

Employee Benefits Advisory Committee

Minutes from the September 4, 2013 Meeting
ATC, Room 116

In attendance:

Dan Richardson (Chairperson)	Judy Robbins (Resource)
Stan Jurewicz (Resource)	Yvonne Horner (Retiree)
Gerald Orso (Career)	Stephen Milczanowski (Faculty)
Sonya Polke (Resource)	Cleve Warren (Resource)
Dawn Swed (Resource/ Career Alt.)	Steve Stanford (Resource)
Denise Giarrusso (APC)	Larry Snell (Resource/ APC Alt.)
Chris Arab (Resource)	Mia Jeckel (Resource/ Note Taker)
John Robinson (Resource)	M. Kathy Ebener (APC)
Ken Whitten (Faculty)	Belinda Potts (Career)
Peggy Boord (Resource)	

Absent:

George Coleman (Faculty Alt.)

Public:

Dennis Blank
Jan Bush

The meeting commenced at 12:33PM EDT. A quorum was confirmed to be present.

Introduction of New Participants (Richardson)

Mr. Richardson introduced Jan Bush from RobinsonBush, Inc.

Approval of Minutes (Richardson)

Motion: To approve the minutes as presented and amended by e-mail prior to the meeting. The motion was approved by unanimous vote. (Moved by Snell; seconded by Potts)

EBAC Guiding Principles (Richardson)

Mr. Richardson reviewed the guiding principles of the EBAC.

- Core Plan Design
- Market Comparable or Better
- Equity (Not Based on Salary)
- Total Compensation Approach

- Prime the Pump Strategy
- Focus on Health and Wealth
- Empower Through Education
- Advisory and Recommending

Mr. Richardson highlighted that two prime focuses of the meeting today are the dental RFPs and health insurance plan proposals. Three of the guiding principals were highlighted for emphasis: Core Plan Design, Market Comparable, and Total Compensation.

Update on recent Request for Proposal (RFP) (Richardson/ Robinson) (Handout)

Mr. Richardson re-introduced John Robinson from RobinsonBush to the committee and stated that Mr. Robinson took the questions that were brought up in last EBAC meeting, gathered additional data, and compiled new reports that he will present today. After briefing the committee on the reports, he will take questions. It was highlighted that Mr. Robinson is here to provide information, he is not here to make a recommendation and he will not tell the committee how to vote or his opinions.

Mr. Robinson made his presentation, which included further analysis of both the DHMO and the PPO RFPs. A copy of the presentation (*FSCJ Dental Plan Review RFP #2013-71*) was distributed. Questions and answers were presented both during the presentation and at the conclusion. The Highlights of the **DHMO** RFP presentation and discussion included:

- The analysis was performed based on 3 factors: Network match and disruption, out of pocket plan costs to the member, and premiums for the College and the Employee and Retiree.
- Disruptions refer to plan members who would have to switch providers or change network status. There are 5 additional dentists who would be in-network for the PPO option but out of network for DHMO. Employees could change their individual plan from DHMO to PPO for those providers' whose clients could keep them with their current provider at an in-network status.
- Delta Dental DHMO premiums would be a savings to the employee, as well as to the College. Humana premiums would stay the same, and Aetna premiums would be a decrease to FSCJ, but an increase to the employer.
- A comparison was done of the top 25 dental procedures performed. The prevalence of FSCJ's procedures during the past 12 months was unavailable from Humana as no claim forms are submitted back to Humana for DHMO claims. Data was taken from the Orange County Government to determine what their top 25 procedures were, and that information was used in conjunction with the bid price per procedure code of the FSCJ plan for the purpose of the comparison. Only the prevalence of procedures was used from Orange County Government; their number of procedures per 100 people were taken and then multiplied by our population.

Motion: To accept the RFP subcommittee’s recommendation of submitting to the September Board meeting a recommendation for Delta Dental to be the top ranked proposer for the Dental DHMO as presented. The motion was approved by unanimous vote. (Moved by Potts, Seconded by Giarrusso)

The presentation by John Robinson continued, covering the **PPO** option. The highlights of the PPO RFP presentation and discussion included:

- Delta Dental PPO network covers 385,312 lives in Florida. This is greater than the 261,541 lives covered by Humana or the 224,934 lives covered by the current Florida Combined Life.
- Delta Dental has 3 networks instead of 2 networks: PPO In-network, Premier In - network, and out-of-network.
- Analysis looked at the 242 most utilized dentists by the College’s current population. Of these 242 dentists, 227 of them are in Delta Dental’s PPO and Premier networks, 164 of them are in Humana’s PPO network, and 225 of them are in Florida Combined Life’s network.
- Duval County Public Schools uses Delta Dental (DD) and the question was asked if we have inquired about their satisfaction. The answer from John Robinson was yes, that they are very pleased.
- More employees will find themselves in-network (either in-network or premier-network) with Delta Dental vs. the current provider, Florida Combined Life.
- Delta Dental does have the option of going with DD PPO only, as opposed to PPO and Premiere. Although this is an option, it is recommended that the disruption would be too great to the employees for the College to choose the DD PPO-only Network option, so this is not a viable option for FSCJ.
- If the dentist provider is in the PPO network, the provider accepted the DD fee structure. If the dentist provider is out of network the College insurance will not cover the total claims cost where employees will be balance billed for any costs the dentist charges that exceeds the DD PPO fee schedule. If the dentist provider is in the Premiere network the provider has entered into a contract with DD and agreed to accept 18% discount on PPO dental services.
- The cost analysis provided by John Robinson assumed inclusion of only DD PPO and not DD Premier. Robinson’s analysis indicated that inclusion of the Premier dentists would increase the cost to the college of approximately 14% but offset slightly by a fixed dollar amount of \$18,000. Evidence was provided that there would also be an increase in costs to the employee (member).
- Orthodontics coverage with DD will not change – it will be available for children’s orthodontics only, not adult orthodontics.

