

August 23, 2023

1:00 – 4:00 p.m.

MEETING:

**SUPERINTENDENT'S INSURANCE ADVISORY
COMMITTEE (SIAC)**

Location:
ESF – Board Room

Meeting called by: Amy Williams

Type of meeting: Advisory

Minutes by: Annette Spiegel

**SIAC
Members
Present:**

Amy Williams (BFT); Kyle Savage (BFT); Leslie Lawter (Local 1010); Lisa Schmidt (Benefits); Anthony Colucci (BFT), Dr. Nel Marshall (School Administration), Dimarcus Simmons (Local 1010)

Staff:

Megan Wright (Board Member sitting in for Kayte Campbell); Cindy Lesinski (CFO); Joe Strohfus (Benefits), Antonia Scipio (Director, Employee Benefits & Risk Management, remote)

Absent:

Katye Campbell (Board Member)

Guests:

Debbie Poole (Lockton, remote), Carolyn Micali (Lockton, remote)

MINUTES

Welcome and introductions: Amy called the meeting to order and thanked everyone for coming.

Approval of the 6/28/2023 minutes: Amy asked for discussion. There was none. Motion to approve received and seconded. All in favor.

Financial Update: Joe Strohfus and Debbie Poole

- Joe discussed financials from June 2023 (the last month of the fiscal year) which were updated from the *draft* data was distributed to the committee in advance of the meeting.
- Total revenue is \$10,451,000, approximately \$1 million higher than June 2022.
- Pharmacy expenditures at \$149,000 reflect a \$1.5 million quarterly pharmacy rebate and \$30,000 depreciation attributable to the Well-Care Centers (WCC).
- Fund balance is \$13,825,000. 2022's fund balance was \$14,734,000 but included a \$4 million Board infusion in May 2022.
- Joe concluded the cost of running the WCCs is consistent month to month and for the first 6 months of '23 cost approximately \$1.6 million to operate.
- Cindy Lesinski reported that the required fund balance for 60 days of claims is \$12,472,000 and there's enough in the fund to cover that when we report to the state.
- Kyle Savage requested the total cost of running the clinics for a year. Joe commented that it would be approximately \$3.2 million (since \$1.6 million was for half a year) and to his knowledge, that number is inclusive of all costs associated with the clinic operations.
- Amy Williams asked why clinic operation costs are so different. Antonia Scipio commented that the South and Central clinics have more utilization. The North clinic has always trended lower. The Central clinic also staffs a Wellness team member and Mental Health team member.
- Debbie Poole reviewed medical claims through June. Enrollment has decreased 1.2% over the same time last year. The medical/RX plan is running at a \$1.67 million surplus compared to budget with a 95.8% loss ratio. RX claims represent nearly 22% of total gross claim costs. On a PEPM basis through June, gross claims have increased 12.4%. There are no large claims over \$500K but 4 claims each above \$250K accounting for 3.4% of total gross claims.
- Paid claims YTD through June 2023 increased 11% compared to the same period in 2022, with a budget that increased 9.2% from last year. The \$1 million stop loss reimbursement is a lag payment from 2022 and Rx rebates increased 25.9% for an overall 7.7% increase in net claims. Fixed costs are up 1.8% and total plan cost is up 6.9%.
- Rolling 12-month figures reflect the cyclical behavior of claims with an improved loss ratio of 102% but the loss ratio should ideally be <100%. Rolling 12 on the Gold Plan shows the plan running at 112% of the budget, a 2% reduction from 2022. Rolling 12 on the Silver Plan shows the plan performing better than the Gold Plan at 86% for the 12-month period.

