

# Employee Benefits Advisory Committee

Minutes from the September 25, 2014 Meeting  
URC, Room 411

## In attendance:

Rick Lewis (Chairperson)	Judy Robbins (Resource)
Stan Jurewicz (Resource)	Dawn Swed (Resource/ Career Alt.)
Steve Stanford (Resource)	Denise Giarrusso (APC)
Mia Jeckel (Resource/ Note Taker)	M. Kathy Ebener (APC)
Larry Snell (Resource/ APC Alt.)	Stephen Milczanowski (Faculty)
Yvonne Horner (Retiree)	Sonya Polke (Resource)
Dennis Blank (Resource)	Mandi Miller (Career)
Cleve Warren (Resource)	Belinda Potts (Career)
Al Little (Resource)	

## Guest:

The Florida College System Risk Management Consortium and Florida Blue

## Absent:

George Coleman (Faculty Alt.)                      Ken Whitten (Faculty)

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The meeting commenced at 1:03PM EST. A quorum was confirmed to be present.

### **Introduction of Participants** (Lewis)

Mr. Lewis welcomed everybody and asked that each person introduce themselves and identify which group they represent.

### **Approval of Minutes** (Lewis)

**Motion:** To approve the minutes from the September 4, 2014 EBAC meeting as presented and amended by e-mail prior to the meeting. The motion was approved by unanimous vote. (Moved by Giarrusso; seconded by Milczanowski)

### **Reports and Discussions**

#### **Overview of 2015 Health Insurance Planned Cost Analysis** (Jurewicz)

Mr. Jurewicz distributed and reviewed the handout titled "Plan Cost 2015". 2014 claims are projected to come in at \$13.3 Million. To forecast 2015 claims, a 7% increase was used to project plan cost at 15.3 Million. Mr. Jurewicz reminded the Committee that Stop Loss insurance is bid out annually. The current Stop Loss deductible is \$350,000.

#### **Overview of Health Insurance Budget for 2015** (Little)

Mr. Little distributed and reviewed the handout titled “Analysis of Insurance; FSCJ Self-Insured Plan vs. Consortium Option”. Highlights from his presentation included:

- The College’s health insurance plan cost Increase from 2014 to 2015 is projected to be almost 10%.
- The College is not budgeted to handle the increase in cost and employees cannot afford to cover the difference.
- We cannot afford to continue with the current plan.
- We now have to look for quality options for employees that both the College and the employees can afford.
- The Florida College System Risk Management Consortium (FCSRMC or “the Consortium”) is made up of 22 State Colleges, has approximately 15,000 members, and has been around for many years.
- The Consortium was asked to provide a quote and that quote was then compared to our current and projected cost.
- The total cost of the Consortium is \$13.9 Million and that is inclusive of Stop Loss Re-Insurance and all Plan Administrative Fees.
- Florida Blue provided an adjustment in the calculations to account for the fact that the Consortium health insurance plan has somewhat lower plan benefits than what we currently offer.
- The Consortium has a staff to replace the need for our Consultant which would create additional savings to the College.
- As part of our self-insured plan, Florida Blue contractually pays FSCJ each year \$75,000 to be used towards wellness. The Consortium offers a \$10,000 wellness grant FSCJ may not qualify for but has a wealth of other wellness benefits so wellness was not financially factored in with the numbers.
- In response to a question by Mr. Milczanowski, Mr. Little stated that Mia’s position of Health and Wellness Manager is a College position. Funding that was provided by BCBS allowed us to hire the Wellness position, but the position does not automatically go away with the loss of the BCBS wellness funding. It is (was) a separate decision.
- It was clarified that all numbers were projections.
- There is no plan to change the retiree health insurance plan for 2015.

#### **Presentation by the Florida College System Risk Management Consortium**

The Representatives of the Consortium distributed and reviewed the handout titled “FCSRMC Self-Insured Health plan Overview for Florida State College at Jacksonville”. Highlights of their presentation included:

- Consortium staff are state /college employees paid through Santa Fe State College.
- Actuarial figures are from Florida Blue and were confirmed by MERCER actuaries / consultants.
- Florida Blue in Florida has 18 retail stores members can utilize.
- Part-time plan under the federal Affordable Care Act says plans offered to part-time employees have to have a 60% actuarial value.
- If is unknown how FSCJ compares to benchmarks.

