

September 27, 2005

INSURANCE TASK FORCE COMMITTEE MEETING

Members Present

Dr. Greg Adkins
Mike Bernier
Leo Burt
Ron Frazer
Kelly Letcher
Jamie Michael
Donna Mutzenard
Norma Perroni
Bob Rushlow
Susan Strong

Members Absent

Pat Arner
Dr. Nancy Graham
Charles Luckey
Marty Mesch
Shayne Murphy
Joe Pescatriace,
Retiree Liaison

Others

Dr. Jane Kuckel, Liaison
Board Member
Karen Cooley
Barbara Crowe
Debbie Durieux
Cecilia Rucker
Janie Rushing
Pat Ryer
Glen Volk

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

Welcome New Member

Ms. Strong introduced and welcomed Kelly Letcher as a new interim member of the Insurance Task Force. She will serve on the committee until a new Budget Director is hired.

Approve Minutes

Ms. Strong asked if there were any additions, deletions, or corrections to the Minutes from the September 6, 2005, meeting. There being no changes, Mr. Bob Rushlow made a motion to approve the Minutes; Ms. Donna Mutzenard seconded the motion; and the motion passed unanimously.

Consortium Update

Ms. Strong updated the committee on the Lee County Health Insurance Consortium. An email had been sent to the member organizations asking for input/feedback on the Consortium Feasibility Study and asking if there was still interest in pursuing Consortium endeavors.

Ms. Strong responded on behalf of the District. She listed her areas of concern with the Marsh report and indicated the District was still interested in exploring ways to save taxpayer dollars.

Health Plan Financial Update

Mr. Glen Volk reviewed the health plans' claim experience to-date. He noted that August claims were up slightly, with an overall average loss ratio of 87%. Mr. Volk felt if claim experience continued on this track, the renewal would probably reflect medical trend.

Mr. Volk pointed out that in prior years, enrollment had increased in September. This year, enrollment increased in August. Members explained this was probably due to an earlier start to the school year.

There was discussion about the difference in claim experience between the 927 and 903 Plans. The 903 Plan has the largest number of enrollees; however, the 927 Plan's claim experience is worse. Ms. Strong pointed out that when the health insurance RFP was done, the District asked for plans similar to those the District already had with Aetna. Blue Cross did not have a Managed Choice (MC) Plan; therefore, BCBS substituted another PPO Plan with benefits similar to the MC Plan. Basically, the 903 Plan is now the richer plan, but employees with major illnesses seem reluctant to switch from the 927 Plan to the 903 Plan since they believe the 927 Plan is richer because it resembles the old Aetna PPO Plan.

Wellness Coordinator Job Description

Vicki Tisdale had recommended the group move forward with the Wellness Program at the last ITF meeting by bringing a job description for the Wellness Coordinator to this meeting.

Ms. Strong had drafted a job description for the Wellness Coordinator. She distributed it to the ITF Members for their input and suggestions.

Suggestions to add the following were made:

- Serves as liaison to EAP
- Ability to maintain confidentiality

Ms. Strong indicated that the Wellness Coordinator should attend ITF Meetings, not as member, but as a resource to the committee and be expected to present monthly updates on the Wellness Program.

Mr. Bob Rushlow suggested running the job description by the Job Review Committee. Ms. Strong said that would not be appropriate because it was an administrative position, but she would take it to Victoria Ramina, whose function is to write job descriptions for the District, for review. Ms. Strong will update the Task Force on the status of the job description at the next ITF meeting.

Flexible Benefits Administration RFP Recommendation

Ms. Barbara Crowe reviewed the RFP for the Administration of the Flexible Benefits Program with the Task Force.

