

*February 9, 2012*

**INSURANCE TASK FORCE COMMITTEE MEETING**

**Members Present**

Dr. Greg Adkins  
Steve Bowman  
Lisa Brown  
Leo Burt  
Mark Castellano  
Karen Cooley  
Marcia Fain  
Mike Hamilton  
Bonnie McFarland  
Jamie Michael  
Donna Mutzenard  
Tommy O'Connell  
Bob Rushlow

**Members Absent**

Shandra Backens  
Dr. Ami Desamours  
Suzan Rudd  
Jeanne Dozier, Liaison  
Board Member  
Joe Pescatrice, Retiree  
Liaison

**Others**

Barbara Crowe  
Laura Lowe, Johns Eastern  
Robin McDonald  
Terri Roney  
Karen Toro  
Glen Volk  
Karen Whitmore

The meeting was called to order at 3:06 PM.

Ms. Bonnie McFarland noted that as there was not yet a quorum, minute approval would be done at a later point in the meeting.

**Review of Health Plan Financials**

Mr. Glen Volk reviewed his financial report with Insurance Task Force members, noting the December was a little better with an 83% loss ratio. His projection for the year is a \$1 million gain.

**Approval of Minutes – January 12, 2012 & January 23, 2012**

Ms. Bonnie McFarland asked if there were any additions, deletions, or corrections to the minutes of the January 12, 2012 or the January 23, 2012 meetings. There being no changes to the minutes, Mr. Mark Castellano made the motion to approve the minutes of the January 12, 2012 and January 23, 2012 meetings. Ms. Marcia Fain seconded the motion; motion passed unanimously.

**Blue Cross Quantity Limits**

Ms. Bonnie McFarland informed members that the information they requested regarding this issue is not readily available – why certain prescriptions are rejected – and that quantity limits will be addressed as soon as the info is received. Mr. Robin McDonald stated he hopes to have the data for the next ITF meeting.

## **Wellness Presentation**

Ms. Bonnie McFarland stated that a better name for this wellness presentation would be Strategic Health Management Approach to Cost Containment, noting that if health risk factors are controlled, costs can be controlled. She also noted that incentives are going to be looked at.

Ms. Lisa Brown shared her presentation with the ITF, noting that her focus is on the wellness component. She informed ITF members that a health risk is anything that increases a person's odds of getting a disease and the role of the wellness program is to reduce high and moderate risk levels and support the maintenance of those who are low risk. Ms. Brown indicated that medical costs follow health risks and that reducing health risks will help contain costs. She indicated that employees who participated in the FY10 health risk appraisal process cost the health plan \$1,152.43 less per participant for a total of \$857,407.92 according to a BCBS claims analysis. Lisa reviewed all of the interventions the wellness program provides and noted that Blue Cross also provides services to employees in addition to paying for the wellness programs. She noted that participation was good for 2011 at 8,881 participation units. Lisa informed ITF members that in order for the health risk appraisal program to be successful, at least 50% of employees need to participate. She noted that during the FY11 health risk appraisals, 9 critical values (employees needing immediate medical attention) were found – six who were unaware of their medical issues and three who had been diagnosed but were not treating their issues. She also noted that 32% of employees at one site were found to be at risk for diabetes. Mr. Bob Rushlow asked what strategies will be taken to help these employees, and Lisa noted that an on-site certified diabetes educator will provide classes for these employees. She also indicated that the current programs in place to help with diabetes (exercise classes, health challenges, nutrition classes) will continue. Ms. Bonnie McFarland noted that it is important to get staff engaged in the health risk appraisal so they become aware of their risks. Lisa noted that the high risk areas for LCSD employees are diabetes, nutrition, weight and exercise. She noted that incentives will be looked at as a means of driving engagement in the health risk appraisals and informed ITF members that there is an average return of \$3.00 for every \$1.00 invested and noted that to achieve a 60%-80% participation the incentive cost to the District would be \$150- \$250 per employee, or \$855,000 to \$2,225,000. The decision will need to be made whether the District would like to pursue incentives as a means of engaging employees in their personal health to reduce risk factors and contain healthcare costs.

Ms. McFarland informed ITF members that the first Clinic RFP meeting was held and two more have been scheduled. She noted that a Population Health Management committee will be formed for the purpose of seeing that all the different components being looked at separately fit together and work as a whole. She asked if anyone would be interested in being a member of this committee, noting that it should be a committee of 6 or so members, including some ITF members, herself, Lisa Brown and perhaps a couple of other District employees. Mr. Mark Castellano and Ms. Jamie Michael volunteered to be on the committee. Ms. McFarland stated that she will send out an email to see if anyone else is interested in being on this subcommittee.

## **Use of Reserves-Incentives**

Mr. Mark Castellano asked for clarification on the amount of the current reserve. Mr. Glen Volk verified that it is \$31,000,000 as of the end of March, and that the state requires the reserve to be \$12,000,000.

Mr. Tommy McConnell stated that care needs to be taken in the use of this reserve, noting that \$3,000,000 will be used to keep health insurance premiums the same for the 2012-13 plan year, \$4-\$6 million will be used for the clinic. Mr. McConnell stated that the ITF needs to move forward in looking at all possible options for keeping premiums down, and not shirk the responsibility, expressing a concern that the majority rule isn't effective when interest based procedures are requested. Dr. Greg Adkins referenced the Interest Based process that is included in the collective bargaining agreements with TALC & SPALC.

