

December 2, 2008

INSURANCE TASK FORCE COMMITTEE MEETING

Members Present

Dr. Greg Adkins
Leo Burt
Mark Castellanos
Karen Cooley
Ami Desamours
Marcia Fain
Jamie Michael
Donna Mutzenard
Tommy O'Connell
Bob Rushlow
Susan Strong

Members Absent

Robert Chilmonik, Board
Liaison
Joe Pescatrice, Retiree
Liaison
Shandra Backens
Steve Bowman
Ron Frazer
Marty Mesch
Suzan Rudd

Others

Lisa Brown
Debbie Durieux
Tom Lampone
Robin MacDonald
Debbie Strong
Karen Toro
Glen Volk

The meeting was called to order at 3:46 PM.

Approve Minutes

Ms. Susan Strong asked if there were any additions, deletions, or corrections to the Minutes of the October 29, 2008, meeting. There being no changes, Mr. Mark Castellano made a motion to approve the Minutes; Ms. Marcia Fain seconded the motion; and the motion passed unanimously.

Health Plan Financials

Mr. Glen Volk reviewed the most recent health plan financials. He informed the group that, due to a glitch in the Blue Cross claim system, some claims that should have been paid in October were incorrectly denied. Those claims have been identified and will show up in November's paid claims. This mistake understated October's claims and will overstate November's claims.

Mr. Volk discussed the impact on the health plan of reducing the generic co-pay to \$0 – the number of generic drugs increased much more than anticipated.

Ms. Strong asked Blue Cross to run a report to help determine if people are taking generic drugs in place of over-the-counter drugs just because they are free and to determine if people are taking medications that they should have been taking but were not before they became free. She asked that the report compare 2007/08 pharmacy data to 2008/09 data.

Blueprint for Health

Dr. Tom Lampone, Medical Director for Blue Cross Blue Shield, presented a summary report of School District of Lee County health data for the 2007/08 plan year.

Highlights of his report included the following:

- Member utilization rate was higher than the norm: SDLC utilization was 101% compared to 84% for other comparable groups.
- Dependent utilization was 109% compared to 78% for other comparable groups.

- Total medical costs rose 13% (includes inpatient, outpatient, professional fees, and pharmacy).
- Prescription drug costs increased 10%.
- Inpatient claim costs increased 12%.
- Total cost of prescription drugs was higher than the cost of inpatient hospital care.
- Prescription drug cost drivers were the use of brand name GERD and ulcer drugs, use of brand name cholesterol lowering drugs, and use of brand name antidepressants. The total cost spend for these drugs totaled \$1,609,861.
- Inpatient claims increased due to “high cost cases”. These cases increased by 12% or \$1,186,737.
- The average length of stay in the hospital was five days, which represents an 8% increase and is 11% higher than peer groups.
- Inpatient facility services increased due to the following diagnostic categories:
 1. Respiratory System (hospital admissions almost doubled)
 2. Endocrine/Metabolic (hospital admissions almost doubled)
 3. Pregnancy/Childbirth (13% increase)
 4. High cost claims increased: 5 members in the high cost claims category suffered from colon cancer; 8 members suffered from breast cancer. There were 165 members with high cost claims paid between September 2006 and August 2008.
- Outpatient facility costs increased 21% - due primarily to a 24% increase in the average payment per visit.
- Emergency room visits increased 4%.
- Musculoskeletal Outpatient increase by \$1,175,169.
- Chiropractic costs increased 1.7% to \$456,821 with a 4.9% increase in chiropractic services per member. Of the 50 top-paid physicians, there were three (3) chiropractors, ranking #2, #12, and #23. Payments to these three providers totaled \$621,446.
- Radiology decreased 7.1%. This was due to controlling the approval of advanced imaging procedures. Most of the denials were due to the fact that the member had had the same test done within the prior three months.

Some other points of interest included the following:

- Transplants, cancer, and heart claims were higher for SDLC than other peer groups.
- \$917,000 was paid for diabetes claims. Diabetes is also the driving force behind other high-cost illnesses.
- The average medical cost of a person with diabetes is \$8,000 per year, compared to \$3,400 per year for a member without diabetes.

