

November 13, 2006

## **INSURANCE TASK FORCE COMMITTEE MEETING**

### **Members Present**

Pat Arner  
Leo Burt  
Mark Castellano  
Ami Desamours  
Ron Frazer  
Dr. Ruthie Lohmeyer  
Jamie Michael  
Donna Mutzenard  
Norma Perroni  
Suzan Rudd  
Bob Rushlow  
Susan Strong  
Vicky Tisdale

### **Members Absent**

Dr. Jane Kuckel, Liaison  
Dr. Greg Adkins  
Shayne Murphy  
Tommy O'Connell

### **Others**

Joe Pescatrice,  
Retiree Liaison  
Karen Cooley  
Debbie Durieux  
Cecilia Rucker  
Glen Volk

Ms. Susan Strong called the meeting to order at 3:40 PM.

Ms. Strong took a moment to welcome and introduce the Task Force's newest member, Ms. Ruthie Lohmeyer, former Principal of Orangewood Elementary and new Administrator on Assignment, Elementary Operations. Dr. Lohmeyer is replacing Mr. Marty Mesch.

### **Approve Minutes**

Ms. Strong asked if there were any additions, deletions, or corrections to the Minutes from the October 23, 2006, meeting. With no changes, Ms. Vicky Tisdale made a motion to approve the Minutes; Ms. Norma Perroni seconded the motion; and the motion passed unanimously.

### **MSA Debit Card**

Ms. Strong responded to the issues brought up at the October 23, 2006, ITF Meeting concerning the MSA debit cards as follows:

- Employees will be advised to keep receipts for all debit card transactions in case of an IRS audit.
- Cornerstone's system will recognize all co-payments and combinations/multiples of co-payments up to 5 times the highest co-payment.
- Walgreen's system can auto-adjudicate purchases by skew number (no receipt will be requested).
- When a receipt is required, employees will receive three (3) notices: the first will be sent three (3) days after the transaction; a second notice two (2) weeks later; and a third & final notice will be sent two (2) weeks after the second notice.
- If a receipt is not received within 60 days of the transaction, the employee will be required to reimburse the account, no other claims will be reimbursed, the card will be shut off, and the file will be referred to Cornerstone's legal department.

Ms. Strong called Polk County Schools because they implemented an MSA debit card program through Cornerstone a year ago. They reported they have not had a single case of an employee failing to reimburse the plan for expenses for which they were unable to supply a receipt. They also indicated that their enrollment had doubled with the introduction of the MSA debit card and Polk employees and administration have been very satisfied with the debit card program.

### **BCBS Prime Pharmacy Benefit Manager**

Ms. Strong informed the members that effective January 1, 2007, BCBS would be switching to Prime Therapeutics for pharmacy benefit management. BCBS is implementing the change to contain the rising costs of prescription drugs and to achieve a fully integrated retail and mail order pharmacy program.

Some key messages regarding the change to Prime include the following:

- Members will not be affected at the retail level. The same retail pharmacies currently in the BCBS network will be in the Prime network.
- Mail order will be affected because members will no longer use Walgreens Mail Order. Beginning January 1, 2007, members will use PrimeMail for mail order prescriptions.
- If members currently have a prescription through Walgreens Mail Order with valid refills (non-controlled substance medications), they will not be required to submit a new prescription. If a member has a controlled substance, however, they will need to submit a new prescription.
- All refills placed before January 1, 2007, should be through Walgreens Mail Order.
- Members will receive a notification letter from BCBS regarding the switch from Walgreens to Prime either late November or early December. This letter will contain detailed transition instructions.
- Prior to January 1, 2007, members will receive a Mail Order Service Introductory Packet with a pharmacy order form and other information.

Mr. Joe Pescatrice asked if Ms. Strong could bold the sentence about “controlled substances” in her *Benefit Revue* article to employees. Ms. Strong said she would.

### **Benefit Bank Dollars for Employees Who Waive Health Insurance**

Ms. Strong indicated that Ms. Jamie Michael had asked at a prior meeting to place on a future meeting agenda the topic of offering some Benefit Bank Dollars to employees who waive health insurance.

