

Eastland-Fairfield Career & Technical Schools  
Insurance Committee Meeting Minutes  
August 11, 2014

Committee Present: Dennis Barber, EEA Representative  
Buffie Clippenger, EEA Representative  
Amy Owens, EEA Representative  
Bonnie Hopkins, Superintendent  
Toi Acton, Assistant Treasurer  
Dawn Lemley, Treasurer

Others Present: Sara Allen, Gallagher Benefit Services, Inc.  
Maggie Neely, Gallagher Benefit Services, Inc.  
Jeanne Tuber, Anthem Blue Cross & Blue Shield  
Betty Sulich, Anthem Blue Cross & Blue Shield

Please note that our Health Insurance Plan is grandfathered so it is not currently subject to many of the provisions of the new, Federal Healthcare laws.

The meeting dates were established for the 2014-2015 year. All will take place in the Board Conference Room at 3:00.

November 13, 2014 (Thursday)	May 7, 2015 (Thursday)
February 5, 2015 (Thursday)	Opening Day – August 2015

Update on wellness programs – EFCTS Board approved resolutions in May for October 2014 biometric/HRA and flu shots. This year will include A1C testing for those who screen at-risk in the initial biometric and a bone density scan. As a reminder, the HRA aggregated results and aggregated insurance reporting information drive the District-sponsored wellness efforts. Also, as a reminder, wellness efforts were initiated from the conversations by the Insurance Committee, as wellness is the next attempt at cost avoidance in healthcare. To that end, Anthem provides an annual \$2,500 for EFCTS wellness activities. This funding is provided for attending a single, ½ day professional development on wellness that has no registration cost – again, demonstrating the belief that quality wellness can equate to reduced (or at least reduction in the increased) healthcare costs. For EFCTS it is also a matter of modeling good attendance behavior for our students, as a critical soft skill. LiveHealth Online and the Musculoskeletal add-on will both be demonstrated at the wellness vendor fair in October.

Open Enrollment Timelines – Beginning Fall 2013, November is now Open Enrollment with premiums withheld in December and coverage beginning January 1. This is to align with Federal Healthcare Reform. Newly-hired staff can elect coverage earlier (first full month of employment) but must coordinate payment with Toi. Changes in status, such as marriage/divorce/childbirth allow changes in insurance outside the open enrollment but must be made within 30 days following the “event”. Covered employees can be held liable for the Board’s share of premium and paid claims for continuing to carry someone

who is no longer eligible – divorced spouses or children who do not meet the eligibility criteria. There will be a new Summary of Coverage distribution in Public School Works during the month of November to comply with notice requirements following this timeline. This is also maintained on the District's Shared Drive – Treasurer's Office/Insurances.

Flexible Spending Account (FSA or 125 Plan) – American Fidelity is the administrator of the plan. The plan runs on a calendar year. For Plan Year, January 1, 2015 – December 31, 2015, the unreimbursed medical plan maximum will be again be \$2,500 with the \$500 carryover available. The dependent care will remain \$5,000. These are the maximums established by the IRS for Calendar Year 2015. Debit cards for the unreimbursed medical FSA will continue to be available to participants - staff and their spouses – at no charge. The mandated, individual meetings with American Fidelity will take place during the first week of December 2014. This allows maximum time to work on calculations for the declaration of the FSA amount. Once the calendar year begins (2015), this amount cannot be modified. Please remember a few notes when working on this calculation. Do NOT include the 20% premium share of health insurance, as that is covered by a separate section 125 plan for its tax deferral. Please do include your co-pays, co-insurance and other medical costs not covered by health insurance. For a list of potential, qualifying items, please look at the American Fidelity website or contact American Fidelity's 125 department. Also, when working on calculations, please remember what you do not submit for reimbursement you cannot access. Thus, if you underestimate your amount, you lose the tax benefit of that dollar. If you overestimate your amount, you lose the whole dollar.

Jeanne reviewed the utilization reports that were prepared by Anthem. Many of the reports provided July 2013 – June 2014 and some provided April 2013 – March 2014 – Paid through June 2014 utilization and comparisons with both the prior year and Anthem's industry benchmarks. The reports also included the HIPAA-compliant high claimant report that anticipates potential stop loss activity and provides summarized information regarding high claimant activity. The reports also provide helpful aggregated demographic, illness/condition, and prescription drug information that can assist with both health insurance plan design and wellness initiative discussions.

Dawn reviewed the Cash-Basis reports for the period July 1, 2013 – June 30, 2014. Average monthly claims for this period reflect an increase compared to last year's. The claims for the last 3 years are very high compared to what the trend should be reflecting. For the current period, the average monthly claims before stop loss = \$156,234 (compared to \$142,242 last year and \$149,465 the year before) and the average net stop loss = \$127,338 (compared to a net of \$113,490 last year and \$117,559 the year before).

One difference to note between Anthem's reports, presented by Jeanne, and Dawn's reports is that Anthem's utilization reports are for claims only – not all costs associated with the self-funded health and dental plans. The Anthem reports are valuable in analyzing the usage of the plan and its utilization comparison with other groups.

