

Employee Benefits Advisory Committee

Minutes from the July 11, 2019 Meeting ATC – T116

Members in Attendance:

Mark Lacey (Chairperson)
Christina Goodell (Faculty)
Matt Wetzel (Career)
Mandi Miller (Career)
Jill Bradberry (Career Alternate)
Stephen Milczanowski (Faculty)
Jametoria Burton (APC)

Resources in Attendance:

Al Little
Steve Stanford
Debbie Monnserrat
Glenda Parrish
Judy Robbins

Tony Gastine – FCSRMC
Edith Hodges - Florida Blue
Greg Ferguson - Florida Blue

Members Absent:

Denise Giarrusso (APC)
Lori Cimino (APC Alternate)
George Coleman (Faculty Alternate)

Resources Absent:

Anita Kovacs

The meeting commenced at 2:04 p.m. A quorum was confirmed to be present.

Introductions/Minutes (Lacey)

Chair Mark Lacey opened the meeting by welcoming everyone and thanking them for their attendance.

HDHP/HSA Update (Lacey)

Chair Lacey stated the primary reason for the meeting was to discuss the High Deductible Health Plan (HDHP). Invited guests included Florida Blue representatives Edith Hodges and Greg Ferguson, and Tony Gastine with the Florida College System Risk Management Consortium (Consortium) to share comparison data from the HDHP, PPO and HMO plans as requested at the June EBAC meeting.

Mr. Ferguson began by comparing the HDHP and PPO plans for an employee with employee-only coverage. In this example, the employee had low plan utilization resulting in expenses incurred by the employee being \$359.00.

Mr. Al Little commented that the materials Mr. Ferguson presented shows an analysis based on the current year (2019) policy. For 2020, the recommendation is a salary increase of \$3,000 for employees who elect the HDHP plan. The PPO plan would be a buy-up plan for the employee if they wish to remain on the PPO. The proposal is for the HDHP plan to become the base plan. The difference is instead of a contribution to the HSA of \$1,000, the employee would receive a \$3,000 salary increase.

Ms. Hodges explained how medical claims are processed in the HDHP plan from the examples handed out to the Committee.

Professor Stephen Milczanowski noted that in all the examples, if one included the \$3,000 increase in pay, the employee came out ahead. He noted that if he had elected the HDHP plan, with his experience last year, he would be \$3,000 ahead. To him, that meant that one employee or multiple employees would be negatively affected by the election of the HDHP plan. Professor Milczanowski then questioned how prescription costs come into play and whether this is part of how Florida Blue can offer this plan for \$3,000 less per year. The response was that prescription costs are applied towards the deductible. However, any medications under the HDHP outside of the preventive condition care listing are paid at 100% of the allowance once the deductible has been met.

Concern was expressed at the lack of inclusion of prescription costs in the example presented. Ms. Hodges explained that the examples are real claims costs under the different plans, and that some did not have any prescription expenses. Mr. Matt Wetzel stated there is concern is that the HDHP plan encourages bad medical behavior/decisions by employees due to potential out-of-pocket costs.

Mr. Ferguson responded that the data disproves that presumption because of the preventative type care that it is built into the system.

Professor Milczanowski questioned the cost for a colonoscopy and was informed that it would be covered under the preventative care guidelines at no cost for those age 50 and above.

Mr. Ferguson continued with the scenario examples with a high plan utilizer with the HMO plan verses the HDHP Plan, and also by giving examples for PPO verses the HDHP plan with Employee/Child and Employee/Family coverage levels to include the costs the employee would incur. (Examples attached.)

Chair Lacey stated that the examples do not take into consideration the premiums that an employee pays for a buy-up plan. Family coverage, not subsidized, is just under \$1,000 per month. These examples are just projecting the subsidies.

Ms. Judy Robbins passed out the Employee Medical Premiums for 2019 with a yearly premium savings for moving from PPO to HDHP plan coverage. It also shows the yearly premium savings for moving from HMO to HDHP plan coverage.

Chair Lacey stated that the only tier that does not indicate a savings for the employee is for the under \$30,000 tier. At every other tier, it shows a premium savings to the employee.

Professor Milczanowski asked about the costs and differences for the PPO and HDHP for the 2019 plan year and why was it different for the upcoming plan year. What is driving the difference costs? Is it coming from the costs of pharmacy expenses?

