

**State and School Employees' Life and Health Insurance Plan
Health Insurance Management Board
Regular Monthly Meeting
February 22, 2012**

The regular monthly meeting of the State and School Employees Health Insurance Management Board convened on Wednesday, February 22, 2012, in Room 139 in the Woolfolk Building located at 501 North West Street in Jackson, Mississippi, at 9:00 a.m. The presiding officer was Mr. Kevin J. Upchurch, Chairman of the Board. A quorum was present.

Members Present:

Voting

Mr. Kevin Upchurch
Ms. Pat Robertson
Dr. Eric Clark
Mr. Mike Chaney
Ms. DeAnne Mosley
Mr. Larry Fortenberry

Non-Voting

Members Absent:

Dr. Hank Bounds
Mr. Liles Williams
Dr. Tom Burnham
Mr. Christopher Burkhalter

The Honorable Videt Carmichael
The Honorable Gary Chism
The Honorable Eugene Clarke
The Honorable Herb Frierson

Department of Finance and Administration Staff Present:

Ms. Rita Wray
Ms. Teresa Planch
Mr. Richard Self
Ms. Cheryl Turner
Ms. Edie Ivey
Mr. Steve May
Mr. Curt Hubbard
Ms. Susan Lancaster

Attorney General's Office Staff Present:

Ms. Romaine Richards, Esquire

Call to Order

The meeting was chaired and called to order by Mr. Kevin J. Upchurch, Chairman of the Board, who opened the meeting with prayer.

Calendar Year 2011 Actuarial Report Preliminary Projections

Chairman Upchurch recognized Mr. Wm. Lynn Townsend, FSA, MAAA, consulting actuary for the Board, who presented to the Board an overview of the financial status of the Plan, including premium rate projections for FY 2013. A handout entitled "*Calendar Year 2011 Actuarial Report Preliminary Projections*" was provided to Board members for their review. Several potential premium rate scenarios were included in this report.

Ms. Pat Robertson moved that the Board provide to the Legislative Budget Office for budgeting purposes an updated projected monthly premium for active employees for FY 2013 of \$356.00, representing a zero percent (0%) increase to the existing premium. Dr. Eric Clark seconded the motion. The motion passed by a 5 – 0 vote, with members Chaney, Clark, Fortenberry, Mosley and Robertson voting affirmatively.

Confidentiality and Non-Disclosure Agreement on VIOXX® Litigation

Chairman Upchurch recognized Ms. Teresa Planch, State Insurance Administrator with the Office of Insurance, who advised the Board that the Office of the Attorney General has determined that claims should be made against Merck & Company, Inc. (Merck), as the manufacturer of the pharmaceutical drug VIOXX®, and has retained the law firm of Bossier & Kitchens, PLLC, now known as Bossier & Associates, PLLC, to investigate, research, and litigate claims against Merck. In order to determine if pursuing litigation against Merck is warranted, Bossier & Associates has requested access to specific Plan data relative to VIOXX®. Ms. Planch reminded the Board that under an existing *Confidentiality and Non-Disclosure Agreement*, the Plan's comprehensive prescription drug data, limited to the minimum data elements necessary, had been provided by the Board's current and prior pharmacy benefit managers to the law firm, McCulley McCluer PLLC, for use in the Attorney General's litigation pertaining to the artificial inflation of the Average Wholesale Price. Ms. Planch advised that in order to comply with Bossier & Associates' request for data, staff recommends that the Board execute a similar confidentiality and non-disclosure agreement with Bossier & Associates, and, upon such execution, request McCulley McCluer to provide to Bossier & Associates the Plan's prescription drug data pertaining solely to VIOXX®.

A motion was made by Mr. Larry Fortenberry to approve entering into negotiations with Bossier & Associates, PLLC for a confidentiality and nondisclosure agreement, relative to litigation services they are providing under contract with the State Attorney General's Office on behalf of the State and School Employees' Health Insurance Plan, and subject to successful negotiations, for the Chairman of the Board to execute the agreement on behalf of the Board; and to request McCulley McCluer PLLC to provide to Bossier & Associates, PLLC, the Plan's prescription drug data pertaining solely to VIOXX®. The motion was seconded by Mr. Mike Chaney and passed by a 5 – 0 vote, with members Bounds, Chaney, Clark, Mosley and Robertson voting affirmatively.

