

October 17, 2005

INSURANCE TASK FORCE COMMITTEE MEETING

Members Present

Pat Arner
Mike Bernier
Leo Burt
Ron Frazer
Kelly Letcher
Charles Luckey
Marty Mesch
Jamie Michael
Donna Mutzenard
Norma Perroni
Bob Rushlow
Susan Strong
Vicki Tisdale

Members Absent

Dr. Greg Adkins
Shayne Murphy
Tommy O'Connell

Others

Dr. Jane Kuckel, Liaison
Board Member
Joe Pescatrice, Retiree
Liaison
Barbara Crowe
Debbie Durieux
Erv Pierce
Cecilia Rucker
Glen Volk

Ms. Susan Strong called the Insurance Task Force meeting to order at 3:31 PM.

Approve Minutes

Ms. Strong asked if there were any additions, deletions, or corrections to the Minutes from the September 27, 2005, meeting. There being no changes, Ms. Norma Perroni made a motion to approve the Minutes; Ms. Donna Mutzenard seconded the motion; and the motion passed unanimously.

Disability Insurance Renewal

Ms. Barbara Crowe reported that Unum had indicated there would be no rate increase for the 2006-07 plan year. She also indicated that Unum may offer a second year at no rate increase after they have more data.

Ms. Pat Arner made a motion to renew disability insurance with Unum for the 2006-07, plan year; Ms. Jamie Michael seconded the motion; and the motion passed unanimously.

Cancer Insurance Renewal

Ms. Crowe reported that AIG had indicated there would be no rate increase for either cancer policy for the 2006-07 plan year.

Mr. Mike Bernier made a motion to renew cancer insurance through AIG for the 2006-07 plan year; Mr. Leo Burt seconded the motion; and the motion passed unanimously.

Dental Insurance Renewal

Ms. Crowe reported that GBS had received an additional two-year rate guarantee from Delta for both dental plans, at no increase in the current rates.

She explained that Delta had also enhanced coverage to include composite fillings (white) on the Indemnity/DPO Plan. Ms. Strong indicated that everyone should thank Ms. Cecilia Rucker for that change. Ms. Rucker had worked with Delta to obtain coverage for composite fillings.

Ms. Jamie Michael made a motion to renew dental insurance through Delta Dental for the 2006-07 and 2007-08 plan years; Ms. Vicki Tisdale seconded the motion; and the motion passed unanimously.

GBS Benefit Consulting Services Renewal

Ms. Susan Strong reported that Gallagher Benefit Services had agreed to renew their calendar-year service contract for 2007 under the same conditions as the existing agreement.

Mr. Leo Burt made a motion to renew the consulting contract with Gallagher Bassett Services for 2006; Ms. Jamie Michael seconded the motion; and the motion passed unanimously.

EAP Renewal

Ms. Susan Strong reminded the group that at last year's renewal Ms. Judy Anderson had indicated she would ask for an increase for the 2006-07 year. Ms. Anderson offered a renewal rate of \$1.10 employee/month, which represents a 10% rate increase. Ms. Strong pointed out that EAP Consultants, Inc. had not increased their rates for the past five years.

Ms. Strong also indicated that Glen and Barbara had been working with EAP Consultants on the 2nd & 3rd year rate increases. EAP Consultants proposed CPI (determined each August), not to exceed 5%. Members indicated they would like to review utilization before committing to anything longer than one year at this time.

Ms. Pat Arner made a motion to renew with EAP Consultants for the 2006-07 year; Ms. Donna Mutzenard seconded the motion; and the motion passed unanimously.

BCBS Renewal

Mr. Glen Volk discussed the BlueCross BlueShield renewal with the group. BCBS had proposed a rate increase of 9.6%, which Mr. Volk indicated was reasonable, reflective of District experience, and lower than he had expected.

Mr. Bob Rushlow took the floor to discuss his dissatisfaction with the way BCBS processes out-of-network claims – specifically that checks representing amounts due to the member are sent to the member and not to the provider.

Mr. Bob Rushlow made a motion not to renew health insurance for the 2006-07 plan year with BCBS; Ms. Jamie Michael seconded the motion.

Ms. Strong pointed out that all of this had been discussed last year and that it was now too late to go out for bid for another health provider.

Mr. Ron Frazer expressed the opinion that he does not believe it is in the best interest of employees to change the way out-of-network claims are currently paid. He understands that there may be a few employees who would get checks from BCBS and pay other bills instead of paying their medical provider, and then when the provider bills them, they would not have the money. He believes, however, there are far more employees who understand how the system works and they would be upset if the system changed. He pointed out that if checks were mailed directly to providers, employees may have already paid the provider and they would then have to try to get reimbursed by the provider, which is a difficult/inconvenient task.