The Sub-Committee interviewed three finalists – WEB TPA (the incumbent), First Services Administrators, and Cornerstone Administrative Services. The recommendation of the Sub-Committee is to enter into a contract with Cornerstone Administrative Services for the following reasons:

Cornerstone had the best qualifications. They were better prepared when they came to the interview. They were highly experienced, had sixteen qualified staff dedicated to Flex Plan administration (the others only had 5 dedicated staff). Cornerstone offered training site flexibility for the on-site representative – they could train on-site in Insurance & Benefits, Miami, Jacksonville, Tampa, or via the web. Cornerstone also had the largest flex plan enrollment, both nationally and state-wide. Cornerstone was the only company that submitted a proposal with no deviations in the scope of services. They also recommended the greatest number of changes/improvements to our current Flex Plan document. They can provide direct deposit of checks or mail checks and can offer debit cards in addition to the standard paper claim submission. They offered the most options of submitting claim documentation.

Ms. Strong asked each sub-committee member to comment on the interviews.

Mr. Rushlow stated that Cornerstone was his top choice. He was impressed with the direct deposit option.

Ms. Mutzenard said Cornerstone was her first choice right from the start and that the interview just solidified that decision.

Mr. Frazer felt Cornerstone exhibited the highest level of interest – very genuine. They provided better answers to the subcommittee's questions.

Dr. Adkins indicated that he was originally leaning toward the incumbent (Web TPA), but after the interviews, Cornerstone was his top choice. Cornerstone had more experience with the debit cards, while Web TPA had very little experience in that area. Web TPA also had poor answers to many questions.

Mr. Bob Rushlow made the recommendation to contract with Cornerstone Administrative Services to administer the School District's Flexible Benefits Plan and Spending Accounts; Mr. Mike Bernier seconded the motion; motion passed unanimously.

Cornerstone had offered to give the District a three-year contract with an option for a 4th and 5th year renewal. Ms. Strong asked if she should pursue a 4th & 5th year option. The consensus of the committee was to pursue discussions with Cornerstone regarding 4th & 5th year extension.

Medial Spending Account Debit Cards

Ms. Barbara Crowe distributed a list of "pros" and "cons", which had been submitted by the proposers, of Flex Medical Spending Account debit cards. The "cons" were far more numerous than the "pros".

Ms. Strong pointed out that debit cards sound like a good idea at first blush. She checked with other Districts, however, to find out what their experience had been with debit cards. Palm Beach Schools stopped their debit card program after the first year. Volusia Schools implemented the debit card last October. Their experience was so poor, half their participants dropped their Flex spending accounts this year.

One of the biggest problems cited with the debit card is that, if an employee purchases a prescription drug and a gallon of milk, when the card is presented and scanned, it may pay for the milk (which is not a covered expense) as well as the prescription. Later, when the employee submits the receipt, he/she has to reimburse the Plan for the amount paid for the milk. Retrieving the funds is time consuming and can lead to employee dissatisfaction should the card be inactivated or should the funds be garnished from the employee's paycheck.

Another drawback is the fact that employees have to maintain their original receipts and turn them in for expenses paid by the debit card. This is problematic because many employees believe the need to submit receipts is eliminated with a debit card. If employees do not keep or submit their receipts, the Plan will ask for the funds to be returned and employees will not receive the tax break even if those expenses are valid.

A further problem is that not all vendors accept the debit card.

Mr. Rushlow suggested looking at the demographics of the 1100 employees who are currently enrolled in the Flexible Spending Account.

Dr. Jane Kuckel suggested setting up a pilot group to test debit cards and to gather feedback from the employees in the pilot group with respect to their experience with the cards.

Ms. Strong had a concern that the pilot group might receive more personalized training than a large group of employees would and, therefore, would not reflect a true picture of how the program worked. When educating a large group, there are not enough resources available to provide personalized attention. Her other concern was the selection of employees for the pilot group. She felt some employees might be angry/disappointed if they were not permitted to be part of the pilot group.

Everyone agreed Ms. Strong should discuss the pilot program idea with Cornerstone and ask for their input/suggestions and report back at the next meeting.

Good of the Order

There were no items for Good of the Order.

The next Insurance Task Force meeting will be October 17, 2005 at 3:30 PM.

The meeting was adjourned at 5:00 PM.