the bubble chart, which shows 55% of employees had medical claims less than \$1,000 for 2019-20. The ITF asked if we could get this breakdown by Plan and Kimberley Howe, Aetna, stated yes, they could bring that back to the next meeting.

Bonnie didn't feel they were going to get through everything they needed to today, so she suggested another meeting sometime this month. She requested that the Task Force members review page 22, 23, 24, and 26, of the Aon Deck, prior to the next meeting. These are some savings options that they had worked on. She said at the next meeting, the Task Force can rank the cost saving ideas and plans and complete the analysis ranking sheet. Shandra asked if there could be a sub-committee set up to handle this, because she did not want to rush her decision. Bonnie said they do not need to decide today, however, we do need to make one very important decision: should we stay with four plans or go to three plans? Also, we need to decide on the tiers and how many we want for our plans? Amanda Brooke Kross reviewed page 29 showing the existing tiers (top left) and some proposed tiers (bottom right). When blending from 5 tiers to 3 tiers, you will always have winners and losers. Bonnie asked if the committee wanted to maintain the current tier system or restructure the tiers? Kevin Daly moved to keep the 5-tier plan status quo, seconded by Jamie Michael, called and carried. Bonnie referred to page 30, which is the district's current insurance plan system and page 31, some possible revised plans. For the revised plans shown, they have taken portions of the 3769 and 5773 and rolled certain items into one plan, and then kept the 7419 and the HDHP alone. Kevin Daly felt it was time for the Board to make a higher contribution toward health insurance for its employees, and he knew this wasn't the platform for that change, however, he felt these increases will take away any of the raises his teachers have just received. He felt this committee really needed to think about this before moving forward. Kerr Fazzone asked why they didn't collapse the 7419 plan rather

than merging the 3769 and 5773 plans, since the population in this plan is so low. The goal is to keep the actuarial value percentages as close to where they are now.

Kevin wanted to talk trend data, mentioning work conditions and the stress of teachers. He said stress drives trend data and he would like to view data throughout other school districts. Working Conditions are front and center. He felt teachers would rather make \$40,000 with 17 less things to do, to alleviate some of the stress levels that he sees daily. Bonnie said no one here disagrees with him; they just need to have direction on three or four plan designs.

Beth Bly, Aetna, left the meeting at this time.

Mary Fischer wondered if with some of the high claims we saw earlier, do these employees participate in the Wellness Programs; Kimberley Howe, Aetna, said they could check into this. Joe Pitura asked why this needs to be voted on now and Bonnie said they need direction to bring back options in August to be voted on. She said they need feedback from the ITF on they want to see. Kerr Fazzone asked if plans could be worked on in reverse starting with the AV Percentage points? Amanda Brook Kross stated yes, that could be done. Bonnie reiterated that the common problem here is the \$12.2 million deficit. We will need to do one of a few things: raise premiums and/or create a less rich plan to drop the deficit. Jamie Michael felt that our 7419 plan looks like a Medicare Plan with the \$50 doctor fee. She felt the employee would rather do a \$50 doctor fee, more so than the \$1,750 deductible if a procedure is needed. That \$1,750 fee may never have been needed. Following a little more discussion, Shandra Backens moved to go with a three (3) plan design, seconded by Jamie Michael, called and carried. Bonnie asked when the committee would like to meet again to complete today's processes.

Kevin Daly left the meeting at this time.

Next Meeting: Following a brief discussion, it was decided to hold the next ITF Meeting on Tuesday, June 18<sup>th</sup>, 2019 from 3 – 5 p.m. Bonnie said Cindy would put out the Outlook Calendar Request when we figure out the location of this meeting.

Again, Bonnie reminded everyone that we need to reduce this \$12.2 million deficit by making the paid-out claims equal the premiums collected. Kerr asked about the Board Contribution for insurance and Bonnie thought this was a Bargaining Item for TALC and SPALC. Kelly asked what the Aetna Select versus the Aetna Whole Health was on page 23? Kimberley Howe said the Aetna Select is allowing NO out-of-network doctors; the Aetna Whole Health is limiting the in-network doctors (a skinnier doctor selection list). Kelly asked if a report could be run with this information and Ms. Howe stated yes; they would run this report and bring it back to the task force. Jamie asked if she could have one of Bonnie's paired analysis sheets to work on and then bring back to the next meeting and Bonnie said yes explaining how this analysis sheet should work. She said these will help us determine what options are best by ranking them. Once we rank all options, we can then choose the top 3 or 4 ideas as possible choices.

No good of the order items. A reminder was given for all to sign the sign-in sheet.

Kerr Fazzone moved to adjourn the meeting, seconded by Karen Cooley, called and carried. Meeting adjourned at 5:34 p.m.

*A copy of both the Proposed Employee Wellness Performance Overview and the Proposed Wellness Incentives for 2019-20 school year are attached to these minutes.*