

El Paso Independent School District
Minutes of Board's Employee Health/Insurance Committee Meeting
September 17, 2002
4:00 p.m.
Education Center-Boeing

Present: Mr. Sal Mena, Jr., Board Member, Board's Employee Health/Insurance Committee Chairperson
Miss Leonor Garcia, Board Secretary
Mr. Joe Rosales, Board Member¹
Mr. Anthony Safi, School District Attorney
Mr. Clyde Pine, School District Attorney

Administration: Mr. Charles Tafoya, Acting Superintendent
Ms. Elizabeth Bulos, Director, Employee Benefits
Mr. Kyle Jeglum, Assistant Director, Risk Management/Workers' Compensation

Guests: Mr. Dan Wever, Board President
Dr. Gene Finke, Board Vice President ²
Mr. Pat Graham, G. P. Graham & Associates
Mr. John Aubrey, AmeriBen Solutions
Dr. Robin Kaplan, Medical Director, SPECTERA

The meeting was called to order at 4:00 p.m. by Mr. Mena.

Meeting Closed (Item #1, A.)

The meeting was recessed at 4:05 p.m. to a closed meeting by Mr. Mena under Section 551.071 of the Texas Government Code as follows:

1. Report from Legal Counsel on Negotiations and Preparation of Contract with New Employee Health Plan Third Party Administrator Including Run-In/Run-Out Claims, and Annual Performance Evaluation and District Options for Non-Performance
2. Report from Legal Counsel on Status of Negotiations and Preparation of Contract with Express Scripts for Pharmacy Benefit Contract for 2003 Plan Year

The closed meeting started at 4:08 p.m. The closed meeting ended at 4:36 p.m.

Meeting Opened

The meeting was reassembled in Open Session at 4:38 p.m.

¹ Mr. Rosales departed at 6:05 p.m.

² Dr. Finke departed at 6:05 p.m.

The topics discussed were as follows:

1. Report from Legal Counsel on Negotiations and Preparation of Contract with New Employee Health Plan Third Party Administrator Including Run-In/Run-Out Claims, and Annual Performance Evaluation and District Options for Non-Performance (Item #1, A., 1.)

Draft contract to be submitted to Board's Employee Health/Insurance Committee on October 1, 2002, with approval to the full Board on October 8, 2002

2. Report from Legal Counsel on Status of Negotiations and Preparation of Contract with Express Scripts for Pharmacy Benefit Contract for 2003 Plan Year (Item #1, A., 2.)

- a. Costs for 2002 and options for possible cost savings
- b. Formulary Comparison and Disruption Report

3. Eighth Month Report on Employee Medical Plan Performance (Item #1, B.)

- a. AmeriBen Solutions
 - (1) Self-Funded Financial Report
 - (2) Large Claims and Specific Stop Loss
- b. SPECTERA
 - (1) In-patient Utilization, Hospital Admissions, and Average Length of Stay
 - (2) Three-year Projections/Evaluations

4. Presentation of Actuarial Review Completed by Gary Monnin, GP Monnin Consulting, Inc. (Item #1, C.)

- a. Analysis through July 31, 2002
- b. Recommendation for increased funding level by approximately 25 percent and 4.7 percent for unpaid claims

5. Review Pricing Study for Medical Plan Premiums/Contributions (Classic and Catastrophic) for 2003 Plan Year Completed by Gary Monnin, GP Monnin Consulting, Inc. (Item #1, D.)

Discussed changes to benefit plan and recommendations made as a result of the changes.

6. Review Recommendations from Administration and Benefit Consultants Regarding Medical Plan Design Issues and Contribution Levels for Coverage Effective January 1, 2003 (Item #1, E.)

- a. Reviewed final recommendations on premiums and contributions for Classic and Catastrophic options and the financial impact.
- b. Changing name of "Catastrophic" option to "Standard" option
- c. Recommended design for Standard coverage to meet TRS (Texas Retirement System) Care plan
- d. Compared Classic and Standard options (deductibles, out-of-pocket annual maximums, maximum lifetime benefits, and details of coverage in each plan)

7. Discuss Award of Voluntary Accident/Sickness Disability (Income Protection) Insurance Plans Portion of Supplemental Insurance RFP #48-02 (awarded by Board on August 27, 2002) (Item #1, F.)

- a. How proposals were evaluated
- b. Responsibilities of EPISD related to employee voluntary plans
- c. Compared rating requirements of insurance companies
- d. Allowing both UNUM and Washington National and having employees make a choice of carrier

Speakers to this item:

- (1) Mr. James Albright, UNUM Provident, spoke about having begun implementation based on the Board's action on August 27, 2002, and he reviewed the notification and communication process with employees.
- (2) Ms. Frances Wever, President, El Paso Federation of Teachers and Support Personnel, spoke about concerns with not obtaining input from teachers and hourly employees on the award recommendations and issues not going to the El Paso Consultation Association (EPCA).
- (3) Ms. Gayle Muñoz spoke about concerns with switching to UNUM and employees not being considered when they pay for the coverage.
- (4) Ms. Andrea Figueroa, President, El Paso Consultation Association, spoke about employees not being allowed to make a decision on the coverage they prefer.

8. Review Recommendations from Subcommittee on Workers' Compensation TPA, Cost Containment, and Medical Supervision of Wellness Clinic Services RFP #72-02 (Third Party Administrator [TPA] Services, Workers' Compensation Cost Containment Services, and Medical Supervision of Employee Wellness Clinic for Treatment of Work-Related Injuries) (Item #1, G.)

- a. Reviewed subcommittee's recommendations and analysis of cost proposals received for TPA (Third Party Administrator), Cost Containment, and District Employee Wellness Clinic for Work-Related Injuries
- b. Recommendations to be presented to the full Board on October 8, 2002

9. Discuss Commercial Automobile Insurance and Commercial Inland Marine Insurance RFP #103-02 and Market Conditions (Item #1, H.)

- a. Reviewed information on non-renewal with current carrier and issues related to RFP (request for proposals), and potential cost increases for premiums.
- b. Discussed proposal from Alamo Insurance Group, Inc. that the District have self-funded automobile insurance coverage with a Third Party Administrator.

10. Update on Excess Workers' Compensation Coverage (Item #1, I.)

Reviewed recommendation to renew coverage, with the District selecting an agent.

Meeting Adjourned

The meeting was adjourned 6:43 p.m.

Date Approved: February 4, 2003