Mr. Ferguson responded that there are relative values based on usage, discounts, geographic data, etc., and it shows the differential values and determines the costs.

Ms. Hodges also stated that there are preventative medical costs and preventative type drugs that

are paid at 100%.

Mr. Wetzel asked for clarification regarding why certain items, such as prescription maintenance eye drops, are not covered under the plan and are not a preventative or a maintenance type drug. Mr. Ferguson and Ms. Hodges stated that there is a list of defined IRS mandated drugs that are on the list of preventative type drugs. Ms. Hodges clarified that the terms maintenance and preventative are not interchangeable and are two separate terms as mandated by the IRS.

Ms. Mandi Miller stated that she was in the hospital and no one reached out to her to assist her with her plan. Mr. Ferguson stated that a case manager is assigned to the person incurring claims. While outreach efforts are made, it is up to the person to respond to a letter or answer a call.

Ms. Miller expressed concern that currently, employees are not getting treatment because they cannot afford it adding more information needs to be given to our employees. The survey results show that people do not know that there is a health advocate to help them with the health care options.

Chair Lacey responded that information is being sent out but there is a challenge of people actually reading the materials. HR includes topics such as an article on the *Know Before You Go* tool in the newsletter.

Ms. Jametoria Burton emphasized that the educational piece cannot be understated as a valuable tool for our employees. People have to hear it several times and have constant communication.

Professor Christina Goodell had a few questions concerning the lower paid employees. How many employees are in the \$30,000 - \$39,999 bracket? What is the claims experience for this category? Are these the ones who are using the plan the most?

Mr. Little commented that we do not have the claims data and Florida Blue does not have the salary data.

Professor Goodell then asked how we know if we have any employees in that \$30,000 level who are using the plan. How can you convince that person that this is the plan for them?

Chair Lacey responded that the first thing that he refers to is the Florida Blue handout. The more one hears the information, the more one can understand the plan and the process. Looking at the employee-plus-child data, Florida Blue does not care what salary bracket an employee is in; they look at the service provided and pay the claim according to the plan. Even with our current structure, the employees save money with the HSA Plan.

Ms. Miller stated that she has been in the lower salary bracket plan and from her perspective, it would come down to what you can afford to do with your medical issues. She reiterated the question remains, "How do you convince an employee in a lower salary bracket to take the HSA Plan?"

Chair Lacey reminded the Committee that the employee would still have out-of-pocket expenses if they were on the PPO plan whereas with the HDHP plan, they receive contributions to the HSA to

help defer costs. This is not true with the other plans.

Professor Milczanowski commented that with the examples and from a cost shifting perspective, he would like to understand where the difference is coming from in the value of the plans. Mr. Ferguson stated that the plans differ depending on how employees use them. Some people use Teladoc, instead of going to a doctor, and will be given a prescription. There are different values for different medical options for people. Some employees prefer to meet face-to-face with a provider.

Both Mr. Little and Mr. Ferguson agreed that the HDHP costs less than the PPO or HMO because there is a cost shift from Florida Blue to the employee. Professor Milczanowski stated that is why we were here today to find out. What things will cause the employee to have more costs under the HDHP that are not made up for by the \$3000 pay raise?

Chair Lacey indicated that it is understandable that most people will not have money upfront to pay a large medical expense. Mr. Little added that everyone has a different scenario and with what we see, most people will be financially better with the HSA plan.

Professor Milczanowski stated that even with the information provided, he would still like to see more information on the total average costs employees paid out on claims with the plans. He further stated that the \$3,000 lower cost for the HDHP plan, which he understands is being given to the employee as a pay raise, is from different amounts the plans pay for health costs. There will be winners and losers and that Florida Blue knows where the money is coming from. Mr. Ferguson stated that Florida Blue has actuaries that know this information, but he did not give any more information on the subject. Professor Milczanowski feels that he did not get the answers that he was looking for.

Mr. Ferguson reminded the Committee of the information available on the Florida Blue website to help employees make informed decisions and on choosing the best plan for them.

Chair Lacey thanked the representatives and the Committee members for attending. He stated that the Committee will meet again in August 2019

Adjournment

The meeting adjourned at 3:31 p.m.