

December 5, 2005

INSURANCE TASK FORCE COMMITTEE MEETING

Members Present

Dr. Greg Adkins
Pat Arner
Leo Burt
Ron Frazer
Kelly Letcher
Charles Luckey
Jamie Michael
Shayne Murphy
Donna Mutzenard
Tommy O'Connell
Norma Perroni
Suzan Rudd
Bob Rushlow
Susan Strong
Vicky Tisdale

Members Absent

Marty Mesch

Others

Dr. Jane Kuckel, Liaison
Board Member
Joe Pescatrice, Retiree Liaison
Barbara Crowe
Karen Cooley
Debbie Durieux
Paul Hebert
Janie Rushing
Glen Volk

Ms. Susan Strong called the Insurance Task Force meeting to order at 3:36 PM.

Welcome New Members

Ms. Strong welcomed Ms. Suzan Rudd, SPALC representative, and Tommy O'Connell, District representative, as new members to the Task Force.

Approve Minutes

Ms. Vicky Tisdale requested that her name be spelled correctly: Vicky instead of Vicki. Ms. Jamie Michael requested that wording be changed from "take the floor" to "discussed". With the noted corrections, Ms. Donna Mutzenard made a motion to approve the Minutes with the noted corrections; Ms. Vicky Tisdale seconded the motion; and the motion passed unanimously.

Wellness Coordinator Position Planning

Ms. Susan Strong advised the Task Force that the Wellness Coordinator position had been approved by the Board on November 22, 2005. The position will be advertised the weeks of December 12-16, 2005, and January 2-6, 2006. Interested parties will be asked to submit letters of interest in addition to their resumes.

Ms. Strong asked for volunteers to serve on the interview committee. The following individuals volunteered:

Mr. Ron Frazer
Ms. Donna Mutzenard
Mr. Joe Pescatrice
Mr. Bob Rushlow

Ms. Susan Strong

Unum Renewal – 2007-08 Plan Year

Mr. Glen Volk reminded members that Unum had renewed its disability insurance policy with no rate increase for the 2006-07 plan year. When asked if they could guarantee those rates for an additional year (2007-08), Unum stated they would need additional claims experience. Mr. Volk was happy to report that Unum had reviewed updated claim data and is willing to extend the current rates for the 2007-08 plan year.

Mr. Bob Rushlow made a motion to accept Unum's offer to extend the contract through March 31, 2008; Ms. Vicky Tisdale seconded the motion; and motion passed unanimously.

BCBS Claim Experience

Mr. Glen Volk presented claims experience for all three BCBS plans.

Ms. Pat Arner asked why premiums appeared high in comparison to claims for the 118 Plan. Mr. Volk explained it was due to first year claim lag, and the plan's higher deductibles and that claims will likely catch up later in the plan year.

There was also discussion that, since the 927 Plan and the 903 Plan are so close in benefits, it might be beneficial to combine the two plans into one plan. That merged plan could then be the District's high-option plan leaving open the possibility for a new (middle-option) plan to be offered to employees.

Ms. Strong asked GBS and BCBS to prepare blended 927 & 903 benefit options and estimated premiums.

Ms. Jamie Michael indicated that Mr. Chilmonik had expressed concerns about the District paying \$55 million dollars for employee health insurance. She pointed out that the District is not paying that much because \$55 million dollars includes dependent premiums and those are paid by employees. Ms. Michaels felt it was necessary to show how much of the \$55 million the District pays and how much employees pay.

Dr. Jane Kuckel suggested Ms. Susan Strong do a presentation about health insurance and rates at a future Board Briefing.

Health Insurance RFP

Mr. Bob Rushlow stated that some employees have requested an RFP be done to see what is out in the market. He has also asked about the possibility of going back to being self-insured.

Ms. Susan Strong explained that the last RFP provided for both fully-insured and self-insured proposals. She also pointed out that RFP's do not resolve all problems. If employees have a problem, they should first contact Insurance & Benefits and ask for assistance.

She also pointed out that a survey had been done in October, 2003 to determine employee satisfaction with BCBS. The results indicated employees were more satisfied with BCBS's benefits, customer service, and claims processing than with Aetna's.

Ms. Vicky Tisdale suggested doing a new satisfaction survey. Ms. Strong agreed to work on one, but might not be able to complete it until after Open Enrollment. Ms. Tisdale offered to help Ms. Strong.

Ms. Suzan Rudd suggested BCBS might have low-balled to get the District's business. Ms. Strong pointed out that, since the proposals from BCBS and Aetna were so close, that was quite unlikely. Also, based on an analysis of actual claim data since April 2003 (date the District moved to BCBS), Mr. Volk believes the District has actually saved money by moving to BCBS.

There was discussion about the handling of out-of-network claims by BCBS. Dr. Adkins suggested that employees may need additional education to eliminate misconceptions. Dr. Adkins volunteered to attend SPALC representative meetings to answer questions if that would help. He believes many employees don't understand how rich the District's health plans are and stated that changing companies does not ensure the elimination of employees' health insurance plan problems.

Mr. Tommy O'Connell agreed with Dr. Adkins – just because some employees have problems is not reason enough to do an RFP. He had a problem with Aetna and it was never resolved.

Ms. Pat Arner asked Mr. Rushlow if doing a survey and educating employees would satisfy his concerns.

Ms. Suzan Rudd pointed out that it was fine for the Task Force to do a new survey, but SPALC is the voice of the employees it represents. During contract negotiations, there will be health insurance discussions.

Dr. Adkins stated he felt that data-driven information was important, should be shared with everyone, and is part of the education process.

Good of the Order

Ms. Vicky Tisdale shared her disappointment that the VNA was not visiting schools to offer the flu vaccines this year. Ms. Strong pointed out that the VNA stated that participation had been so low at the schools they could better serve the community by offering clinics at various community locations. They are, however, willing to offer a \$5 discount to District employees who attend one of their clinics. Ms. Strong also pointed out that employees can usually get the vaccine at their own doctor's office and for less money out of pocket.

The next ITF Meeting was scheduled for Monday, January 23, 2005, at 3:30 PM.

The meeting was adjourned at 4:50 PM.