

May 15, 2024

1:00 – 4:00 p.m.

MEETING:

SUPERINTENDENT’S INSURANCE ADVISORY COMMITTEE (SIAC)

Location:
Facilities Conference Room
#804B

Meeting called by: Amy Williams (BFT Chairperson)

Type of meeting: Advisory

Minutes by: Annette Spiegel

SIAC Members Present: Amy Norton Williams (instructional personnel/BFT); Kyle Savage (Instructional Personnel/BFT); Dimarcus Simmons (Support Services/Local 1010); Dr. Neleffra Marshall (School Administrators); Lisa Schmidt (Employee Benefits)

Staff: Katy Campbell (Board Member); Matt Susin (Board Member); Cindy Lesinski (Chief Financial Officer); Joseph Strohfus (BPS); Annette Spiegel (Risk Management)

Absent: Anthony Colucci (instructional personnel/BFT); Antonia Scipio (Director, Employee Benefits and Risk Management); Dr. Mark Rendell (Superintendent); Ryan Dufrain (Assistant Superintendent of Human Resources); Rosemary Browning (BPS)

Guests: Debbie Poole (Lockton, remote); Rachael Friedman (Lockton, Remote); Erik Toerge (Lockton, remote); Dennis Dulaney (Lockton, remote)

MINUTES

Welcome and Introductions: Amy Williams called the meeting to order.

Approval of the April 24, 2024, minutes: No discussion. Minutes approved.

Reading of SIAC Charter Article VI, Meetings, item #13: Prompted by an occurrence at last month’s meeting, Lisa Schmidt reminded the committee of the noted portion of its charter: “Members are expected to: Be respectful, fair, and civil; value diversity of opinion and contributions of others; avoid all forms of bullying, harassment, illegal discrimination, threats, or violence; promote conflict resolution; and treat all attendees with respect. Members who fail to abide by this standard of conduct will receive a written warning for the first offense and a final written warning or suspension for a second offense.”

BPS Financial Updates: (Joe Strohfus, Debbie Poole)

- Joe presented March 2024 financials. March ended with a \$1.9 mil increase from plan operations that includes the \$1.5 mil pharmacy rebate. Clinics ran consistently in March at \$272K. April looks positive with a \$280K increase and probable \$3.9 mil CYTD surplus.
- Debbie explained Lockton claim reporting vs. BPS Revenue reporting and reviewed the sources of the differences.
- Claims through March are running at an 88% loss ratio resulting in a \$2.4 mil surplus. YTD through March, there is one claimant above the \$500K ISL. Total plan cost YTD 2024 is running 7.3% higher than 2023, mainly due to the 2023 Admin fee holiday.
- Debbie provided Rolling 24-Month claims from April 2022 through March 2024. Loss ratios for '22 – '23 and '23 – '24 ran 102%. SIAC was satisfied with the information and requested continuation of the Rolling 24 at monthly meetings. Claims through March and Rolling 12 for the Gold and Silver plans confirm the Silver plan consistently outperforms Gold. Gold plan claims ran 111.3% of budget while Silver plan claims ran 88.6%.
- Matt Susin requested a deeper look at an “adverse risk group” (north Brevard), leaving Parrish services for Health First services. He stated he contacted Health First and would like to work with them to identify the layers in the shift of services that are contributing to higher Gold Plan costs.
- Debbie reviewed large claims YTD through March and for the 2023 plan year. Kyle stated that SIAC does not receive detailed data regarding large claims. SIAC members discussed the committee’s previous decision to not present the data and how it might be presented again discreetly. Lisa said the situation can be reviewed.
- Dental plans are running at 105.7% loss ratio year to date, paying out more than premiums collected. Humana rates are locked in through the end of 2025, but Lisa explained (to Kyle’s Dental RFP inquiry) that they went out for Dental RFP due to a high number of member complaints about Humana. SIAC discussed the current trend in dentists refusing to accept any dental insurance.

Budget Projections and Plan Design Changes: (Dennis Dulaney, Debbie Poole, Erik Toerge)

- Claims through March show the need for a \$1.28M infusion to satisfy the 112.08 filing, i.e., a 60-day reserve requirement by June 30th.
- Projections to meet the 6/30/2025 reserve require a 13.1% EE/ER rate increase.
- Debbie presented Alternative #1 Plan Design changes (1.1% reduction = \$1 mil savings) resulting in a lengthy, interactive discussion. Remarks reflect: not changing the well-performing Silver Plan, the absence of a plan calculator (actuarial tool) to model plan design changes, SIAC's breakdown in requesting *specific* plan design changes from Lockton, the need to look closer at point-based solutions, high-cost claimants and solutions with strong ROI, and how point-based solutions while costs now, are good investments in the future. Debbie updated SIAC on the status of People One and agreed to provide People One's "before and after proposals" to the group.
- Amy raised a motion requesting Lockton to provide 3-5-7% premium increase models on all plans and models raising all Gold Plan, only, deductibles. Debbie pointed out that Lockton provided those numbers in the April 24th SIAC meeting. She asked the group to review Alternative #2 Plan Design changes (3.7% reduction = \$3.3 mil savings) and Alternative #3 Plan Design changes (5.6% reduction = \$5 mil savings) resulting in further conceptualizing possible plan designs. Matt Susin proposed an HMO /PPO concept and asked for Lockton's opinion about a market-check. Erik Toerge stated that decision would have to be made by the district but felt there could be some impact.
- Following additional abstracting conversations, SIAC made the following requests of Lockton:
 1. Bring back three plan alternatives focusing on 5-6-7% premium increases.
 2. Eliminate annual deductible cross accumulation between Schedule 1 and 2 of the Silver plan.
 3. Leave the 20% specialty RX recommendation for *both* plans in play.
 4. Separately, aside from requests #1-3, model what an HMO/PPO would look like for BPS and /or bring back something more creative (Start from scratch? A high deductible plan with no HSA attached?).
- Debbie said she'll get plan designs out to everyone as early as possible and requested feedback prior to the next SIAC meeting.

Additional Business: (Lisa, Attendees)

- Lisa provided a CIGNA update on the claims processing issue from Jan - Feb 2024. The issue affected about 1,442 members (9% of total claims submitted for that period) and the system glitch was identified and corrected. All affected claims have been resubmitted.
- Lisa shared that the inconsistency in copays among MedFast locations has been corrected. Amy cited an example that it has not. Lisa will investigate it further. Kyle asked Lisa to update SIAC on the MedFast contract rates.
- Katie updated everyone on Steward Healthcare's bankruptcy news and shared Cigna's statement that care will remain available and should not disrupt services. Amy stated that to her knowledge, the Chapter 11 filing is more of a "business move."
- The next SIAC meeting date was set for Monday, June 10th at 9:00 a.m. Debbie will provide requested information by Friday, May 24th, with the understanding that SIAC will provide its feedback by June 3, 2024. SIAC agreed.
- Amy asked SIAC members to provide Lockton feedback directly to Antonia Scipio and not to "reply to all." The process complies with the Sunshine Law and allows Antonia to organize the information before sending it to Lockton.
- Matt Susin stated he previously requested a large amount of cancer health data and asked Debbie to clarify "PHI" restrictions on him receiving the information. Debbie explained Personal Health Information restrictions. Debbie confirmed other information he'd asked for had been requested from CIGNA but to date, Lockton has not received it. She'll make it available to him once received.
- Meeting adjourned.
- **Next SIAC Meeting:** Monday, June 10, 2024, 9:00 a.m. - 12: p.m. in the ESF Board Room.