Ms. Vicki Tisdale suggested a compromise of some sort. She suggested that a survey of the employees be conducted to see if this is a real problem for the majority of the employees. This is the first time she has heard any complaints about the handling of out-of-network claims.

Dr. Jane Kuckel would like the group to work toward a resolution. She would like to know how many employees/families are affected by this, and the number of incidents.

Three (3) Task Force members voted in favor of the motion not to renew with BCBS for the 2006-07 plan year. The motion did not pass.

Ms. Donna Mutzenard stated that the rate increase was not bad this year. She recommended renewing with BCBS, especially since there was not enough time to do an RFP.

Ms. Kelly Letcher made a motion to renew with BlueCross BlueShield for the 2006-07 plan year; Ms. Pat Arner seconded the motion; Mr. Bob Rushlow opposed; the motion passed.

Ms. Strong suggested that Mr. Rushlow have the individuals who have had problems with out-of-network claims call her directly or that Mr. Rushlow provide her with their names. She indicated that complaints had not been received by her department and that she needed data to determine the magnitude of the issue and methods for addressing it. Dr. Kuckel suggested that Mr. Rushlow collect the names & information and report to Ms. Strong.

There was discussion about better educating employees about out-of-network claims – in both English and Spanish versions.

Cornerstone Agreement, Years 4 & 5

Ms. Strong reminded the group that at the last meeting, GBS had been directed to secure 4th & 5th year renewal rates from Cornerstone. The 4th year would be \$74,000, and the 5th year would be \$76,000.

Mr. Mike Bernier made a motion to accept the optional 4th & 5th year rates with Cornerstone; Ms. Vicki Tisdale seconded the motion; the motion passed unanimously.

Medical Spending Account Debit Cards

At the last ITF meeting, Dr. Kuckel had suggested a pilot program for the use of debit cards and Ms. Strong had agreed to discuss the logistics with Cornerstone.

After her discussions with Cornerstone, they determined it would be problematic to offer debit cards for the 2006-07 plan year because the Flex plan year needed to be changed to April 1 (from March 1) in order to have sufficient time to process information and print debit cards for the start of the plan year. Cornerstone felt it would be better to add a one-month extension to the 2006-07 plan year and then wait until the April 1, 2007, plan year to offer the cards. They felt the transition of service providers and the one-month extension of plan year would be challenging enough for the 2006-07 plan year. The Task Force concurred.

Wellness Coordinator Job Description

Dr. Browder had asked Ms. Strong to discuss the concept of having the Wellness Coordinator oversee both student and employee wellness programs. Ms. Strong felt the Wellness Coordinator would have a full plate with employee wellness issues alone, but promised Dr. Browder that the ITF would discuss his idea.

Mr. Charles Luckey felt it would take two coordinators and that there would not be enough money to hire two coordinators.

Dr. Kuckel indicated she needed to know what the expectations were for the student programs.

There was discussion/suggestion that the student wellness coordinator report to someone other than Insurance & Benefits Management – perhaps to Curriculum.

Ms. Jamie Michael pointed out that Food Service and schools already have programs geared toward student wellness. She didn't feel that the health insurance fund should pay for student wellness.

Mr. Bob Rushlow felt the funding of a student wellness coordinator should come from District Curriculum funds or possibly a grant. He felt the Wellness Coordinator should be for employees and funded from the self-insurance fund.

Dr. Kuckel agreed to discuss the committee's concerns with Dr. Browder.

Ms. Vicki Tisdale made a motion to take the Employee Wellness Coordinator job description to the Board for approval; Mr. Leo Burt seconded the motion; motion passed unanimously.

VNA Flu and Pneumonia Vaccine Discounts

Ms. Strong informed the group that the Visiting Nurses Association (VNA) had indicated participation in flu and pneumonia clinics at District sites had not been very good in past years. They suggested the District publish the various public sites/times for VNA clinics and agreed to offer a discount to District employees who participated in those clinics. The VNA charges \$30 for the flu vaccine; however, they will only charge District employees \$25. The Pneumonia Vaccine costs \$40, and they could not offer that at a discount.

Ms. Strong will publish the sites/times for VNA flu vaccines in the November Benefit Revue. She will also explain how employees can get some portion of the cost reimbursed through the health plan.

Employees can also go to their own doctors for the vaccines, which is usually less expensive.

Mr. Pescatrice asked if the discounts were being offered to District Retirees. Ms. Strong said she would have her staff call the VNA and ask.

Good of the Order

Mr. Pescatrice suggested the District send a letter to retirees who would be age 65+ by 11/15, regarding the Medicare Pharmacy Subsidy.

The next meeting was scheduled for Monday, December 5, 2005, at 3:30 PM.

The meeting was adjourned at 5:30 PM.