

March 22, 2007

INSURANCE TASK FORCE COMMITTEE MEETING

Members Present

Dr. Greg Adkins
Pat Arner
Leo Burt
Ami Desamours
Ron Frazer
Dr. Ruthie Lohmeyer
Jamie Michael
Shayne Murphy
Donna Mutzenard
Norma Perroni
Suzan Rudd
Bob Rushlow
Susan Strong

Members Absent

Mark Castellanno
Tommy O'Connell
Joe Pescatrice, Retiree
Liaison
Vicky Tisdale

Others

Dr. Jane Kuckel, Liaison
Board Member
Steve Bowman
Lisa Brown
Karen Cooley
Barbara Crowe
Debbie Durieux
Paul Hebert
Robin MacDonald
Debbie Strong
Karen Toro
Glen Volk

The meeting was called to order at 3:35 PM.

Approve Minutes

Ms. Strong asked if there were any additions, deletions, or corrections to the Minutes from the January 18, 2007, meeting. With no changes, Ms. Pat Arner made a motion to approve the Minutes; Ms. Norma Perroni seconded the motion; and the motion passed unanimously.

Care Profile

Mr. Robin MacDonald introduced and explained a new program called "Care Profile" which Blue Cross is offering to members. The program allows approved physicians & hospitals to access the secure Care Profile system to view claims filed with BCBS for the purpose of providing the following benefits:

- Preventing ordering of duplicate tests (another physician may have already ordered the same tests);
- Completing gaps in a patient's medical history; thereby, allowing physicians to provide better care;
- Helping physicians monitor their patient's compliance with treatment plans;
- Supporting coordination of care for patients with multiple health care providers; and
- Providing access to the patient's medical history in the event a member has to go to the ER. (This would be especially important when patients are unable to communicate the information themselves.)

Care Profile is a free service that does not cost the District or employees anything. Mr. MacDonald assured the group that only approved physicians and hospitals would have access to the secure and HIPAA-compliant medical claim information. He explained certain health information would not be available to physicians/hospitals, including psychological services, substance abuse, and HIV.

Mr. MacDonald said individual BCBS members have control over their individual claim information and can elect to restrict access to it by calling the customer service number on their ID cards and advising they would like to opt out of Care Profile.

This program was piloted in Miami & Tampa and is now being offered to all BCBS health plans.

Mr. Bob Rushlow wanted to make sure this information would not be available to companies that might bid for District business in the future. Mr. MacDonald assured him that only approved medical providers would have access to a member's medical claim information.

Ms. Suzan Rudd wanted to confirm there would be no cost to employees for the program. Mr. MacDonald assured her it is a free service.

Mr. Bob Rushlow requested information be sent to all employees about the program and the opt-out provision. Ms. Susan Strong indicated that she would write an article for the next Benefit Revue; Ms. Debbie Strong would send out some "Helpful Hints" emails about it; and Susan would also send a communication to each employee (via inter-office mail with individual labels or with payroll distribution).

Mr. Bob Rushlow made a motion to move forward and offer the Care Profile Program to District employees; Ms. Jamie Michael seconded the motion; motion passed unanimously.

Annual Voluntary Benefits/Services Review

Ms. Barbara Crowe reviewed all voluntary benefits/services with the group. Information reviewed included:

- Current rates and their "guaranteed through" dates
- Date of most recent RFP for each benefit
- Current vendor for each benefit/service
- Update on upcoming renewals

Cancer insurance is provided by AIG. Rates are currently guaranteed through 3/31/08. At this time, no increase is expected at renewal.

Benefit Consulting Services are provided by Gallagher Benefit Services. Contract is up for renewal 12/31/07. No increase in fees is expected.

Dental insurance is provided by Delta Dental/Delta Care. Current rates are guaranteed through 3/31/08. Claims experience has been running a little high; therefore, there may be a slight increase in premiums at renewal. GBS will meet with Delta mid-April, 2007, to discuss.

Disability insurance is provided by Unum. Rates are guaranteed through 3/31/08. Based on claim experience, Unum is hoping to be able to offer an additional two years at no increase in rates.

