

MEETING:
SUPERINTENDENT'S INSURANCE ADVISORY
COMMITTEE (SIAC)

February 23, 2022

1:00 – 4:00 p.m.

Location:
ESF Board Room

Meeting called by: Amy Williams

Type of meeting: Advisory

Minutes by: Antonia Scipio

SIAC Members present: Amy Williams (BFT); Dan Bennett (BFT); Kyle Savage (BFT); Leslie Lawter (Local 1010); Sharon McNichols (Retirees); Nel Marshall (School Administration); Patrick Darville (1010); Lisa Schmidt (Benefits)

Staff: Cindy Lesinski (CFO), Katye Campbell (Board member); Antonia Scipio (Dir. Employee Benefits & Risk); Dr. Beth Thedy (Deputy Superintendent/CHRO); Bonnie Doss (BPS)

Absent:

Guests: Erik Toerge, Debbie Poole (Lockton);

MINUTES

Welcome and Introductions: Amy welcomed all to the meeting and called the meeting to order.

Approval of the January SIAC Minutes: Amy asked if any discussion was needed on the last meeting's minutes. There was none. Dan made a motion to approve the minutes, Patrick seconded. The committee unanimously approved the minutes.

Old Business

Virta and Hello Heart: Antonia updated the committee: the recommended Hello Heart program went to the Board on February 22 and was approved. The recommended Virta program will not be taken to the Board for approval. A timeline for implementation of Hello Heart will be provided at the next monthly SIAC meeting.

New Business

Financial Update for period January through December 2021: Bonnie Doss presented.

- Total plan expenses running higher than revenue
- Infusion of \$5 million for the period and \$10 million for the year
- Fund balance: \$5.3 million
- Gold plan continues to run at a deficit

Debbie Poole continued.

- Enrollment has changed -4.4% through December 2021
- Membership is down 5.3% compared to the same period last year
- Loss ratio running at 111.7%
- Gross claims cost per employee per month (PEPM) running higher at \$1,021 compared to \$958 for the same time period last year
- Rx claims represents 19.2% of total gross claim costs, and 18.9% of total cost. An Rx performance guarantee attributable to 2020 of \$634K was received in June 2021 and is recorded under Rx Rebates
- A large stop-loss reimbursement payment (\$1.49M) attributable to 2020 was recorded in June 2021
- Year to date, through December, there are 7 claimants above the \$450,000 individual stop loss level (ISL). Year to date, through December, there are a total of 25 above \$225,000, half of the ISL, which accounts for 13.4% of total gross claim
- Year to date, through December, the dental plan is running at a surplus of \$505K compared to total budget
- Medical plan: Budget was \$68 million, actual plan costs were \$76 million

Lockton Infolock Reports:

- Age-gender factor is 1.18, meaning that costs are expected to be 17.9% higher than the normative population
- Spouse cost at \$894 PMPM is higher than the PMPM for employees at \$651, and both are higher than the norm. Children at \$234 PMPM is lower than the norm of \$244 PMPM.
- In the current period, 2% of the members account for 48% of claims cost. These would not be addressed by wellness programs, but by case and care management in the appropriate care setting.
- Norm group comparative of the claim's distribution
- Chronic condition impactability - shifting active employees over 65 years old to Medicare. Kyle brought up incentivizing these employees to move off the plan. They would show proof of Medicare plan and receive a stipend. There would be some cost savings for the district as those employee claims would not be processed as a district expense.
- Hello Heart impact on the chronic condition of hypertension will be reviewed in one year

Contribution Modeling 2023 Workbook Discussion: Debbie Poole presented.

- 2023 Renewal Projection: Florida Statute 112.08 Forecast: Based on claims through December, Lockton forecasts two required infusions: \$6.7M in 2022 and \$3.5M in 2023 to fund the Trust for the 112.08 reserve requirements
- In addition to the infusions, the rates require an increase of 17.9% from the current budget rates for 2023. After these increases are made to the total rates (i.e., COBRA/Retiree Rates), the plan is forecasted to stabilize for 2024 and require only a trend increase of 5.6% without additional infusions
- BPS Employees have not incurred a medical premium increase for the last several years
- Modeling notebook illustrates the 17.9% increase for both the Gold and Silver plans and all tiers equally
- Plan design changes outlined could impact steerage but will not have material impact to the overall cost of the plan
- Additional plan design changes discussed include eliminating the Gold plan, OOP Max (ACA Max), HRA/HSA Options. These plan design changes will not have a major impact in cost saving, but would allow for behavioral change
- Elimination of the Gold plan is not recommended as this would reduce revenue and increase plan costs by a projected 4.7%.

Kyle asked to clarify the amount of the infusions that have been put into the plan as per a Board workshop presentation. Are the infusions the same as shown or will they be in addition to what has already been put into the Trust Fund?

Dr. Thedy clarified the infusion dates and amounts: Calendar Year 2020: \$2.5 million in June and \$2.5 million in December as well as approximately \$4.7 million when Gold and Silver plans were implemented. Calendar year 2021: \$5 million in June and \$5 million in December. Currently in plan year 2022 (January – December): \$6.1 million recurring added

Kyle's recommendation: Gold plan enrollees should pay more for that plan; Silver plan enrollees should not be penalized

Debbie agrees that an increase to both plans is something that can be done.

Katye Campbell asked for clarification on the HRA/HSA plan design. An HSA can't be offered due to first-dollar coverage at the Well-Care Centers; an HRA structure would create major disruption and increase out-of-pocket costs to employees.

Lisa mentioned an option presented by a prior consultant: an Individual Coverage HRA which provides funding to staff to purchase their own health insurance. However, this could negatively impact recruitment and retention.

Committee members did not manipulate the workbook prior to the meeting so were asked to please run some scenarios with it for discussion at the upcoming March 9, 2022 meeting

Kyle asked about Parrish and Steward discount documentation.

Adjourned: The meeting adjourned at 3:13 p.m.

Upcoming SIAC Meeting: Wednesday, March 9, 2022