Ms. Bonnie McFarland stated that the options of using reserves and penalties for noncompliance should be put before the Population Health Management subcommittee. She also discussed with ITF members that the healthcare exchange is currently a law. This law states that employers can choose not to provide healthcare to their employees. If they make this choice, they will be fined \$2,000 per employee. If an employer makes this choice, employees would have to go to the healthcare exchange for insurance. This is something that must be kept in mind if no changes are made to President Obama's healthcare plan. Ms. Jamie Michael stated that SPALC doesn't want to delay decisions; they just want to have all the facts before items are voted on.

### **RFP Discussion and Timeline**

Ms. Bonnie McFarland reiterated that the first Wellness Clinic meeting was held and two more are scheduled. Disability RFP Committee invites went out today. Ms. McFarland notified all that open enrollment begins next week, and is moving to 100% electronic enrollment this year. She also informed members that Insurance & Benefits staff will be at each transportation complex four times to assist employees with their online open enrollment. There will also be four computers set up in the Insurance & Benefits Department for any employee who needs assistance. She also noted that all employees should go online and check their benefits.

### **Dental Providers**

Ms. Marcia Fain stated that there are some questions regarding dental providers not participating with Humana. Ms. McFarland informed everyone that twenty two dentists have joined Humana over the last two months, after Humana contacted them. She noted there are some misconceptions about Humana. Dr. Adkins stated that it has been disappointing to see the reaction of employees to the change to Humana, in discrediting Insurance and Benefits staff and all of the hard work they have done to manage this change. Mr. Mark Castellano noted that the RFP for dental was done very thoroughly and Humana's proposal was clearly the right choice. Dr. Adkins informed the ITF that Dr. Burke has asked for a forensic audit on the dental RFP, and it will hopefully be brought to light that the ITF did its due diligence. Ms. Bonnie McFarland noted that Flex Spending is always an option if someone doesn't want to pay for insurance – they can take on the risk themselves and not purchase insurance.

### **Johns Eastern – Contract Extension**

Ms. Bonnie McFarland discussed extending the current Johns Eastern contract with ITF members. She reviewed with members all of the services that Johns Eastern provides in addition to handling worker's compensation. She noted that there was no rate increase between 2004 and 2010. There was a rate increase in 2010, and has been no increase since. There have been no audit findings and reports were found to be 100% in compliance. She noted that their current rate is \$588,525 annually and a in recent

market scan done by Duval County Schools rates ranges from \$585,000 to \$768,500. She also noted that there is a 90 day termination clause in the current contract. Mr. Bob Rushlow stated that the ITF should honor their decision to do an RFP for this contract as previously decided by the Task Force. Dr. Greg Adkins noted that it no longer feasible to consider doing this RFP when the ITF is committed to other RFPs already in process. He cannot support it. Mr. Bob Rushlow again stated that an RFP needs to be done to honor last year's decision. He has been dealing with a lot of worker's compensation issues. Dr. Adkins noted that all issues that arose were dealt with very diligently and one issues was unfounded. SPALC expressed their disagreement that all issues had been resolved. Ms. Bonnie McFarland asked what areas are of concern. Mr. Bob Rushlow stated customer service – but had no specifics to talk about at this time. Ms. Jaime Michael stated that an RFP takes at least 6 months to do, and that there isn't staff or time enough to do this RFP. Ms. Lisa Brown stated that she supports honoring decisions; however that decision was made in a different time within a different environment. The Board has now determined that the Clinic RFP is mandatory. Ms. Bonnie McFarland informed the ITF members that 2 RFPs were done last year, 2-3 RFPs will be done this year, and each year as we move forward. She noted that history back to 1997 shows that one, sometimes two and sometimes no RFPs were done per year. She noted that 2-3 RFPs will be done per year to get things on a cycle that works with the amount of staffing the department has. She also stated that a strategic approach needs to be taken to deal with larger dollar items first as they have a greater impact. Ms. McFarland stated that there have only been a handful of issues, and two of the issues were not issues with Johns Eastern at all.

Dr. Greg Adkins stated that the Task Force has tried very hard to work with SPALC and TALC on these issues. An RFP was decided upon, but the world has changed – we do not have the staff or the time to do another RFP.

Laura Lowe informed ITF members that Johns Eastern has 60 public entity clients. She noted that Johns Eastern understands the economic difficulties of today, and she stated that she is willing to come down on a monthly basis to handle any issues that arise.

A motion was made by Ms. Marcia Fain and seconded by Ms. Karen Cooley to renew the Johns Eastern contract for three years.

Mr. Robert Rushlow asked that if the contract was cancelled using the 90 day clause, would an RFP be done. Ms. Bonnie McFarland stated yes.

The motion passed with a vote of 11 for and 1 against.

### **Good of the Order**

Ms. Marcia Fain asked if the Brown and Brown contract had been accepted and Ms. Bonnie McFarland informed her that the ITF had accepted the renewal at \$90,000 for 2012-13 and \$90,000 for 2013-14 and that it will be going to the Board on 2/21/12.

### **Adjournment**

The meeting adjourned at 5:10 p.m.