

January 18, 2007

INSURANCE TASK FORCE COMMITTEE MEETING

Members Present

Dr. Greg Adkins
Pat Arner
Leo Burt
Mark Castellano
Dr. Ruthie Lohmeyer
Kelly Letcher
Jamie Michael
Donna Mutzenard
Tommy O'Connell
Norma Perroni
Suzan Rudd
Bob Rushlow
Susan Strong
Vicky Tisdale

Members Absent

Ami Desamour
Ron Frazer
Shayne Murphy

Others

Dr. Jane Kuckel, Liaison
Board Member
Joe Pescatrice, Retiree
Liaison
Steve Bowman
Karen Cooley
Barbara Crowe
Debbie Durieux
Paul Hebert
Robin MacDonald
Cecilia Rucker
Debbie Strong
Karen Toro
Glen Volk

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

Ms. Strong took a moment to introduce and welcome Karen Toro, the new local BCBS Account Manager for the School District.

Approve Minutes

Ms. Strong asked if there were any additions, deletions, or corrections to the Minutes from the November 13, 2006, meeting. With no changes, Mr. Tommy O'Connell made a motion to approve the Minutes; Ms. Pat Arner seconded the motion; and the motion passed unanimously.

Employee Wellness Program Update

Ms. Lisa Brown, the District's Wellness Coordinator, reviewed the various programs that she has implemented thus far.

She reported that the flu and pneumonia vaccination program was very well received and had excellent participation. There were a total of 576 flu vaccines and 15 pneumonia vaccines administered.

Ms. Brown reported the health risk appraisals and screenings were also going very well. She felt BCBS was doing a great job conducting these appraisals and screenings. To date, appraisals and screenings have been conducted at eight (8) sites; with seven (7) additional sites on the schedule this year.

Additional programs she has been organizing and implementing include the following:

- On-Site Weight Loss Programs – 11 classes in process or completed
- On-Site Exercise Programs – 20 sites in process or completed
- Walking Challenge – Completed, with 51 sites participating. Results to be announced.

Prepaid Legal Plan

Ms. Strong reminded the group they had in the past discussed prepaid legal plans as a potential new voluntary benefit. The ITF has declined to offer the benefit in the past.

Ms. Strong has received phone calls from a vendor who wants to offer a prepaid legal plan to District employees. She promised the vendor that she would bring it to the Task Force for their input.

Paul Hebert, attorney with Gallagher Benefit Services reviewed the benefits of the sample prepaid legal plan via a spreadsheet listing the pros and cons.

He reviewed the following categories:

- Legal Consultations/Assistance benefit
- Motor Vehicle benefit
- Trial Defense benefit
- IRS Audit Protection Service benefit
- Other benefits

Mr. Hebert pointed out some areas of concern:

- Benefits limited to participating attorneys only (usually have 5-7 attorneys from which to choose)
- Plans severely limit research time (For example: 1 hour of research time for consultations/assistance; 2.5 hours for research in a trial defense case.) Any time spent over the limitations would be billed to the employee. When an attorney is representing someone, the majority of his/her time is usually devoted to research, not trial time.

Ms. Strong expressed a concern that employees would sign up for the plan thinking they had comprehensive coverage, only to find out that they still had to pay the participating attorneys for many of their services. She felt employees would be dissatisfied with the benefit and question why the District offered the plan.

Ms. Vicky Tisdale made a motion to not offer a pre-paid legal plan at this time; Ms. Jamie Michael seconded the motion; motion passed unanimously.

Johns Eastern Renewal Contract

Ms. Strong informed the group that Johns Eastern's three-year contract with the District would terminate June 30, 2007; however, they had agreed to extend their contract under the same terms and conditions for one additional year.

Ms. Strong reviewed Johns Eastern's performance over the last three years. In the beginning, there were some performance issues; however, she felt things had vastly improved and were going very well now. Johns Eastern is now providing excellent claims administration for the District's worker's compensation, liability, auto, and property self-insurance program.

Mr. Bob Rushlow agreed that in the beginning, it was a rocky road with Johns Eastern; however, he agreed that the program had come a long way. He said he would support renewing their contract for an additional year.

Dr. Adkins also said he would support renewing their contract. He felt that Johns Eastern had definitely stepped up to the plate and made the requested improvements.

Ms. Pat Arner made a motion to renew the contract with Johns Eastern for the one-year period July 1, 2007, through June 30, 2008; Ms. Vicky Tisdale seconded the motion; motion passed unanimously.

Health Insurance Financial Review

Mr. Glen Volk reviewed claims experience of all health plans. Although PMPM claims were still increasing; overall, they were increasing at a rate that was anticipated.

Mr. Volk reviewed the requirement of the Office of Insurance Regulation (Safe Harbor Analysis). He projects that the District will more than meet the State's requirements for self insureds.

Life Insurance Claim Experience Review

Mr. Glen Volk reviewed life insurance claims experience with the group. Plan Year 2006/07 was a somewhat disappointing year from a claims experience perspective, with retirees continuing to drive up the loss ratio. As expected, premiums collected from retirees do not cover their claims; therefore, active employees are subsidizing retirees. Continued elevated retiree claims mean that rates could rise for active employees unless changes are made to retiree premiums that will offset retiree claims. Mr. Volk recommends waiting until the second year to review. He will talk to Minnesota Life about retiree claims to obtain some suggestions from them.

Minnesota Life anticipated a loss ratio of approximately an 85%; however, at this point in time, the overall loss ratio is 100.9%.

Good of the Order

Ms. Strong briefly discussed the following open enrollment topics:

- Open enrollment video – getting great feedback on the video from employees. She expressed “thanks” to Karen Cooley for her hard work on the video.
- Open Enrollment Packets have been delivered to all employees.
- Insurance & Benefits Notification emails pertaining to open enrollment are being sent out daily to employees. Benefit Contacts have been asked to print the emails and post them for those employees who do not have email.

Ms. Suzan Rudd had a concern about the delivery of the open enrollment packets to the Transportation Six-Mile worksite. She was concerned that Transportation personnel might not have received their packets in a timely manner. Ms. Strong indicated she had had no notice of delinquent delivery of Open Enrollment packets to that Transportation site.

Ms. Cooley stated that she had had only one location (a school) call to say they didn't receive their packets; however, upon further investigation, they did locate them.

Mr. Leo Burt (Transportation Six-Mile Bus Operator) said he got his packet timely.

The next meeting was scheduled for Thursday, February 22, 2007, at 3:30 PM.

The meeting was adjourned at 4:47 PM.