At this time a second handout was distributed to the Committee which compared the proposed Consortium health insurance three plan options to the FSCJ's current three health insurance plans. The handouts were reviewed and highlights from that presentation included:

- Mr. Little reminded the Committee that what we have today is not sustainable.
- There is no difference in the Blue Care provider network for the HMO or PPO plans as compared to the current Blue Care provider networks for each plan.
- FSCJ would still keep 3 health insurance plan options: 1 HMO option and 2 PPO options.
- The handout is a summary of services and is not all inclusive of services covered. Mental Health is still covered but exact numbers are not included in chart. Gastric Bypass is covered 1 time with specific criteria, but is not listed in chart.
- These are 3 of the health insurance plans the Consortium offers that most closely align with what the College currently offers. These are not customized plans for FSCJ.
- All consortium health insurance plans are through Florida Blue.
- FSCJ's Core Plus plan will be considered a Cadillac plan in 2018 and will become unaffordable due to the 40% federal tax placed on Cadillac plans. Cadillac plans are going away across the board.
- Concern was raised with the amount of the Out of Pocket Max. The higher Out of Pocket Max enables the plan to keep premiums and copays lower. Pharmacy Co-pays count towards the Out of Pocket Max beginning in January 2015.
- Cost is the driver and the Consortium has a history of being able to control cost.
- Universities fall under the State Government Health Insurance Plan which is a totally different ballpark.

At this time the members of the Consortium and Florida Blue exited the meeting.

#### **Overview of Proposed Premiums 2015 Plan Year (Jurewicz)**

Mr. Jurewicz distributed and reviewed the Vision Claim Cost and Dental Coverage Premiums handout. Vision data claims cost includes \$1 /employee admin fee. Dental PPO claims for the past year are right on target and there is no recommended increase. Dental Health Maintenance Organization (DHMO) is fully insured and has a fixed price by contract.

**Motion:** To accept the proposed vision rates as presented. Motion passed unanimously. (Moved by Horner, Seconded by Giarrusso)

**Motion:** To accept the proposed dental rates as presented. Motion passed unanimously. (Moved by Giarrusso, Seconded by Ebener)

At this time Mr. Jurewicz distributed the handout covering the 2015 Premium Structure for health insurance plans. General discussion ensued. Highlights of the discussion included:

- Other than one other college, most colleges don't stratify dependent rates based on salary; FSCJ does.
- For the 2015 Plan year the College is going to absorb more of the cost and the price to the dependent is decreasing in most cases.
- Current health insurance plans are not sustainable.

- The EBAC is about sharing claims data and discussing concerns.
- Mr. Milczanowski expressed concern that there was not an EBAC committee put together to evaluate options as has regularly been done in the past. Ms. Giarrusso stated that there is no prep time; that we cannot afford to continue with what we have.
- Mr. Snell stated that Florida Blue has continued to offer us the deepest discounts and going with the Consortium is staying with Florida Blue.
- Customizing is nice but is not realistic to maintain what we can afford.
- To lower out-of-pocket max we would have to significantly increase other areas.
- Ms. Miller emphasized that the 2.5% pay raise many Career employees received will not cover the difference in health insurance cost.
- It was acknowledged that we will have a communication challenge due to the short time frame to inform employees of changes, but we will have this challenge regardless because we have to change.
- It was shared that the FCSRMC has materials to use to educate employees.
- The College will get more details on everything covered, especially mental health services.
- EBAC Committee members raised concern that they felt they do not really have a choice. It was clarified that there is a choice and if EBAC recommends to stay with the current plan the administration would take that into account, but the employee contribution would have to increase significantly.
- One of the reasons the Consortium is favorable is because the health insurance plan costs do not depend on claims; as quoted premiums stay consistent.

Motion: To proceed with consortium as presented. Moved by Giarrusso, Seconded by Horner.

Discussion continued:

- EBAC members again restated that they were very concerned and disturbed at the rate that this is proceeding and the timing of this presentation, being so close to Open Enrollment.

Motion passed with two votes in favor (Ebener, Giarrusso), no opposition, and 4 individuals abstaining (Milczanowski, Horner, Potts, Miller).

#### **Health Insurance Opt-Out Provision (Little)**

For the 2015 Plan year there will be no change to the \$720 placed on the Flexible Spending Card for individuals who have other credible coverage and who opt out of the College's health insurance plan.

Also for the 2015 plan year if an employee opts out of the College's health insurance plan they will be defaulted into the Consortium's dental/ vision plan. An employee cannot keep the College's dental and vision plan if they do not participate in the health insurance plan. This is because the College has to guarantee 100% participation in the consortium so to avoid paying for the employee dental and vision coverage twice, the College will place them in the Consortium's dental/ vision plan.

#### **Open Enrollment (Robbins)**

Open Enrollment dates are set for October 20-31. The benefits department will be onsite at the campuses and centers October 20-27. This will be a mandatory enrollment so every fulltime employee

must re-enroll or complete the opt-out paperwork. Ms. Robbins runs audits to ensure everyone is captured.

**Flexible Spending Accounts (FSA) (Snell)**

There are no changes in federal regulations surrounding flexible spending accounts. There is no proposed FSA plan change for 2015.

**Open Discussion (All)**

For the 2015 Plan year life Insurance was publicly bid out and the Colleges Life Insurance program is changing from Minnesota Life to The Hartford.

Moving forward more timely data will be made available to the EBAC.

In the past the EBAC was provided with educational presentations regarding the Affordable Care Act. Those were helpful and the EBAC shared they are interested in having more of those in the future.

**Adjournment (Lewis)**

With there being no further business, Mr. Lewis adjourned the meeting at 3:07PM.