Maggie supplied the loss ratio report – reflecting the ability of the fund to cover claims after covering fixed costs. Our spike in average monthly claims had made the ratio nearly 128%, when it should be closer to 80%. In cash terms, the fund expended more dollars than the revenue from premiums for the measurement period July 1, 2013 – June 30, 2014 – tapping into the cash balance. A large claim report was also provided that reflects our claims that exceed stop loss for the same period. We have 3 claimants that exceed the \$75,000 stop loss, where 1.8 would be the expected number. As a highlight to the average monthly claims expense increase, Maggie and Anthem also noted that EFCTS had 15 claimants that exceeded \$25,000 for this same period – and more than 50% of the total claims. The stop loss protection begins at the point that claims exceed \$75,000. Because we have had such stop-loss activity, the premiums for the stop-loss for July 1, 2014 renewal saw a substantial increase and another is expected for the January 1, 2015 stop-loss renewal.

Reminder – Health & Dental Insurance Plan Design Changes - There were some changes for the health insurance plan including increasing the single in-network, out of pocket maximum from \$750 to \$900 – then following is family out of pocket maximum from \$1,500 to \$1,800; out-of network single \$1,500 to \$1,800 and out-of-network family \$3,000 to \$3,600; increasing the office co-pay from \$20 to \$25; increasing the urgent care co-pay from \$35 to \$40; and increasing the mail-order from \$20/60/100 to \$25/75/125. The combination is slight enough for the plan to maintain “Grandfathered” status.

In addition, July 1 renewal added the musculoskeletal enhancement to the plan and removed the 24/7 Nurseline – the prices between the two are very similar. The Nurseline has had very small usage and it is anticipated that those who would access 24/7 Nurseline would, in the future, access the LiveHealth Online instead.

There were no plan design changes for dental, effective July 1, 2014.

Vision Insurance Coverage – Effective July 1, 2014, EFCTS is transitioned with the same vendor to a pooled product. Overall the disruption should be very close to none for our staff and families accessing the plan. The plan design includes the enhancement of transitioning from eye exam coverage every 2 years to annually. The exam and material co-pays have shifted from \$15/\$25, respectively to \$20/\$20.

Because of Federal Healthcare Reform, changes in plan design will need to be decided earlier in the year prior to implementation. The Autumn meeting will likely be a little earlier in 2015 and forward – to accommodate the ability to recommend the renewal, with any plan design changes, to the Board for its approval in time to have the Summary of Benefit Coverage (SBC) modified and posted in Public School Works by November 1 – to meet all reporting and notification mandates. So, the Committee will review plan design options annually at the August meetings for January 1 renewal, starting next year (August 2015), as this is the migration year with a six-month renewal of July 1, 2014 – December 31, 2014 and then another renewal for calendar year January 1, 2015 – December 31, 2015. Again, this is to better align with the timelines of the exchanges or marketplace created by Federal Healthcare Reform. The Committee will review the Anthem renewal for Calendar Year 2015 at the November meeting.

Gallagher Benefit Services Contract Renewal – January 1, 2015 effective – Committee recommends to Board who ultimately determines. The Committee will also review the Gallagher renewal for a 3-year term at the November meeting.

Reminders:

**Wellness Components of Health Insurance Plan** – Musculoskeletal, Future Moms, Condition Care (Disease Management), LiveHealth Online, and Healthy Lifestyles. Healthy Lifestyles can now be accessed under your MyAnthem.com account. Health & Wellness is the magenta tab on the website, while your Explanation of Benefits is the chartreuse. If you already have your username and password (to see your Explanation of Benefits, Available Coverage, etc.) then this login is also used to access Anthem 360 and Healthy Lifestyles.

[http://www.anthem.com/wps/portal/ahpfooter?content\\_path=shared/noapplication/f0/s0/t0/pw\\_ad092904.htm&label=&ref=360employer](http://www.anthem.com/wps/portal/ahpfooter?content_path=shared/noapplication/f0/s0/t0/pw_ad092904.htm&label=&ref=360employer) is the site for health/wellness topic videos.....or use the tinyURL of <http://tinyurl.com/c5nqnb> or <http://www.anthem.com/health-insurance/home/overview?autherr=auth019> or <http://tinyurl.com/7gtkezu> and access your member login – in the small grey box to the right of the screen.

For special offers and discounts, check out

<http://www.anthem.com/wps/portal/eso?brand=special-offers-anthem&state=ca&template=home> or <http://tinyurl.com/6u3fbv6>

**Some District wellness activities include – available regardless of health insurance plan participation:**

Employee Assistance Program – Matrix implementation June 1, 2012

This plan includes 6 in-person visits and Matrix has communicated that 62-63% of cases are resolved with that visit level. This offering is completely outside the insurance, so is available to all full and regular part-time staff. This particular level of program coverage was selected, not entirely but in major part, in response to the aggregated health risk assessment reporting. The website is [matrixpsych.com](http://matrixpsych.com).

The Rite Bite's Rite for You website is \$5 per pay – payroll deduction is an option. The site is <http://theritebite.com/riteforyou/index.htm>. Contact Laura Poland at [laura@theritebite.com](mailto:laura@theritebite.com) or Kendra Conrad at [kendra@theritebite.com](mailto:kendra@theritebite.com) for questions about the site or login requests.

LiveHealth Online costs \$25 for EFCTS health insurance participants and \$49 for full retail price – no insurance or other insurance. The demo of this offering can be viewed at <http://permalink.fliqz.com/aspx/permalink.aspx?at=64e82e38a90545e38d8b2db4a604d643&a=18dc186698f84344a1e5518990de107d>