

**INSURANCE COMMITTEE MEETING MINUTES
YULEE MIDDLE SCHOOL – 4:30PM
THURSDAY, MARCH 20, 2014**

Attendees: Susan Farmer – Executive Director of Business Services
Suzanne Davis – Director of Personnel Services
Beverly Kurak – Teacher, Yulee Middle School
Melissa Stokes – Teacher, Yulee Elementary School
Marian O’Neal – Supervisor’s Secretary, Adult Education & Dropout Prevention
Richard Burton – Paraprofessional, Yulee Middle School

Absent: Joshua Bozeman – Teacher, Yulee Elementary School
Luz Vasquez-Bieker – Paraprofessional, Hilliard Elementary School

Guests: Jackie Tyson – Agent, Miller Health Group
Allison Profitt – The Bailey Group

Meeting Called to Order

The meeting was called to order by Ms. Susan Farmer at 4:36 PM.

Adoption of Agenda

The agenda was reviewed. Beverly Kurak made a motion to accept the agenda and Melissa Stokes seconded the motion. The motion was carried unanimously.

Review of the January 16, 2014 Minutes

The minutes from the January 16, 2014 meeting were reviewed. Beverly Kurak made a motion to accept the minutes and Richard Burton seconded the motion. The motion was carried unanimously.

Introduction of Allison Profitt from the Bailey Group

Mrs. Suzanne Davis introduced Allison Profitt to the Insurance Committee. Allison has been working with the Bailey Group for over seven years. She has worked primarily with self-insured groups such as the Tree of Life and is now working with fully-insured groups. Allison was formerly employed by Humana serving groups including Baptist, St. Vincent’s and The Haskell Companies. She has also served the St. John’s County School District and the Alachua County School District. Allison will work alongside Jackie Tyson serving the Nassau County School District.

Medical Claims

Jackie Tyson provided a handout showing the current year’s claims ending with January 2014 and a comparison of the same period for the year prior. Claims for December 2013 yielded a Medical Loss Ratio (MLR) of 77.71% which is somewhat high in comparison to December 2012’s MLR of 68.36%. January 2014 claims yielded a 78.93% MLR where as January 2013 was at 69.02%. The average for the last 12 month’s claims was 72.6% which is trending very close to the 73.16% for the same period last year.

This year’s renewal will include several fees/taxes associated with Healthcare Reform and pooling charges. Pooling charges are related to members whose claims exceed \$160,000 in a given plan year. Once claims for a member exceed the \$160,000 threshold, their claims are shifted to the reinsurance pool and written off by the insurance company, which also removes their claims from our claims. We have a few members’ whose claims have met this threshold and a few more that may potentially meet that benchmark.

Jackie Tyson recommended that we wait for March 2014’s claims to become available prior to reviewing renewal rates, affording time for the MLR numbers to lower. Claims for March should be available in the middle of April.

Dental Renewal Rates

Jackie Tyson provided the Insurance Committee with a packet of materials showing the renewal rates proposed by Humana. The Nassau County School District (NCS D) went out to bid on dental and vision prior to the 2012-2013 plan year. While several companies had submitted proposals, the NCS D opted to remain with Humana for both

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dental and vision benefits. As such, Humana provided the NCSd with a two-year rate guarantee which expires at the end of the 2013-2014 plan year (September 30, 2014).

The claims for the Elite Preferred 510 (EP510), our PPO plan, were trending significantly higher than the remainder of the plans. A review of claims versus premiums dating back to February 2012 showed claims totaling \$115,412.10 while premiums totaled \$104,386.00, a difference of \$11,023.10. This generated a proposed renewal bearing a 9% increase over the current year's rates. In a further analysis of the PPO plan's utilization, claims were 44% and 56% for in-network and out-of-network providers respectively. This plan was introduced for the 2009-2010 plan year. Since our other plans have few in-network providers, the PPO plan provided members with the right to venture out-of-network while still receiving benefits, albeit at a slightly different coinsurance rate.

Mark Bailey (The Bailey Group) and Jackie Tyson revisited the renewal proposal with Pam Aguiar of Humana and negotiated a reduction in the increase from 9% to 5%. All other dental plans with the exception of the Advantage Plan are proposed to sustain a 5% increase. The Advantage Plan will not have any increases this year and the new rates include a one-year rate guarantee.

The vision plan was presented with two proposals. The first provided the NCSd with rates including a 3.9% increase and a two-year rate guarantee and the second left the rates unchanged, yet offered a one-year rate guarantee. Mrs. Davis noted that if the Insurance Committee wanted to go out to bid, these two items are typically shopped together therefore it would be best to keep the dental and vision products on the same guarantee schedule.

Ms. Farmer asked the Insurance Committee if they were ready to move forward with a decision this evening regarding dental and vision. Marian O'Neal noted that it would be best since the subsequent meetings would need to be dedicated to the health insurance renewal.

Marian O'Neal made a motion to move forward with the dental rates as proposed and Beverly Kurak seconded the motion. The motion passed unanimously.

Melissa Stokes made a motion to move forward with the vision plan, electing the one-year rate guarantee which leaves the rates unchanged for the 2014-2015 plan year. Beverly Kurak seconded the motion. The motion passed unanimously.

