

September 6, 2005

INSURANCE TASK FORCE COMMITTEE MEETING

Members Present

Dr. Greg Adkins
Mike Bernier
Ron Frazer
Charles Luckey
Jamie Michael
Donna Mutzenard
Mike Olliff
Norma Perroni
Bob Rushlow
Susan Strong
Vicki Tisdale

Members Absent

Pat Arner
Leo Burt
Dr. Nancy Graham
Dr. Jane Kuckel, Board Liason
Shayne Murphy
Joe Pescatriace, Retiree Liason

Others

Karen Cooley
Barbara Crowe
Erv Pierce
Janie Rushing
Debbie Strong
Glen Volk

Ms. Susan Strong called the meeting to order at 3:35 PM.

Welcome New Members

Ms. Strong introduced and welcomed Mike Bernier and Vicki Tisdale as new members of the Insurance Task Force.

Approve Minutes

Ms. Strong asked if there were any additions, deletions, or corrections to the Minutes from the May 23, 2005, meeting. Ms. Strong pointed out that the word “be” needed to be removed from the fourth paragraph on the last page. With this change, Ms. Donna Mutzenard made a motion to approve the Minutes; Ms. Jamie Michael seconded the motion; and the motion passed unanimously.

Flexible Benefits Administration RFP

Ms. Barbara Crowe updated the Committee on the following Flexible Benefits Administration RFP process:

- July 14, 2005 – RFP released
- August 10, 2005 – Proposals due; received five (5)
 - WEB-TPA (incumbent)
 - Benefits Outsource, Inc.
 - BlueCross BlueShield of Florida
 - Cornerstone Administrative Services, LLC
 - First Service Administrators
- August 24, 2005 – Sub-Committee met to review proposals
 - Benefits Outsource was eliminated due to financial size and limitation on product offering

- BlueCross BlueShield of Florida was deemed non-compliant.
- Vendors selected for Interview – Cornerstone Admin., First Services Admin., and WEB-TPA
- September 6, 2005 – Sub-Committee interviewed the vendors selected.

The vendors were given follow-up questions to respond to by Friday, September, 9, 2005. Also, there are two (2) new FSA options to discuss/consider: 1) debit cards; and 2) a grace period. The Sub-Committee will contact other school districts to find out their experiences with debit cards.

The Sub-Committee will meet again and bring a recommendation to the full Insurance Task Force for the next meeting.

Renewal Contract With TSACG

TSA Consulting Group's (TSACG) current contract with the District will expire in October, 2005. TSACG has provided excellent tax sheltered account educational services to District employees as well as compliance and administrative services to the District for four years.

TSACG has proposed renewing the existing agreement for one year, with four additional one-year extensions, at no increase in the current cost of \$4 per employee per year throughout the five-year period.

Ms. Vicki Tisdale made the motion to renew the contract with TSACG; Ms. Jamie Michael seconded the motion; and the motion passed unanimously.

Medicare Part D

Mr. Glen Volk distributed and reviewed the following four options available to employers with regard to the new Medicare Part D program:

- **Federal Subsidy** - Employers may apply for tax-free subsidy which is an incentive to continue to offer prescription drug benefits to retirees.
- **Wrap Around Pharmacy Benefit** – Employers can offer a separate wrap-around pharmacy benefit through a pharmacy plan vendor that would work like a Medicare Supplement. There are no plans currently available in Florida.
- **Sponsor Your Own Part D Plan** - Employers could offer their own pharmacy benefit plan. This is impractical for employers with small Medicare retiree health plan populations like the District.
- **Drop Retiree Drug Coverage** – The employer would, instead, pay the Part D premium for its health plan retirees. This is not an option for the School District as Florida Statute requires that retirees be offered the same coverage as active employees.

Mr. Volk stated that the District has elected to move forward with applying for the Federal Subsidy because it is the only viable option at this time.

Offering Health Coverage to Substitute Teachers

The Lee County Association of Substitute Teachers (LCAPST) had asked Dr. Adkins to bring the topic of allowing Substitute Teachers to enroll in the District's health plan to the Insurance Task Force for discussion. Although members are empathetic to the needs of substitutes, they identified the following concerns/reasons why it would not be feasible/possible:

- Regular employees who work less than 30 hours per week are not eligible for health insurance
- Adverse selection
- Non-regular employees are not recognized as an eligible class under the Plan Document
- Administratively unfeasible
- Substitutes do not meet BCBS underwriting guidelines
- Because substitute Teachers do not have regular work schedules/paychecks, they may not have sufficient earnings to cover health insurance deductions

Dr. Adkins stated that he would share with the LCAPST the consensus decision of the Insurance Task Force not to allow substitutes to enroll in the District's health plan.

Wellness Program

Ms. Strong re-reviewed last year's Wellness Survey, which demonstrated an overwhelming interest in a Wellness Program, with the committee. She also informed them that the health fund has a fund balance in excess of \$9 million and earned approximately \$177,000 in interest income in FY 05. Ms. Strong believes a Wellness Coordinator and a wellness program could be adequately funded by health fund interest income alone. The cost to hire someone for this position would be approximately \$75,000 per year.

Dr. Adkins noted that a Wellness Program could help reduce health insurance utilization and could promote more active/happier/healthier employees.

Ms. Strong added that one example of a program offered through the Wellness Program might be on-site Weight Watchers classes. Ms. Tisdale stated that her school already does this.

Mr. Luckey asked if the interest could be used to reduce dependent health premiums. Ms. Strong responded that this had been considered before and was rejected by the Task Force because it would not have a significant impact on premiums.

Ms. Tisdale asked if the District offers a Wellness Program, could another survey be conducted after a year to see if District employees valued it. Ms. Strong said that was an excellent suggestion.

Mr. Bob Rushlow asked about program accessibility for all employees. Ms. Strong responded that the Task Force would have input with respect to the Wellness Program and could, therefore, ensure the program would benefit all employees.

Ms. Tisdale made a motion to prepare a job description for the Wellness Coordinator position for presentation at the next meeting; Ms. Mutzenard seconded the motion; and, after further discussion, the motion was passed unanimously. Ms. Strong stated that she would work with Ms. Victoria Ramina in Employee Relations to prepare a job description.

Health Plan Financial Update

Mr. Glen Volk reviewed the BCBS health plan claims experience through July, 2005. The experience had improved a bit; however, the District should still expect a premium increase in April 2006 due to medical trend. The 118 Plan claims were a little deceptively low because the claims are immature, but Mr. Volk believes the goal of offering the 118 Plan has been met.

Consortium Update

Ms. Strong updated the committee on the Lee County Health Insurance Consortium. Marsh sent out a report in June with fewer mistakes than the initial report, but Ms. Strong still has concerns.

Good of the Order

Mr. Bob Rushlow commented that the article in the *Benefit Revue* regarding Light Duty prompted questions from SPALC members regarding compliance with the bargaining agreement. Ms. Strong asked Mr. Rushlow to let her know what part of the article was prompting the questions and, if needed, she would address it in a future *Benefit Revue*. They both agreed the changes were in full compliance with the bargaining agreement, since the changes were implemented at the request of SPALC and developed with their input.

The next Insurance Task Force meeting will be September 27, 2005 at 3:30 PM.

The meeting was adjourned at 5:10 PM.