

**THE SCHOOL DISTRICT OF LEE COUNTY  
MINUTES**

**Insurance Task Force Committee Special Meeting  
Media Room 1 and 2  
2855 Colonial Blvd. Fort Myers FL**

**Tuesday, June 18, 2019**

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**Members Present**

Shandra Backens  
Jill Castellano  
Karen Cooley  
Kevin Daly  
Ami Desamours  
Kerr Fazzino  
Kimberly Hutchins  
Bonnie McFarland  
Jamie Michael  
Heather Parker  
Elizabeth Peterson  
Angela Pruitt

**Members Absent**

Toni Abrams  
Leo Burt  
Joe Pescatrice  
Joseph Pitura  
Jimmy Riley

**Others Present**

Jeanne Beatson, Ben. Specialist  
Cindy Proia, Secretary  
Jonathan Anderson, Aon  
Susan Grimm, Aon  
Amanda Brooke Kross, Aon  
Kimberly Howe, Aetna  
Curtis Colbert, Simplified

Mary Fischer, Board Member Liaison

The meeting was called to order at 3:07 p.m. by Ms. Bonnie McFarland, with a quorum present. Ms. McFarland asked everyone to please sign-in before leaving today.

**2020-21 Medical Insurance Plans**

Ms. Bonnie McFarland, Director, Insurance & Benefits Management, explained today's process. The Aon Deck\* consists of 3 sections:

- 1) Savings Strategies
- 2) Data from Questions asked at 6/6/2019 ITF Meeting
- 3) 21 options of which will be ranked on an analysis comparison sheet

She said they wanted to start with Section 2 today, which shows data obtained based on questions raised at the last ITF meeting on June 6<sup>th</sup>. Page 10 is the Bubble Chart that was previously given to the task force. Page 11 shows the plan enrollment by Union and Non-Union Members within the District (SPALC, TALC, Non-Union, Administration, and Board Members). The information also shows that Schedule "N" and Administration are heavy in the 3769 Plan. Page 12 shows the Union versus Non-Union enrollment by Plan. The TALC members are mostly enrolled in the HDHP and the SPALC members are mostly enrolled in the 5773 Plan. On Page 13, this Bubble Chart now shows the Plan Breakouts. Kerr Fazzino said he was surprised by the small percentage of employees who account for all claims.

Bonnie wanted to start discussing Section 1-Savings Strategies for 2020-21. She said they have come up with 21 options based on information received at the 6/6/2019 ITF Meeting, of some cost savings measures that the ITF could be looking at. She said they wanted to walk through all 21 of these options explaining them to the ITF and then the task force members can rank each

option on an analysis comparison sheet. From there, Bonnie will take the sheets and calculate everyone's rankings, again bringing back some cost saving measures in August to be discussed. Just because today they may feel that, say Option 22 is a good one, it is by no means set in stone and can and will be discussed in detail in August. Again, Bonnie reminded the Insurance Task Force that they were looking for approximately \$12.2 million and this must be accomplished by making the revenue collected equal the claims paid out. Mary Fischer, Board Member, wanted Bonnie to remind her how they have gotten to this point and Bonnie stated the three top reasons are: a) an increase in claim/medical costs; b) The Board Share contribution increase; and c) the opted-out employee's money was taken out.

Bonnie explained how the analysis comparison sheet should work saying they will only be comparing 2 options at any given time; for example, between Option 1 and Option 2, what do you rank higher and then moving on, between Option 1 and Option 3, what do you rank higher. This will happen with all 21 options, so you should have a total of 210 votes. Bonnie will collect everyone's sheet and calculate the results, which will bring the most liked options to the top and then work their way down. Bonnie said they will then work on some plan and premium designs to bring back to the ITF in August for discussion. Once again, she reiterated from the last meeting when we are talking plan changes, there will be some winners and some losers. With regards to the proposed options, the actual Plan and Premium Options can be reviewed on pages 17-25 of the Aon Deck, so we can see the employee costs and overall savings. Based on the response from the ITF at our last meeting, they have done away with the plan they created merging the 3769 and 5773 plan and have now created a "Hybrid" plan, which takes averages of the same two plans and creates a new plan going from our 4 current plans to 3 plans for 2020-21.

The 21 options that were reviewed and discussed at great length amongst Insurance Task Force Members with regards to what options have the most and least impact on employees and the cost savings involved. These are the options discussed and to be ranked:

<b>Plan Design Change Options:</b>	<b>% Impact</b>	<b>% \$ Impact</b>
#1 <u>Increase Deductible &amp; Out of Pocket Max by \$250 (all plans)</u>	-1.00%	(\$1,014,000)
#2 <u>Increase Deductible &amp; Out of Pocket Max by \$500 (all plans)</u>	-1.88%	(\$1,894,000)
#3 <u>Increase PCP/SPC Copay by \$15 (3769 &amp; 5773 Only)</u>	-0.65%	(\$ 658,000)
#4 <u>Increase In-Network Co-Insurance by 10%</u>	-0.72%	(\$ 725,000)
#5 <u>Move 5773 to Aetna Select Network from Choice POS II</u>	-0.35%	Like an Open
#6 <u>Move 3769 to Aetna Select Network from Choice POS II</u>	-2.50%	Access HMO -
#7 <u>Move HDHP to Aetna Select Network from Choice POS II</u>	-0.01%	No OON Benefit
#8 <u>Move 7419 to Aetna Select Network from Choice POS II</u>	-0.00%	99% Match
#9 <u>Move 7419 to Aetna Whole Health from Choice POS II</u>		PCP Network
#10 <u>Move 5773 to Aetna Whole Health from Choice POS II</u>	-8.70%	Narrow-59%
#11 <u>Move 3769 to Aetna Whole Health from Choice POS II</u>		match to current
#12 <u>Move HDHP to Aetna Whole Health from Choice POS II</u>		<u>Choice POS II</u>
#13 Change from Value Plus Formulary to Aetna Advanced Formulary Zero impact to 59% or 4,302 utilizers		

Positive impact to 3% or 330 utilizers		
Negative impact to 6% or 756 utilizers	-2.97%	(\$4,100,000)
<u>Out of the 38% impacted drugs, 13% are positive and 25 are negative</u>		
#14 Increase Rx Copays by \$10 for all tiers (Mail order remains @2x) (3769 & 5773 Only)	-1.23%	(\$1,238,000)
#15 Increase Preferred/Non-Preferred Only Tiers by \$10 copays (Mail Order remains @2x) (3769 & 5773 Only)	-0.17%	(\$ 169,000)
#16 Increase Pharmacy Copays by: \$5 / \$5 / \$10 Retail \$10 / \$10 / \$20 Mail Order	-0.60%	(\$ 675,000)
#17 Steerage to Aetna Specialty Pharmacy on First Fill	0.00	\$ 0
#18 Choose Generics – Mandatory Generic Provision (If member or Dr. request/DAW member pays copay & difference)	-0.01%	(\$ 105,000)
#19 Change to Rx Managed Network (includes CVS, Walmart, Albertson's & Kroger) Members impacted = 4,500 61% of members utilize CVS pharmacies	-1.0%	(\$ 240,000)

#20 Medical Management Program

Addition of Flex Model 3 (an enhanced, designated care management program to facilitate higher engagement in Disease & Case Management programs) – NO cost.

#21 Enhanced Clinical Review

Prior authorization would be required for:

- High Tech Radiology
- Sleep Studies
- Cardiac Imaging
- Cardiac Implants
- Hip/Knee Replacements
- Pain Management

Net Projected  
Savings =  
\$140,000 - \$264,000

Cost is \$.70 PMPM (run through claim wire) = \$111,000

Anticipated savings is between \$260,000 to \$375,000

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Kim Howe said on Items #5-8, the district would be losing the ability to go out-of-network for any doctors; and for Items #9-12, the list of doctors will be a skinnier list (limiting in-network doctors). Ami asked why such a big cost savings and Amanda Brooke Kross stated it is because you are eliminating the out-of-network expenses all together. Jill Castellano asked if they like Items #5-8, the out-of-network column would go away on pages 17-25, and Bonnie stated yes. For Items #5-8, the ITF asked to have a breakdown of providers who are NOT in The Aetna Select Network but ARE in the Choice POS II. Kimberley Howe said she could get that information. After reviewing information on the out-of-network doctors, the overall disruption, as show on page 38, would be 1671 and a majority of these are for Anesthesiologist Claims, which were worked out on an individual basis. Ami Desamours asked how many employees meet the out-of-pocket max each year, and it was determined, just a small number of employees do.

While discussing Item #13, it was noted that with a change to the Rx Formulary will have a small impact on the number of employees AND the number of medications and those impacts can be

viewed on page 28 of the Aon Deck. Bonnie explained Items #14-16, would raise the co-pay cost for prescriptions and each option is a little different, showing different monetary impacts.

Kerr thought that #19, would impact a lot of employees with little monetary impact; and he didn't think this was worth it (changing the Rx Managed Network).

4:37 pm - Angela Pruitt left the meeting at this time and turned in her analysis comparison sheet to Bonnie.

Ami wanted to see some numbers brought back to the next meeting increasing the Emergency Room and/or Urgent Care Co-Pays/Deductible. Bonnie and Kim said they could model that and bring that back to the next meeting.

Kevin Daly again indicated that he would like to see more contribution coming from the Board for employee benefits.

Bonnie asked if there was any further discussion and no one had anything, so she asked the task force to complete their analysis comparison sheet and turn them in. Kerr asked if these sheets would be public record and Bonnie stated yes. He had a concern with that; it was suggested if they didn't want to add their names that they could put a code name or number on it, that way Bonnie would know who to contact if she has an issue with some numbers during the calculation process. Bonnie wanted to reiterate that nothing they decide upon with these sheets is set in stone; this will just give her an idea on how to put the new proposed plans together. This is only for plan design and the real matter will be premium designs, which will come back to the ITF in August.

Committee members turned in their sheets to Bonnie McFarland and then with no additional business, Bonnie adjourned the meeting at 4:58 p.m. She said she would see everyone on August 1, 2019 and to enjoy their summers.

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