The Employee Assistance Program is offered through EAP Consultants, Inc. Susan Strong reminded the group that a decrease in fees had been negotiated for the period 4/01/07 - 3/31/08, due to a decrease in utilization. Efforts are being made to make employees more aware of the EAP program and if usage increases due to those efforts, the rates may increase for the 4/01/08 renewal.

Flexible Spending Accounts (Medical and Dependent Care) are administered by Cornerstone. Current fees are guaranteed through 3/31/09. There was some discussion about the level of participation in the Flex Spending Accounts. Ms. Rudd suggested that next year during Open Enrollment we should use a real employee (identity withheld) as an example to illustrate the savings that can be achieved by participating in Flex Spending Account. Ms. Strong agreed that this would be a good idea.

Life Insurance is offered through Minnesota Life. Current rates are guaranteed through 3/31/08. Gallagher Benefit Services has been meeting with Minnesota Life regarding 4/01/08 rates. Due to high retiree claims, there is a possibility for an increase in retiree rates for those who elect more than \$40,000 insurance.

Health insurance administration services are provided by Blue Cross Blue Shield. An RFP was conducted in 2006 for the service period beginning 4/01/07. The contract with BCBS is guaranteed through 3/31/2010.

Vision insurance is offered by Vision Care, Inc./CompBenefits. At the last renewal, they enhanced their benefits and did not increase the rates. Current rates are guaranteed through 3/31/09.

Property/Casualty claims administration is provided by the Johns Eastern Company. Current rates are guaranteed through 6/30/08.

Ms. Suzan Rudd shared that she has been receiving good feedback about the cancer insurance. A SPALC member told her he had to travel out of town for treatment and the cancer insurance provided assistance with his travel and lodging expenses.

The group decided that they would not recommend any Request for Proposals for the above benefits/services this year.

Self-Insurance Health Fund Financials

Ms. Susan Strong presented a Self-Insurance Health Fund Pro Forma Statement for the Plan Year Ending March 31, 2008. She pointed out that estimated net assets at 4/01/07 were higher than what was originally shared with the group. This was due to the fact that when the District was self-insured prior to April, 2003, premiums for employees who waived health insurance were automatically credited to the self-insurance fund. When she checked with Financial Accounting, she discovered that the automatic transfers stopped after the transition to fully-insured health insurance. To remedy this, Finance calculated what was owed to the fund since 2003 and it has now all been credited to the self-insurance fund.

Ms. Strong indicated she would provide a pro forma statement on a quarterly basis.

Health Insurance Claim Experience

Mr. Glen Volk reviewed health plan claims experience through January, 2007. The overall loss ratio was 86.6%, which is on track with his projections. There were no surprises in the claims experience.

Ms. Pat Arner expressed a concern about the 118 Plan. She felt it was subsidizing the other two plans. Mr. Volk reminded her that steps were taken for the April 1, 2007, plan year to offset this and assured her we would continue to monitor claim experience.

Open Enrollment Recap

Ms. Susan Strong distributed Open Enrollment statistics for active employees. A total of 343 enrolled in the new BCBS 706 PPO Plan. Seventeen employees took advantage of being able to split two children between two married District employees.

Good of the Order

Ms. Suzan Rudd said an employee had registered a complaint with SPALC about the limit on in-patient drug and alcohol services which prevented him from completing a 30-day inpatient program.

Mr. Bob Rushlow said had received a number of calls regarding ILD time. He wanted to know if there was a way to explain this to employees. Ms. Strong acknowledged that this was a confusing topic. She offered to put a sheet explaining ILD in the Workers' Compensation Packets that are given to employees when they are injured.

Ms. Jamie Michael had been contacted by someone who said a student threw something out a bus window which hit and damaged her car. She didn't report it to the police, but did notify Transportation. She was upset because the District had denied payment of her deductible. Ms. Strong explained that the District is not responsible for those types of claims – there was no negligence on the part of the District.

The next meeting was scheduled for Tuesday, May 1, 2007, at 3:30 PM.

The meeting was adjourned at 4:42 PM.