After the initial consultant’s presentation was completed, Dr. Arab referred to the chair because the analysis we had requested had been provided. Mr. Richardson asked if there was a motion.

Motion: To accept the RFP subcommittee's recommendation of submitting to the September Board meeting a recommendation for Delta Dental to be the top ranked proposer for the Dental PPO as presented. (Moved by Potts, did not receive a second)

At this point, Mr. Orso asked an additional question regarding the number of dentists currently used who will not be in Delta Dental's PPO or Premier Network. Page 7 of the handout/presentation answered the question: there are 13 providers who are in the current Florida Combined Life network, but not in either of the Delta Dental PPO networks. At this point, Mr. Orso asked for the motion to be restated. After restating the motion and receiving the 2nd, Ms. Potts made some additional points:

- The EBAC subcommittee did extensive research before making this recommendation to the full EBAC.
- Aetna did not show up to the RFP public evaluation meetings and they provided some references.
- Florida Combined Life did not show up to the RFP public evaluation meetings and they provided some references.
- Delta Dental showed up to every RFP public evaluation meeting and they provided more than the requested amount of references.
- *It was stated that with Delta Dental, the cost of cleanings does not count towards the annual \$1500 maximum benefit. It was later during the meeting corrected with DD that this was an optional decision that could be made by the College and as it stands the cleaning would count towards the \$1500 annual maximum benefit.*

Motion: To accept the RFP subcommittee's recommendation of submitting to the September Board meeting a recommendation for Delta Dental to be the top ranked proposer for the Dental PPO as presented. The motion carried with a 4-3 vote. (Moved by Potts, Seconded by Orso)

Discussion on health care cost (cost projection for 2013-14) (Richardson/ Jurewicz) (Handouts)

Mr. Jurewicz provided a handout covering health care plan cost and future projections (*Total Cost FSCJ Health Insurance 2003-2014*). Due to budget considerations and rising health care expenses, there have been some new health care options formulated. It was stated that we have known that our plan was richer than the market and we know this is getting out of line with the core principal of being comparable to the market. With the help of John Robinson, there was a market analysis performed. Some things learned from this analysis were:

- Most employees are using in-network providers more than 90% of the time.
- Most employees of other companies who have fully-employer paid premiums pay a 20% co-pay; our employees pay a 10% co-pay.
- Most other market comparable companies require employees to contribute to their premiums, FSCJ does not.

At this point, Mr. Jurewicz and Mr. Robinson presented 3 options that were doable for the College (page 3 of the handout). These options included 2 PPO options and 1 HMO option. Highlights of the presentation included:

- The services that were utilized most were identified and targeted to keep affordable.
- Cost shifting was utilized for the least effective type of care.
- HMO network is not as rich – the Mayo Clinic is not included in the HMO network.

At this point, two additional handouts were distributed (*Comparison of 2014 Member Costs by Proposed Health Plans* and *Proposed Health Plan Benefits for 2014*). The *Comparison of 2014 Member Costs by Proposed Health Plans* handout looked at 3 fictional patients and what their annual projected cost would be with each plan. Patient 1 represented a healthy individual; patient 2 represented an individual who had one outpatient surgery during the year; patient 3 represented an individual who had an inpatient hospital stay.

The three options highlighted on page 3 of the cost projections handout were reviewed:

Option 1 – Core Plus PPO– Keep same PPO plan we currently have and require an employee contribution of \$30/month towards their premium.

Option 2 – Choice of Core PPO and HMO (no employee contribution with either plan)

Option 3 – Choice of Core Plus PPO, Core PPO, HMO (Core Plus PPO would be a “buy up” plan that would require an employee contribution of \$30/ month; the other two plans would not require employee contributions towards monthly premiums.)

There was general discussion regarding the three options, and the tone of the discussion was leaning toward option three. Key points to the discussion were:

- It is better to give more options to the employee.
- Choice Plus PPO rates as presented on the handout reflect an 8.3% increase. The employee cost of \$30 is already added into the spouse, child, and family monthly rate on the handout.
- The figures represent a single college wide risk pool relative rate and Florida Blue helped to derive this information.

This will be submitted to the September District Board of Trustees Meeting as a discussion item.

September DBOT Agenda Items (Richardson)

Action Items: Dental PPO and DHMO recommendations

Discussion Item: Group Health Insurance

Adjournment (Richardson)

With there being no further items, Mr. Richardson adjourned the meeting at 2:31PM.