

**INSURANCE COMMITTEE MEETING MINUTES
YULEE MIDDLE SCHOOL – 4:30PM
THURSDAY, JANUARY 16, 2014**

Attendees: Susan Farmer – Executive Director of Business Services
Suzanne Davis – Director of Personnel Services
Joshua Bozeman – Teacher, Yulee Elementary School
Richard Burton, Paraprofessional, Yulee Middle School
Jackie Tyson – Agent, Miller Health Group

Absent Members: Beverly Kurak – Teacher, Yulee Middle School
Marian O’Neal – Supervisor’s Secretary, Adult Education & Dropout Prevention
Melissa Stokes – Teacher, Yulee Elementary School
Luz Vasquez-Bieker - Paraprofessional, Hilliard Elementary School

Guests: None

Meeting Called to Order

The meeting was called to order by Suzanne Davis at 4:38 PM.

Adoption of Agenda

The agenda was reviewed. Joshua Bozeman made a motion to accept the agenda and Richard Burton seconded the motion. The motion was carried unanimously.

Review of the October 17, 2013 Minutes

The minutes from the October 17, 2013 meeting were reviewed. One (1) correction was noted: “Mrs. Farmer” should be “Ms. Farmer”. Ms. Farmer made a motion to accept the minutes and Joshua Bozeman seconded the motion. The motion was carried unanimously with the correction noted.

Discussion of Claims Information from Florida Blue

Jackie Tyson provided a claims report dated December 23, 2013. December’s claims have not yet been finalized. Jackie will request the data as soon as it is available and email it to Ms. Farmer. Claims for November 2013 claims jumped to 86%, up from 67% in October 2013 and 68% for last year (November 2012). The current average Medical Loss Ratio sits at 70.91% whereas last year for the same period of time our Medical Loss Ratio was 72.89%. Medical Loss Ratio is the calculation of premiums versus claims.

March or April, depending on how the claims look, will be the ballpark month for locking in our renewal rates. Insurers are paying the new fees implemented through Health Care Reform. However, the insurers are tacking the fees into their premium calculations for renewals. As such, renewals across the board are anticipated to increase.

Update of the Patient Protection & Affordable Care Act

Jackie Tyson attended a National Association of Underwriters meeting (NAHU) January 15th with three of the top insurance carriers (United Healthcare, Aetna and Florida Blue) and Tasc, a Third-Party Administrator. The basis for the meeting was to gain an understanding of how the Affordable Care Act (ACA) has impacted carriers, specifically to learn if carriers were seeing benefits from the legislation. Wellness benefits were viewed by one carrier as to possibly decrease the rates in time, but as of now it has increased rates. He stated ROI is hard to define with respect to wellness now or in the future. The bulk of the topics revealed that carriers are struggling to keep up with the changes and are fearful of potential losses. Florida Blue advised that taxes and fees have resulted in increased premiums, which isn’t good for the consumer. Aetna advised that their small groups have been impacted the most, requiring changes in plans to satisfy minimum requirements. These changes are resulting in at least a 10-12% increase to small groups.

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The carriers see an opportunity for the development of more gap/supplemental plans to help off-set some of the high deductible plans currently in the marketplace and to generate more revenue for the carrier. High deductible plans are more pervasive now than ever before. United Healthcare is not currently offering plans in the Exchange whereas Florida Blue and Aetna do offer plans.

The pricing structure for proposed plans was based on a metric of set age brackets, to include at least 40% of younger enrollees which they hoped would result in stable or lower premiums for consumers. Since the younger age brackets aren't currently purchasing plans at the level the carriers need to support claims, carriers are anticipating higher premiums.

The panel suggested that self-funding is becoming more popular. Self-funding avoids adjusted community rating and allows for medical underwriting. The self-funded group currently avoids some of the taxes and fees which impact small and large groups. They are seeing that some of their clients have an increased interest in getting out of the risk pool. Florida Blue said they will likely see more self-funded customers.

Individuals who are covered by Medicare and who also are covered under an employer's insurance policy have historically paid less for their group health insurance premiums if the employer has fewer than 20 employees. This is because Medicare is generally the primary coverage for this size of employer. As a result of the Affordable Care Act, the group health insurance rates will no longer be discounted and covered individuals may see as much as a 50-60% rate increase (per Aetna).

Jackie reviewed the changes to FSA rules to include an allowance for employees to use the benefit past the defined plan year. The changes which Ms. Farmer knew of were pertaining to the over-the-counter prescription removal and the reduced annual cap for medical reimbursements to a total of \$2,500. Jackie indicated that changes were made to allow participants to roll-over unused dollars to the following plan year for claims. Ms. Farmer advised that she was aware that she was permitted to process claims in the following plan year (within a brief window at the start of the following plan year) for service dates which fell into the previous plan year. Jackie was going to research this and provide follow-up to Ms. Farmer and Mrs. Davis.

Public Comments

None.

General Question and Answer Session

None.

Next Meeting Date

The next meeting is tentatively scheduled for March 20, 2013 at 4:30pm. Location is to be determined.

Meeting Adjourned

Joshua Bozeman made a motion to adjourn the meeting and Richard Burton seconded the motion. The meeting adjourned at 5:15pm.

*Minutes Prepared By: Laurie Robert
Supervisor's Secretary, Personnel Services Department*