

INSURANCE COMMITTEE MEETING MINUTES
YULEE MIDDLE SCHOOL – 4:30PM
THURSDAY, FEBRUARY 19, 2015

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

Guests: Brian Henning – Edward Jones Financial
Jackie Tyson – Agent, Miller Health Group
Allison Profitt – The Bailey Group

Absent: Melissa Stokes – Teacher, Yulee Elementary School

Meeting Called to Order

The meeting was called to order by Suzanne Davis at 4:37 PM.

Adoption of Agenda

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

Review of the Minutes from November 20, 2014

The minutes from the November 20, 2014 meeting was reviewed. Beverly Kurak made a motion to accept the minutes and Marian O’Neal seconded the motion. The motion was carried unanimously.

Aspire Financial: 403(b) *Brian Henning*

Brian Henning with Edward Jones Financial made a presentation on the products that he would like to gain approval to sell to the employees of the Nassau County School District. Aspire Financial is a 403(b) platform that offers mutual funds, not only annuities, which represents the bulk of our current TSA offerings. Aspire would serve as the custodian of records, the Third Party Administrator and would coordinate online access for plan participants. Participants would have options ranging from mutual funds, Exchange Traded Funds and annuities. There are currently over 400 mutual funds available through Aspire. Aspire does not have financial advisors.

There were a variety of fees involved, all of which are paid by plan participants and not the school district:

- \$40.00/year, \$20.00 of which is paid to the TSA. This is a regular, reoccurring annual fee.
- .15% of the balance within the account, paid over the course of the year.
- Annual Expense Ratio is charged at an average of .25% on the balance within the account, paid over the course of the year. Edward Jones receives .05% of this fee.

Edward Jones offers a five-step approach to investing to help determine a participant’s financial goals. There are high-risk approaches to investing as well as moderate and low-risk approaches. Edward Jones offers seminars to employees, both in group and individual one-to-one settings. Edward Jones is a privately held company; they are not traded on the New York Stock Exchange (NYSE) and the company does not own any mutual funds. They currently work with Florida State College of Jacksonville (FSCJ) and roughly 10-15 school boards in the State of Florida. Joshua Bozeman asked if participants moved out of the country, would they still be able to participate in the plans. Marian O’Neal asked about product descriptions and Brian Henning advised that he will forward the responses on these two items to Suzanne Davis for distribution to the Insurance Committee Members.

Medical Claims *Jackie Tyson*

Jackie Tyson presented the group with a Utilization and Enrollment report spanning over the period of February 2014 through January 2015. Claims for the month of November 2014 and December 2014 were low with Medical

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Loss Ratios (MLR) of 48.40% and 57.74%, respectively. However, the month of January 2015 reached a high of 98.29%. Susan Farmer noted that the January figure would contain claims for services and/or procedures that employees experienced over the winter recess. The MLR for the trailing 12-month period averaged 68.55%. Jackie Tyson has ordered a high claims report to review with Susan Farmer.

Once February's claims are issued, around mid-March, the Insurance Committee can begin to look at renewal for 2015-2016. Renewals are currently trending at 10.8% nationwide. Over the past few years the Nassau County School District has been able to renew group rates well beneath trends.

Wellness Dollars Jackie Tyson

Kim Clemmons, the Nassau County School District's Wellness Coordinator, had received a call asking if the wellness dollars received from Florida Blue had any impact on our rate. Jackie Tyson provided an email response from Andy Carroll with Florida Blue on the matter:

"As a valued partner of Florida Blue we have supported Nassau Schools in their wellness endeavors through the Better You From Blue program as well financial support for their programs when we can. Any wellness funds that have been shared in the past have no bearing on the group's renewal or the "rates". Due to their improved experience, we are able to provide Nassau Schools a renewal this year that far outperformed medical trend and supports our position that increasing wellness and awareness makes for more healthy and educated consumers. We will continue to support and promote wellness and awareness to try and combat medical trend each year. As you know, their group is 100% credible and the renewal is based solely on their own claims experience. So even if there was no wellness contribution, the "rates" would be the exact same."