Dr. Lampono suggested that diabetic members be encouraged to enroll in one of BCBS’s disease management courses. This could result in big savings due to lower ER visits and fewer hospital stays.

He further discussed how making even one (1) lifestyle change can impact a person’s overall health and result in medical savings.

There was discussion about smoking and its impact on health insurance claims. Ms. Lisa Brown informed the group that she has arranged for free “Quit Smoking Programs” at various District locations. Getting people to take advantage of them, however, has been a challenge. She had to cancel a program in Estero due to low enrollment; however, she plans to try again. There is a class currently being offered at the LCPEC Building and enrollment is good. She will continue to spread the word and try to hold these programs at other locations.

Specialities Not Available in Lee County

Ms. Strong indicated there were no massage therapists the BCBS network in Lee County. She asked BCBS to pursue adding massage therapists to the network. Mr. Robin MacDonald of BCBS indicated he would take this matter to their provider network department.

Ms. Strong suggested that if BCBS cannot provide in-network massage therapists, they should pay massage therapy claims at the “in-network” rates because it is not the members’ fault for using out-of-network providers .

Default Plan for Employees in the 927 Plan

Ms. Strong reminded the group that effective April 1, 2009, the 927 Plan was being eliminated. She asked the group for their assistance in deciding which plan to default members currently enrolled in the 927 Plan, but who fail to complete paperwork during open enrollment to change plans. She suggested defaulting them to the 706 Plan because the Benefit Bank would cover the employee-only premium.

There was discussion that the 903 Plan had benefits most similar to the 927 Plan and that people on the 927 Plan were already used to paying part of their employee-only premium; therefore, defaulting to the 903 Plan seemed more logical.

Mr. Bob Rushlow and Mr. Mark Castellano indicated that they have really been stressing to their members the need for reviewing their Open Enrollment information and selecting a plan that suits their needs. They plan to continue to get that message out to their members. Mr. Rushlow and Mr. Castellano indicated that they felt the District should default members from the 927 Plan to the 903 Plan. They further felt that members needed to take responsibility and review all the information given to them in order to make informed decisions. Their feelings were if their members do not take the time to understand their benefits, they should not complain and they will get no sympathy.

Mr. Tommy O’Connell made a motion that members currently enrolled in the 927 Plan who fail to complete Open Enrollment paperwork to change plans would be defaulted to the 903 Plan; Mr. Mark Castellano seconded the motion. Ms. Susan Strong called for a vote: 6 voted in favor of the motion; 4 were opposed; motion passed with majority voting in favor.

Open Enrollment

Ms. Karen Cooley updated the group on Open Enrollment planning. She regretfully informed the group that due to time constraints and staff availability, Insurance & Benefits was unable to produce an Open Enrollment video this year. As an alternative, they plan to hold informative “Question & Answer Sessions” at select District locations. She explained that two schools in each zone were selected: one with an early dismissal and one with a later dismissal. Insurance & Benefits staff will go to all Transportation compounds, Maintenance, and the LCPEC Building. Two members (one of who speaks Spanish) will conduct each session. A meeting schedule will be sent to all employees. All employees will be encouraged to attend one of the sessions at whichever location is most convenient for them.

Mr. Mark Castellano said he will send an email to Dr. Adkins asking him to have Principals allow their employees to attend these sessions.

There was also discussion about the time of the Open Enrollment meetings scheduled at the Transportation locations. They were originally scheduled to run from 9:30 AM to 11:00 AM. After the discussion, the group decided to change the times to 10:00 AM to 12:00 PM.

Good of the Order

Mr. Bob Rushlow indicated that he had been approached by a member who suggested giving an incentive to employees who do not use their health insurance. He promised he would bring it to the Task Force for discussion. Mr. Glen Volk indicated that giving an incentive to employees who don't use their health insurance is not allowable. Additionally, giving an incentive of that nature would encourage people to put off medical care they really needed.

The next meeting will be held sometime in February, 2009. Ms. Strong will contact everyone about a date after Winter Break.

The meeting was adjourned at 5:40 PM.