

September 10, 2008

INSURANCE TASK FORCE COMMITTEE MEETING

Members Present

Steve Bowman
Leo Burt
Mark Castellano
Karen Cooley
Heather Emery
Marcia Fain
Ron Frazer
Marty Mesch
Jamie Michael
Donna Mutzenard
Tommy O'Connell
Bob Rushlow
Susan Strong

Members Absent

Dr. Greg Adkins
Shandra Backens
Joe Pescatrice,
Retiree Liaison
Suzan Rudd

Others

Dr. Jane Kuckel,
Board Member Liaison
Lisa Brown
Barbara Crowe
Debbie Durieux
Debbie Strong
Glen Volk

The meeting was called to order at 3:35 PM.

Welcome New Members

Ms. Susan Strong took a moment to introduce and welcome two new members to the Insurance Task Force: Karen Cooley and Marty Mesch.

Health Insurance Financials

Mr. Glen Volk reviewed health plan claims experience with the group. He noted the very high claims payments the past three months. The loss ratios for the 927 and 903 Plans were significantly higher than normal. The 706 and 118 Plans also experienced higher than normal claims. While recent claims are somewhat bleak, he doesn't feel they will get any worse, and anticipates a slight improvement.

Mr. Volk also shared projected health plan premiums/rates for the 2009-10 Plan Year. He mentioned that these rates did not take into account amounts contributed to the health fund for premiums for people waiving health insurance, unused Benefit Bank dollars, rebates, and interest income. These amounts would improve his projections somewhat, but not too significantly.

Effective April 1, 2008, the District opted not to purchase stop loss insurance, which Mr. Volk feels was the right choice because the premiums will likely out-weigh any monies that could be recouped by the District. There were, however, some large claims prior to April, 2008, which are subject to the stop loss insurance that was in effect at that time. He estimates the District will recoup \$300,000 - \$400,000.

Ms. Strong indicated that the best way to improve claims experience is for employees to make a commitment to improve their exercise and eating habits to become healthier.

Employee Wellness Program

Ms. Lisa Brown updated the group on the various programs that she had implemented during FY 07-08. She sent out a survey to employees who participated in these programs and approximately 10% responded. She shared the results of the survey with the group and said she felt that the results provided proof that the programs were working. Many employees stated the programs improved their health and productivity on the job.

For the FY 08-09, Lisa is planning the following three challenges:

- Lace Up Lee Schools – The Race to Key West
- Lighten Up Lee Schools
- Stress Management Challenge

She told the group that she was inviting all of them to be on her team for the “Lace Up Lee Schools” challenge. There was discussion that everyone on the Task Force should make a commitment to these challenges to show their support for employee wellness and to encourage others to participate.

Ms. Brown also has scheduled 21 sites for health risk appraisals and screenings. Her goal is to offer these screenings at least once at each location over the next five (5) years. She feels that employees are more apt to take advantage of the screenings at their own location. This year, there will be some new vendors and additional health education to target obesity, back disorders, and stress.

Currently, there are 16 on-site exercise classes (6 of which are free and 10 that are fee-based) with 332 registered participants to date.

Ms. Brown plans to visit each school this year and provide blood pressure and body fat checks for employees. She will also provide health education for high risk indicators. She is also collaborating with the Lee County Health Department to provide classes and national speakers for a smoking cessation program.

Ms. Brown indicated that she would like to utilize the Visiting Nurses Association as the approved vendor for on-site flu and pneumonia vaccines again this year. They have agreed to provide the vaccinations at the same fees they charged last year.

Mr. Mark Castellano made a motion to contract with the Visiting Nurses Association to provide on-site flu and pneumonia vaccines to District employees; Mr. Marty Mesch seconded the motion; motion passed unanimously.

There was discussion about the disappointingly low participation of Transportation employees in last year’s flu and pneumonia vaccination program. Mr. Rushlow suggested that Ms. Brown attend the mandatory meetings for transportation employees and promote the vaccinations. He indicated that he would also attend if needed. Someone suggested that perhaps they could be administered during these mandatory meetings since all transportation employees were required to attend. Ms. Brown said she would contact Mr. Jack Shelton to discuss.

Ms. Brown indicated that if people took full advantage of the District’s Employee Wellness Programs, it could result in a reduction of claims of up to \$6,000,000 according to Blue Cross Blue Shield’s Action Plan.