- Debbie reviewed the CIGNA demographics for the Silver and Gold Plans. Silver participants are generally younger but the entire population over 40 years old incurs issues related to aging. She addressed Kyle's request for an industry metric on the health of the members on Silver vs. Gold noting that the plans' designs are so similar, there is really no benchmarking and the information presented is what CIGNA was able to provide with a focus on age and population.
- Debbie introduced Carolyn Micali, Lockton's Health Risk Solutions representative, who presented information from their Infoclock Data Warehouse. She reviewed data regarding key performance indicators, acute and chronic conditions, the financial summary, and plan utilization.
- The data shows BPS has good generic utilization but there's opportunity to address chronic conditions. Plan utilization shows positive data except for ER visits, up slightly from the norm. She reviewed the top five prevalent conditions: musculoskeletal, hypertension, hyperlipidemia, back pain, and diabetes. BPS is above the norm in prevalence for the top 4 conditions.
- From a financial perspective, BPS needs to focus on health intervention for the bulk of the members, 78%, with claims in the \$1-\$10,000 per year cost threshold before they become high cost, complex members.
- Carolyn reviewed programs BPS does have in place (Mar '22-Mar '23) and the outcomes are inclusive of all plan participants, not just participants in Hinge Health and Surgery Plus. Hinge Health shows positive reductions in spend for MSK/connective tissue conditions along with a 7.7% decrease in MSK surgeries.
- Carolyn addressed cancer prevalence, around 5%, in the BPS population. The top contributor to that 5% is skin cancer. Utilization trends indicate good participation in preventive screenings for all of the top 5 cancers. She reviewed cancer supports in place and offered a solution comparison between Surgery Plus and Carrum Health. She noted Carrum Health's 2-year warranty on coverage. Debbie noted that Lockton introduced Carrum Health as an additional option to cancer care.
- Amy commented that the availability of care with Carrum in the BPS area does not seem optimal. Carolyn commented that Carrum uses virtual guidance and connections but utilizes local providers. Kyle asked what the plan is moving forward regarding cancer care. A discussion ensued regarding the pros/cons and actual need of the supplemental cancer programs. Kyle circled back with his question readdressing cost vs. necessity and Antonia answered that this is a first look at options based on a previous "ask." Debbie said we can continue to vet the options and take a deeper look at current CIGNA cancer treatment support in comparison. Amy recommended getting input from the individuals being treated for cancer instead of from CIGNA. Anthony asked if Carrum is being used in any other school district. Carolyn will check. She suggested that the cancer treatment options are newer programs in the vendor community and in addition to supporting members, could save money by managing cancer treatment more effectively.
- Kyle questioned BPS's prevention plan for skin cancer including sunscreen, protective gear, etc. for those employees working in the sun. Antonia stated that PPE protection for employees would come from individual departments and that conversation needs to integrate HR into the plan. Antonia mentioned that Wellness discussions show employees do not follow through with skin care prevention. Anthony and Dimarcus suggested incentives for skin cancer prevention.
- Carolyn reviewed Virtual Primary Care data, trends, and the MD Live program and said that supports in place are robust contributing to BPS's high utilization of primary care.
- Debbie reviewed Hello Heart's program, showing fees since inception total \$453,240. Currently, there are 1,186 users with only about 50% completing 1 year participation. Positive results for lowering blood pressure minimally were low at 51 participants. Kyle questioned whether or not this is an effective spend of funds and Amy commented that it does not seem to be working. Antonia stated that she had previously raised concern about Hello Heart, which, she reminded the group, was a program initially reviewed and endorsed by SIAC.
- Lisa asked Carolyn to clarify the total number of plan members with cancer; she confirmed it's 499, with 299 being skin cancer cases.
- Regarding new business, Leslie raised the point about CIGNA not paying for Vitamin D testing. Amy summarized that any (blood) test a doctor orders should be covered by CIGNA. Debbie will address the issue with CIGNA.
- Kyle requested Marathon data for the next SIAC meeting. Debbie asked Kyle for more specifics on his request. WCC visits seem expensive and welcomes whatever information Lockton can provide.
- Antonia expressed her gratitude for everyone's commitment to the SIAC meetings during her absence and reminded the committee of Florida's Sunshine Law, and not to discuss committee business with other members outside of formal meetings.
- Meeting adjourned.

Next SIAC Meeting: Wednesday, September 27, 2023, 1:00 p.m. - 4:00 p.m.