Since the initial request, Mr. Ron Frazer had met with the IS Department staff to discuss manageable implementation options. He was happy to report that with minor programming changes, they could give employees who waive health insurance a code that would allow them to receive the same Benefit Bank dollars as employees in the BCBS 903 Plan. (For the April 1, 2007 – March 31, 2008, plan year the amount is \$21.28 per paycheck for 24-pay employees.) Those Benefit Bank dollars could be used to purchase dental, vision, or cancer insurance.

Ms. Strong indicated the Federal Government may soon be issuing guidance that may prohibit employers from providing opt-out bonuses under a Section 125 cafeteria plan to employees eligible for TriCare (US Military) programs. Should the Federal Government prohibit such bonuses, that would have to be communicated to employees with TriCare insurance.

Ms. Jamie Michael made a motion to offer the same Benefit Bank Dollar amount to employees who waive District health insurance as those who choose the BCBS 903 Plan; Ms. Vicky Tisdale seconded the motion; and motion passed unanimously.

### **Health Fund Planning**

Mr. Glen Volk briefly reviewed health plan claims experience with the group.

Mr. Volk then discussed the annual filing with the State of Florida for self-insured health plans. The State requires self-insured plans to have a reserve (safe harbor) equal to 60 days of claims. Mr. Volk estimates the State requirement for the District's plan at March 31, 2008, to be approximately \$17,233,818. Mr. Volk projects the District will have a \$19,161,368 reserve at that time, so the District should meet the State requirement.

Ms. Strong indicated the Task Force would be watching the plan closely and monitoring claims experience, etc. monthly to insure that the District's plan remains solvent and meets State requirements.

In the past, the District has submitted their report to the State by fiscal year (7/01 - 6/30). Ms. Strong suggested it might make more sense to file the report to the State to coincide with the plan year (4/1 - 3/31). Mr. Volk agreed - the report to the State should coincide with the plan year.

### **Health Insurance Tier Options**

Past practice has dictated that all dependent children be covered under one employee. Married employees (when both work for the School District) with two children have questioned this practice because it would cost them less money in premiums if each employee were permitted to cover one child. (Two "child" premiums cost less than one "children" premium.) The Task Force had voted not to permit separating the children in the past, but the topic was placed on the agenda for reconsideration.

The discussion included the following drawbacks to permitting each parent to cover one child:

- If each parent/employee covered one child, there would be two employees with dependent coverage, each of which would constitute a "family" unit with respect to calendar year deductibles and maximum out-of-pocket expenses rather than one "employee" and one "family unit. This could result in additional out-of-pocket claim expenses.
- If each parent covered one child and a third child was born, one parent would have to take "children" coverage (to cover the new child) while the other parent would continue to cover one of the two original children because the birth/adoption of the third child would not constitute a Family Status Change to move all children under a single parent. The employees would not be able to move all three children under one parent until the next Open Enrollment. Until that time, the employees would have to pay more money for "child" premium plus "children" premium than for two "child" premiums.

Ms. Pat Arner stated that employees whose spouses work for a different employer have the option to cover some children under one spouse's plan and some children under the other spouse's plan and felt School District employees should have that same option. She made a motion to allow married employees with two children, when both parents working for the School District, to each cover one child; Dr. Ruthie Lohmeyer seconded the motion; 8 voted for and 5 voted against; motion passed by majority.

It was agreed that this new procedure would become effective April 1, 2007, and employees would be notified of the change during Open Enrollment.

### **Good of the Order**

Mr. Joe Pescatrice wanted to thank Ms. Lisa Brown for producing the Wellness Junction newsletter. He appreciates all her hard work and believes it is very beneficial.

Mr. Pescatrice asked if the Weight Watchers Programs being offered at some of the schools were open to retirees. Ms. Strong indicated that retirees were welcome to participate in the Weight Watchers Programs.

The next meeting was scheduled for Tuesday, December 12, 2006, at 3:30 P.M.

The meeting was adjourned at 5:40 P.M.