NOTE: It should be noted that "100% credible" means that the district's plan is not lumped together with any other employers and/or groups. We are not sharing claims, good or bad, with any other entity outside of our own employees and retirees.

Richard Burton asked if the wellness dollars from Florida Blue could be applied to reduce insurance rates as opposed to being used for wellness. Jackie Tyson responded that the dollars received from Florida Blue, which are designated as "wellness dollars", can only be applied to wellness programs. The funds are a one-time allocation and are not guaranteed to be offered on a reoccurring basis. Ellen Wiggins asked if the amount that we received was \$75,000 and Susan Farmer advised that this was the most recent amount provided by Florida Blue, however the amounts can vary. Susan Farmer also noted that during our most recent bid, Florida Blue was the only responder to include wellness dollars in their proposal. Ellen also asked if these funds pay an employee's salary, referring to the Nassau County School District's Wellness Coordinator, Kim Clemmons. Susan Farmer advised that we have grant money to support our wellness program.

Susan Farmer indicated that currently, wellness is focused on bus drivers as a result of new federal regulations. Bus drivers will need to meet certain criteria in order to remain in their positions. Kim Clemmons has been hosting classes and workshops during the day, between driver's routes in order to accommodate their schedule.

Marian O'Neal discussed issues with the wellness program. Marian stated that NESPA members are not all receiving communications (e.g. custodians do not have email access) and that there is no central location within worksites where this information is posted, along similar postings for NESPA and NTA Union materials. Beverly Kurak excused herself from the meeting to check the Yulee Middle School's common posting area and confirmed that there is no mention of wellness events. Marian O'Neal further advised that she was not aware of a gym at the district office that employees could use and stated that NESPA members were left out of the services that the wellness program is in place to offer. Susan Farmer responded that wellness meetings and events are offered throughout the district at various times of the day. The emails are sent district wide and Principals and Directors are asked to post communications where all employees can have access. Locations and events are contained within the calendar that is part of the email communication.

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Marian O’Neal stated that the salary paid to the Wellness Coordinator should be used for other purposes and Susan Farmer reminded the committee that wellness dollars could not be used for anything other than wellness, furthermore Kim Clemmons’ salary is not taking away from benefits.

Jackie Tyson added that currently there is an offer from Fitness Your Way for three (3) months of gym membership for \$25/month (with a 3-month minimum commitment). Visit <https://fitnessyourway.healthays.com/cam> for more information.

Marian O’Neal asked if we were to remove wellness programs district wide, would we save on health insurance premiums. Jackie Tyson responded, “No”, removing wellness would have the opposite effect on premiums.

Steps will be taken to ensure that wellness communications are readily available at all work sites and that all employees have access to wellness programs at all sites.

Self-Funding Discussion *Jackie Tyson*

During the October 14, 2014 meeting, Jackie Tyson and Allison Profitt provided the Insurance Committee with a detailed overview of Self-Funding and follow-up discussion during the November 20, 2014 meeting. The issue at hand is whether or not the Insurance Committee wants to move forward with self-funding discussion or take self-funding off the table. Ellen Wiggins asked Jackie Tyson for a recap on Stop Loss Coverage to which Jackie responded that this is the cap or the safety net for high-dollar claims. Claims over a pre-determined threshold do not count against the group and that the stop loss policy pays that excess.

Marian O’Neal made a motion to remove self-funding discussion and Richard Burton seconded the motion. The motion carried. Susan Farmer asked for clarification whether the motion to remove self-funding discussion was for this renewal year only, or to forever remove self-funding from discussion. Marian countered that the motion was for this renewal year only.

Comparison of NCSD and ACA Plans *Jackie Tyson*

Jackie Tyson and Allison Profitt did not have the materials for this item and due to time constraints, this item was tabled until the next meeting.