HIPPA Compliance On-Line Course

During the January 16, 2014 meeting the Insurance Committee members were provided with a link by The Bailey Group for an on-line HIPPA Training Course. There was a tracking mechanism which would provide a report showing which Insurance Committee members had completed the course. Jackie Tyson provided Ms. Farmer with the report showing who needed to complete the course and the link will be resent to Insurance Committee members the next business day.

Florida Blue Drugs & Responsible Steps Update *(not on agenda)*

Jackie Tyson provided the Insurance Committee with an email from Florida Blue showing an update for the prescription program which would become effective April 1, 2014. Florida Blue publishes their Medication Guide roughly two times a year and updates as necessary. The Medication Guide can be found on www.floridablue.com by selecting Members, Prescriptions, Medication Guide and Specialty Pharmacy. The NCSd's group plans fall under the category of Medication Guides for Individuals (Non-Medicare) and Group.

Prescriptions are, on occasion, subject to certain restrictions which are established by the insurance company. The updates outlined on the email contain new medications added to those that are subject to:

- Prior Authorizations – where the insurer needs authorization from the physician
- Responsible Steps – where alternate, less expensive drugs must be tried before brand, higher cost
- Responsible Quantity – where limits are placed on monthly dispensing quantities
- Drugs Not Covered – provides a list of drugs not covered and covered alternatives

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Members who are currently taking the medications on the list are not impacted. The restrictions imposed on the drugs listed are only applicable to members who are not currently taking these medications.

There was discussion if this information should be posted/emailed to members for fear that this could potentially cause confusion. However, Marian O'Neal stated that the information should not be withheld from members and the notice from the NCSd should contain directions for members to contact Florida Blue for questions.

Payroll Deduction for FIT Program

Ms. Farmer has received a request from Angela McClellan, the NCSd Homeless Liaison, regarding the Families in Transition (FIT) program. The FIT program provides clothing, school supplies and other resources to the families of children who are considered, by state standards, to be homeless. The standard of homelessness includes families who are living with other family members, those in hotels/campgrounds and those that are placed in housing by various agencies throughout the State of Florida. All of these living arrangements are in transition and are temporary in nature.

According to Ms. Farmer, employees within the school system have asked Angela if there was a means for payroll deductions to be withheld and dedicated to benefit the FIT Program. Currently, the only charitable deduction in place is to benefit the United Way of Northeast Florida. Ms. Farmer asked the Insurance Committee if they would support presenting this to the Board for approval. To clarify a few questions, the smallest increment of payroll deduction would be \$5.00 and the deduction would be on an after-tax basis.

Melissa Stokes made a motion to present the FIT Program payroll deduction to the Board for approval. Beverly Kurak seconded the motion. Marian O'Neal was opposed. Marian's concern is over who receives the interest on the funds which are deducted. Ms. Farmer advised that the funds would be in the school board's general fund, which would be the beneficiary of any interest earned.

The motion carried.

Future Insurance Workshops

The Bailey Group is currently seeking ways to help curb our insurance costs.

Retirees

The NCSd has a population of retirees who participate in our group health insurance plan, some of these retirees are not eligible for Medicare since they are not age 65. The Bailey Group is interested in hosting insurance workshops to educate our retirees on the alternative options which they have with regard to their healthcare. The Bailey Group would also potentially assist these members with enrolling in alternate elections.

Currently the school's policy is that if a member is retired and they cancel their group insurance, they are not permitted to rejoin the group. There is a potential for a one-time option for impacted members to return to the group in the event that they are not satisfied with their alternate election.

Funding

The Bailey Group will also do research to see if the NCSd would be better served in a self-funded capacity as opposed to a fully-funded capacity. Mark Bailey, Jackie Tyson, Ms. Farmer and Dr. John Ruis have met to examine the options through a self-funded platform.

During the course of the 2014-2015 plan year, the Insurance Committee and the Board will explore options for self-funded insurance. This might not mean a rate decrease, however there is potential to reduce the percent of increases that we have experienced in the past few years. This might even reintroduce the employee health clinic idea which was never realized.

A self-funded plan would require the introduction of a Third Party Administrator (TPA). There is a fee for a TPA, however since all of the profits would belong to the NCSd, there would still be a savings over splitting profits 50/50 with the fully-funded insurer. The transition to a self-funded group would be seamless and invisible to members. All the changes are on the administration and claims side of the process.

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Marian O’Neal asked Ms. Farmer if the district was considering the option of not offering health insurance in light of the increasing costs. Ms. Farmer responded, “no”. Marian also inquired if moving the retirees off the group would reduce claims enough that we could remain fully-insured. There isn’t a clear answer on this item since the savings would not be realized immediately and the retirees are not the sole group of individuals with high claims.

Public Comments

None.

General Question and Answer Session

None.

Next Meeting Date

The next meeting is tentatively scheduled for May 6, 2014 at 4:30pm. Yulee Middle is the targeted location. However until confirmed, the location is to be determined.

Meeting Adjourned

Marian O’Neal made a motion to adjourn the meeting and Beverly Kurak seconded the motion. The meeting adjourned at 5:40pm.

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