

June 18, 2008

## **INSURANCE TASK FORCE COMMITTEE MEETING**

### **Members Present**

Dr. Greg Adkins  
Shandra Backens  
Steve Bowman  
Mark Castellano  
Ron Frazer  
Donna Mutzenard  
Suzan Rudd  
Bob Rushlow  
Susan Strong

### **Members Absent**

Leo Burt  
Ami Desamours  
Marcia Fain  
Dr. Ruthie Lohmeyer  
Jamie Michael  
Shayne Murphy  
Tommy O'Connell

### **Others**

Dr. Jane Kuckel, Liaison,  
Board Member  
Joe Pescatrice,  
Retiree Liaison  
Karen Cooley  
Debbie Durieux  
Debbie Strong  
Karen Toro  
Glen Volk

The meeting was called to order at 3:58 PM.

### **Approve Minutes**

Ms. Susan Strong asked if there were any additions, deletions, or corrections to the Minutes of the May 20, 2008, meeting. There being no changes, Mr. Bob Rushlow made a motion to approve the Minutes; Mr. Mark Castellano seconded the motion; and the motion passed unanimously.

### **Health Insurance Financials and 903 Plan Modifications**

Mr. Glen Volk reviewed health plan claim experience. The loss ratio for all plans was 85.5%, which is good.

April, 2008, loss data for the 927 plan looked unusually high due to the migration out of the plan effective 4/01/08, resulting in lower revenues. Claims, however, were still being paid for members that were enrolled in the plan prior to April, 2008.

There was nothing unusual to report for the 903 plan because migration into and out of that plan was nearly equal.

The loss ratios for the 706 and 118 plans looked unusually low due to migration into those plans effective 4/01/08, resulting in higher revenues and a lag in claims.

Revenue information Mr. Volk provided did not include the investment interest and contributions to the Benefit Bank for employees who waive health insurance or do not use all their allotted Benefit Bank dollars.

Overall, Mr. Volk felt the 2007/08 health plan year was a good one, with his projections being on target.

For the 2008/09 health plan year, he projects all remaining members will migrate out of the 927 plan because premiums will be so high. He anticipates approximately 40% will move to the 903 plan and 60% to the 706 plan.

Mr. Volk shared his projected premiums for the current plans for the 2009/10 health plan year. Based on those projections, and fixed Benefit Bank dollars, employees should expect to pay for a portion of the 903 employee-only coverage.

At previous meetings, Mr. Volk had been asked to provide benefit modifications to the 903 plan and the resulting effect on premiums for each modification. He shared this information with the group. In order for the current Benefit Bank contribution to cover the full cost of employee-only coverage in the 903 Plan, significant changes (reductions in benefits) would have to be made to the 903 plan. Some of the benefit changes (reductions) included the following:

- Adding an in-network deductible
- Increasing co-payments for doctor visits
- Lowering the coinsurance amount paid by the plan
- Increasing out-of-pocket maximums
- Increasing pharmacy co-payments

There was excellent in-depth discussion whether modifications should be made to the plan. Some members were in favor of modifications so Benefit Bank dollars would continue to cover the full cost of the 903 plan employee-only premium.

Other members felt maintaining the current 903 plan benefits was very important to employees and believed they would be willing to pay a share of the cost of the employee-only premium in order to retain the rich benefits. They felt employees would be upset if the 903 plan benefits were modified. Ms. Strong pointed out that if modifications were made to the 903 plan to reduce the employee-only premium to an amount less than or equal to the existing Benefit Bank contribution, the modified 903 plan would be very similar to the 706 plan.

Although the economic forecast looks grim, employees will continue to have options (the 706 and 118 plans) in the 2009/10 health plan year where the Benefit Bank allocation will cover the full cost of the employee-only premium.

Ms. Strong mentioned a survey conducted by the Dade County School District in which the 706 plan compared very favorably with the “high option” health plans of comparable Florida school districts.

There was much discussion regarding the need to educate employees about their benefits and how to accomplish this. Ms. Karen Toro, representative from BCBS, commended the District for the amount of education they provide. She said that no other group she services provides as much information to their employees as the District does. She cautioned against coaching/steering people to select a specific plan. If the plan does not meet their expectations, they could blame District staff for giving them poor information/advice. Ms. Toro felt the health plan comparison we currently provide employees gives them excellent information and, if they read/study it, will provide the information they need to decide what plan best suits their needs for a price they are willing/able to pay.

Ms. Strong said she felt very strongly that we supply our employees with a great deal of valuable education/information about their benefits in a streamlined and easy-to-understand format. The problem, she believes is: employees do not take the time to read the information. She invited members to provide specific suggestions to improve employee education given the Insurance & Benefits staffing resources.

Dr. Adkins suggested Principals might take a more active role in encouraging their employees to read benefit information. He felt employees were more apt to listen to their Principals. He agreed to speak to them about this.

Ms. Strong suggested the bargaining units take a more active role in encouraging their members to read their insurance information and to call Insurance & Benefits with questions. She believes SPALC and TALC members have a higher level of trust in their respective bargaining units than with District personnel. She suggested we all need to work together as a team to make benefit education effective.

### **BCBS HMO Plan Discussion**

The option of adding an HMO plan effective April, 2009, was continued from the last meeting. Ms. Toro said HMO plans are simple plans for employees to understand – there are no co-insurance percentages or deductibles, just co-payments; and, as long as the plan “rules” are followed, out-of-pockets costs are comparatively low.

Under an HMO Plan, members are required to designate a “primary care physician” (PCP); however, BCBS no longer requires a referral from a PCP in order to see a specialist. Members can go to any type of specialist as long as that specialist is in the BCBS HMO network.

Another important “rule” for HMO Plans is there are no out-of-network benefits, except for emergency care.

Further discussion of an HMO option for April, 2009, was tabled until the next meeting, at which time the group will review a comparison of the proposed HMO plan and the current PPO plans.

### **Minnesota Life Will Preparation Service**

Mr. Bob Rushlow made a motion to not offer the will preparation service to employees; Mr. Mark Castellano seconded the motion to open it for discussion.

At previous meetings, members were asked to go to the will-preparation website and test the free simple will service. Of those members who actually did test the site, some found it to be complicated and not user-friendly, while others said they had no problems and thought it was quite simple.

Mr. Bob Rushlow and Ms. Suzan Rudd were very much against offering the service to employees and said they would actively advise their members not to utilize the service if it was approved by the Task Force. Others members felt it should be offered because some employees might not get a will otherwise. Others pointed out the fact that the service is voluntary and that employees do not have to use it if they don't want to.

Ms. Strong called the vote: four (4) voted against offering the free simple will preparation service; five (5) voted for offering it; therefore, majority ruled and the free will preparation service offered by Minnesota Life will be offered to District employees.

**Good of the Order**

The next meeting was scheduled for Thursday, July 17, 2008, at 1:30 PM.

Mr. Mark Castellano brought a letter he received from an employee who was unhappy with her disability insurance. Ms. Strong indicated the group would discuss this at the next meeting.

There being no further business, the meeting was adjourned at 6:00 PM.