

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

**July 28, 2021**  
**1:00 – 3:00 p.m.**  
**Location:**  
**ESF Boardroom**

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**Meeting called by:** Lisa Schmidt

**Type of meeting:** Advisory

**Minutes by:** Patty Snorf

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**SIAC Members present:**

Amy Williams (BFT); Anthony Colucci (BFT); Kyle Savage (BFT); Nel Marshall (School Administration); Leslie Lawter (Local 1010); Judy Griffin (1010) Sharon McNichols (Retirees); Lisa Schmidt (Benefits); Chris McAlpine (Board); Mike deVaux (Board); Shelia Gaylor (Board); Dominic Lauretta (Board); Katye Campbell (Board member-ex officio); Antonia Scipio (Dir. Employee Benefits & Risk - ex officio); Cindy Lesinski (CFO - ex officio); Dr. Beth Thedy (Deputy Superintendent/CHRO - ex officio)

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**Absent:**

**Guests:**

Dennis Dulaney via Zoom, Debbie Poole, and Lauren Bifano (Lockton); Kellie Monzillo via Zoom, Myles Kitchen via Zoom, Brian McNeil, Renee Carey and Cory Norbutus (Cigna); Gabe Kramer via Zoom (Marathon); Bonnie Doss (BPS)

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**MINUTES**

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**Welcome and Introductions:** Amy introduced Antonia Scipio, the new Director of Employee Benefits and Risk Management. Antonia welcomed all to the meeting. Amy then called the meeting to order, and asked everyone to keep his or her comments respectful.

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

**Marketing Results:** Lauren Bifano presented on the change of vendors for some coverages. All changes will save the District money, and offer the same or more benefits than the current providers' plans. These changes will go into effect January 1, 2022.

- Employee Assistance Program (EAP) will move to CN Associates (currently Health Advocate)
- Dental carrier will move to Humana (currently Delta Dental)
- Basic Life, Retiree Life, Voluntary AD&D, and Supplemental Life will move to Standard (currently Securian/Minnesota Life)
- Voluntary Products will move to Standard (currently Aflac)

Kyle questioned why a self-funded dental plan was not proposed/investigated. Lauren answered saying it was looked into, and the premiums would be higher due to needing to keep a \$310,000 fund balance for 60-days of claims. Debbie added that the evaluation committee decided to stay fully insured to keep that liability off the District.

**SurgeryPlus & Hinge Health engagement:** Debbie Poole presented. These programs were implemented June 1, and July 1, 2021 respectively.

- Estimated savings for first month and a half is \$87,832
- There are nine pending procedures, and nine completed procedures; 123 open cases as of July 19
- Primary categories are orthopedic and gynecological

**Cigna Report: Silver vs. Gold Plans:** Debbie Poole and Renee Carey presented. Reporting of and comparisons made to the Silver plan are for January 1, through June 30, 2021.

- Average spend for Silver plan was \$2,444.70 for a membership covering 3,666 people
- Average spend for Gold plan was \$3688.59 for a membership covering 7,411 people

**Hospital Repricing** – Renee Carey and Myles Kitchen presented on the differences in spend between the two plans, and cautioned that the perceived savings may not be as significant without steerage to In-network (Gold plan) and Schedule 1 (Silver plan) facilities.

- Total spend at Health First hospitals in the Silver plan was 41.3%, much could have been saved if those encounters were at a Parrish or Steward hospital (Schedule 1)
- Risk factor is higher in the Gold plan due to more of the membership being in a higher age bracket
- Higher percentage of the high-cost claimants are in the Gold plan

**Financial Update:** Dennis Dulaney presented.

- January through June 2021, medical & pharmacy budget is running at \$ **-1.96 million**
- Gross claims increased 11%, compared to same time last year
- Cost per employee per month [PEPM] up 11% to \$985 compared to \$887 for same time period last year

**2022 Renewal Projection:** Dennis Dulaney and Debbie Poole.

- Budget projections for 2022 show a deficit of \$10.5 million
- Increases to employee contributions across all tiers were presented at 10%, 15.2% and 20% (with no plan design changes, e.g., changes to out-of-pocket limit, deductible, copays, etc.)