Same Sex Marriage & Insurance Coverage *Jackie Tyson & Allison Profitt*

Based upon the State of Florida’s ban on the recognition of same-sex marriages expiring, fully-funded groups (NCSD is fully funded) must offer insurance coverage to those in same-sex marriages. Suzanne Davis advised that the district is currently in a special enrollment period for same sex marriage couples and that this information has been posted on the web and materials distributed throughout the district with the end of January checks.

IRS Reporting *Susan Farmer*

Susan Farmer advised that in 2016 the Nassau County School District must report an additional tax document along with W2s and that Florida Blue would also have a tax document for which they are liable to report; both documents will be reporting data for the 2015 calendar year. The district will be responsible to report what months of coverage each employee was offered health insurance coverage and Florida Blue will report what months of coverage each employee participated in group health benefits. The district will be responsible to report not only for regular employees working a minimum of 30 hours per week, but also for any substitute and temporary workers who reach these minimums. Florida Blue’s documents will be mailed directly to members.

Susan Farmer advised that work has been underway to ensure that the district is prepared to report the proper items at the close of the 2015 calendar year.

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Long Term Care Survey *Susan Farmer & Suzanne Davis*

Suzanne Davis distributed a one-page survey to the Insurance Committee members asking if the committee was interested in surveying district employees on offering this type of coverage. Long term care covers health expenses such as nursing home fees, transportation costs between hospitals and nursing homes, etc. Costs can be relatively inexpensive for younger subscribers, yet significantly higher for those in higher age brackets. This form of coverage is not something that is currently offered throughout the district.

Beverly Kurak made a motion to distribute the survey and Richard Burton seconded the motion. It was noted that the survey should be sent out with the payroll checks so that all employees were certain to receive a copy. The motion carried.

General Question & Answer Session

- Marian O’Neal asked if there was a provision that retirees insurance premiums could be paid for by the district. For example, if an employee retires with 30 years of service, all of which were served under the Nassau County School District, the district would pay 100% of the health insurance premiums. There were varied tiers of financial support from the district associated with varied years of experience served under the district. Susan Farmer advised that as it stands now, retirees being permitted to remain on the plan have a direct impact on health insurance premiums. The claims for retirees tend to be higher. If the district were to begin subsidizing retiree’s health insurance premiums, more retirees would opt to remain on the group health insurance plan, potentially causing an increase in premiums.
- Marian asked why the Nassau County School District can’t fall under State of Florida insurance plans. Many state health insurance plans bear lower premiums, sometimes at no cost to members. Shands Hospital was the example given. Susan Farmer noted that Shands has a significantly larger employee base which directly impacts rates. There is a governmental group that examines school boards and other governmental entities joining state insurance plans, nothing ever moves off the ground with their efforts.
- Marian asked why the county’s health insurance premiums are lower than ours. Susan Farmer advised that rates are based upon claims and employee demographics; they are a separate group of employees with their own claims history and employee base.
- Marian asked if items such as pregnancy could be excluded from coverage, and only covered as a rider if purchased by the employee. Marian noted that men could opt to not carry this coverage, thereby securing their health coverage at a lower premium. Allison Profitt advised that health items, such as pregnancy, could not be excluded from coverage due to Health Care Reform.
- Marian brought up an email which Laurie Robert sent to her regarding sick leave. Marian brought this to the table for discussion under the impression that this was a sick leave/sick leave bank item. The request in the email was for the NESPA Union to negotiate at the bargaining table for Donated Sick Leave for employees governed by the NESPA contract, such as the NTA Union negotiated for their staff. Beverly Kurak explained to Marian that there was a difference between the sick leave bank and the Donation of Sick Leave program and offered to provide Marian with the contract language.

Next Meeting Date

The next meeting is scheduled for Thursday, April 16, 2015 at 4:30pm at Yulee Middle.

Meeting Adjourned

Joshua Bozeman made a motion to adjourn the meeting and Richard Burton seconded the motion. The meeting adjourned at 6:01 PM.

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