Mr. Mesch suggested that screenings and other Wellness programs be made available to the spouses of employees. Ms. Brown indicated that the screenings/appraisals, exercise classes, and smoking cessation programs are open to spouses.

TSA Program and Model Plan Update

Ms. Susan Strong updated the group on the IBC Model Plan for tax sheltered accounts. TSA Consulting Group will be handling the new reporting requirements for the District at no cost to the District. They will be paid for these services by the TSA vendors. Ms. Strong pointed out that the Model Plan has the endorsement of:

- Florida Superintendent's Association
- Florida School Board Association
- Florida Educators Association

She indicated that decisions would need to be addressed at future ITF Meetings regarding:

- Adoption of the IBC Model Plan
- Status of existing companies (both active and inactive) on District's TSA vendor list
- Status of companies who cannot meet the data reporting needs of TSACG or have not agreed to contribute to the cost of the administration fees

Ms. Strong indicated that the new IRS rules will go into effect January 1, 2009, so time is of the essence since the Board will need to approve any changes to the District's current TSA Guidelines and adopt a new plan document by the end of this calendar year.

SB 2534

Ms. Strong discussed the recently adopted Senate Bill 2534, which was passed in an effort to provide health coverage to individuals currently not covered by health insurance. The part of the bill that impacts the District is the provision regarding dependent children age 26 to 30 years old. The bill provides for a special open enrollment from October 1, 2008 through March 31, 2009, for dependent children who have "aged-off" their parents' health insurance plan.

Ms. Strong has been working with Paul Hebert, the attorney with Gallagher Benefit Services, for clarification on this new law. Mr. Hebert contacted the Department of Insurance with clarification questions; however, they told him it may take a few weeks to get answers.

Because there is confusion regarding some provisions of this new law, Ms. Strong has only released information to employees that she believes is clear in the bill.

Letters have been sent to all employees and retirees about Senate Bill 2534 and the special open enrollment period. She also included an article in the Fall Issue of the Benefit Revue.

Vision Insurance RFP Update

Ms. Barbara Crowe updated the group on the Vision Insurance RFP. The RFP was released and eight (8) proposals were received, which was an excellent response. However, because so many of the companies were disqualified because they did not meet the AM Best A+ rating

requirement, the subcommittee decided to re-release the RFP with a lowered AM Best requirement of A.

Ms. Crowe indicated that the second RFP had already been released and that a special ITF Meeting would be necessary to meet our tight timelines for Board Approval. The meeting will be held on September 29, 2008, to make a vision insurance recommendation.

Disability Insurance COB

At a prior meeting, Mr. Mark Castellano had distributed a letter he received from a TALC member who was upset about how her disability claim had been adjudicated.

Ms. Karen Cooley was asked to explain to the Task Force how the short-term and long-term policies coordinate benefits with other sources of income. In this case, the employee had been approved for social security disability benefits, which offset from any benefit she would receive from the disability insurance company and the offset is what upset her. She felt she deserved both amounts – full social security disability and the full disability benefit from Unum. Karen explained when the employee applied for the benefit, the information provided by Unum clearly explained the coordination of benefits provision. In addition, employees receive booklets for both short-term and long-term disability, which again explain the coordination of benefits provision.

Barbara Crowe explained that coordination of benefits is a normal provision for disability policies and that she is not aware of any disability product that does not incorporate that provision. If disability policies did not have coordination of benefits clauses, the premiums would be cost prohibitive.

Mr. Castellano said he would respond to his member who sent the letter.

Good of the Order

Ms. Marcia Fain had sent Susan a letter she received from an employee asking that the committee address the issue of coverage for infertility procedures.

Ms. Strong indicated that the Task Force had addressed this issue in the past and had agreed that the plan benefits should not be changed to cover this benefit. She agreed, however, to put this on the agenda for a future meeting so it could be addressed again.

Ms. Strong indicated that one of the concerns the bargaining team had about eliminating the 927 Plan was the concern that many people may have enrolled in that plan because of the 45 outpatient behavioral health visits. Ms. Strong had asked BCBS to determine how many employees used more than 20 outpatient behavioral health visits (the amount covered by the other plans) during the last plan year. Their report indicated only 3 people in the 927 Plan had exceeded 20 outpatient behavioral health visits (24 visits, 27 visits, and 29 visits). Based on this data, it was clear that most employees who chose the 927 plan had not done so for the outpatient behavioral health benefit.

The next meeting is scheduled for Monday, September 29, 2008, at 3:30 PM.

The meeting was adjourned at 4:51 PM.