Anthony asked about the trend rates used in the projections, are they actual BPS trend rates? Dennis said they are not, but the rates used are very close to BPS's actual, about 6 to 6.5%.

Anthony asked if the COVID reimbursements due to the District is being used in the projections, Dennis answered, no.

Leslie asked if the SavOnSP program will impact the pharmacy rebates. Brian said that it would, and they will look into that further and get back to the committee.

Anthony asked Dr. Thedy how many employees BPS will have for 2021-2022 school year. Dr. Thedy will get the attendance numbers for the New Teacher Academy workshops held earlier in the week.

Kyle asked if the employer contribution would also increase along with the employee contribution; Debbie answered that yes, the employer contribution would also increase.

Mike commented that taking a look at having only the Silver plan may be the way to go as that plan appears to be saving on spend.

Anthony was frustrated with Lockton, he believes they are not running analyses that have been requested.

Anthony and Kyle would like projections based on realistic migration percentages from Gold plan to Silver plan. Also, a projection if the Gold plan was eliminated. Anthony continued saying the plan name of "Gold" might lead some to think it's the better plan, and they are asking employees to move to the *Silver* plan which, he said, "is the better plan." Sheila also believes a name change is in order.

Cindy asked Lockton if the newly agreed upon contributions and infusion from the Board were used in the financial update? Debbie said they were not. Cindy said there is a recurring \$6.1 million contribution and a \$10 million non-recurring infusion to be made, no dates at this time.

Mike added that with education to explain the differences in the plans to plan members, there will be migration to the Silver. He also asked for realistic migration numbers from Lockton.

Debbie said they can model the elimination of the Gold plan and need direction for premiums; will the remaining plan be at the Silver or Gold plan rates? If the Gold plan is eliminated, revenue will be lost.

Katye suggested raising premiums for the Gold plan members as that plan's spend is higher. That could also entice more Gold members to move to the Silver plan.

Dominic asked if the elimination of the Schedule 2 providers on the Silver plan was an option worth looking into, specifically Health First facilities.

Kyle asked if BPS has gone back to Health First (HF) and asked for better pricing. Dr. Thedy said yes, conversations have occurred between HF and BPS, an agreement was not made, but are continuing to reach out to them.

Dominic would like to know what the total spend at all HF hospitals and facilities, including physician's offices. Take that information to HF to bargain for better pricing.

Lisa asked if the committee would consider meeting more frequently as recommendations to the Superintendent need to be made soon, before bargaining begins.

Sheila would also like Lockton to project a realistic migration percentage based on their experience, and include the School Board's agreed upon infusion amounts to the budget. Debbie asked Cindy if she would provide those figures to Lockton.

Chris stated that plan design changes such as pre-authorization/pre-certification would significantly cut plan costs and promote plan adherence.

Mike asked if Lockton could bring a calculating model that can be used at the next meeting. Dennis answered, yes, only to use with changes to contribution amounts, copays, deductibles, co-insurance, out-of-pocket costs; cannot use to calculate plan design changes.

Throughout the meeting, several members voiced their desire to see the projection if the Gold plan is eliminated.

Amy asked Lockton if they could provide Dr. Thedy with the projection reports requested by August 12, so there is time to share the information with the SIAC members, in turn leaving enough time for them to review before the next meeting. They said yes, they can.

**Communications:** Lisa mentioned the communication pieces emailed to employees over the summer months. Copies were included in the presentation.

- Virtual Stop-by booths: Tips encouraging sun safety; exercise motivation; and the importance of breakfast.
- Two challenges were also started: Health Coaching and Eat More Greens.
- *Health Care Spotlight* – from the Benefits' Department

**Close (Comments/Suggestions):** No other comments/suggestions.

**Adjourned:** The meeting adjourned at 3:23 p.m.

**Upcoming SIAC Meeting:** Wednesday, August 18, 2021, 1:00 - 3:00 p.m.