Announcement of Reappointment of Board Members

Chairman Upchurch announced that Mr. Larry Fortenberry, President, Executive Planning Group, and Mr. Christopher Burkhalter, Vice President and Principal, Bickerstaff, Whatley, Ryan & Burkhalter Consulting Actuaries, had been reappointed to the Board. Chairman Upchurch expressed his appreciation to Mr. Fortenberry and Mr. Burkhalter for their dedication to the Board and willingness to continue to serve as Board members.

Election of Vice-Chairman

Chairman Upchurch advised that election of a vice-chairman was in order. A motion was made by Dr. Eric Clark to elect Mr. Larry Fortenberry as Vice-Chairman to serve in the absence of the Chairman. Mr. Mike Chaney seconded the motion. The motion passed by a 4 – 0 vote, with members Chaney, Clark, Mosley and Robertson voting affirmatively. Mr. Larry Fortenberry abstained.

Approval of the Minutes from the Regular Meeting on January 25, 2012

The minutes of the Board's regular monthly meeting of January 25, 2012, were provided to all Board members for their review prior to the meeting. A motion was made by Ms. Pat Robertson to approve the minutes as presented. Ms. DeAnne Mosley seconded the motion. The motion passed by a 5 – 0 vote, with members Chaney, Clark, Fortenberry, Mosley and Robertson voting affirmatively.

Claims and Performance Review Services Contract

Chairman Upchurch recognized Mr. Richard Self, Deputy Director with the Office of Insurance who advised that the Board currently contracts with Claim Technologies, Incorporated (CTI) to provide claims and performance review services to the State and School Employees' Life and Health Insurance Plan. Mr. Self also explained that under the current contract CTI utilized the services of CGI Technologies and Solutions, Inc. (CGI) under an exclusive affiliation agreement to assist them in providing claims and performance review services of the Plan's pharmacy benefit manager. Mr. Self advised that CTI has requested Board approval for them to utilize a new subcontractor, Tricast, Inc., to assist them in performing the pharmacy benefit manager claims and performance reviews. Mr. Self advised that if the new subcontractor is approved, CGI will remain responsible for ensuring that any and all services are provided timely and appropriately. Mr. Self advised that staff recommends that the Board approve CTI's request to subcontract with Tricast, Inc.

A motion was made by Mr. Larry Fortenberry that the Board approve the request by CTI to subcontract with Tricast, Inc., to assist CTI in providing claims and performance review services of the Plan's pharmacy benefit manager under the Board's Claims and Performance Review Services Contract with CTI. Mr. Mike Chaney seconded the motion. The motion passed by a 5 – 0 vote, with members Chaney, Clark, Fortenberry, Mosley and Robertson voting affirmatively.

Actuarial Services Contract

Mr. Self advised that the Board's actuarial services contract with Mr. Wm. Lynn Townsend, FSA, MAAA will expire September 30, 2012, and that the contract includes an option to renew for one additional year at the Board's discretion. Mr. Self further advised that the contract includes pricing for the optional fifth year; eliminating the need for further negotiation should the Board elect to exercise this option. He further stated that the Office of Insurance staff recommends that the Board exercise this option and extend the contract for the fifth year.

A motion was made by Mr. Mike Chaney to approve extending the actuarial services contract with Mr. Wm. Lynn Townsend through September 30, 2013. Mr. Larry Fortenberry seconded the motion. The motion passed by a 5 – 0 vote, with members Chaney, Clark, Fortenberry, Mosley and Robertson voting affirmatively.

Consulting Services Contract

Mr. Self advised that the consulting services contract with PricewaterhouseCoopers, LLP will expire September 30, 2012, and that the contract includes an option to renew for one additional year at the Board's discretion. Mr. Self further advised that the contract includes pricing for the optional fifth year; eliminating the need for further negotiation should the Board elect to exercise this option. He further stated that the Office of Insurance staff recommends that the Board exercise this option and extend the contract for the fifth year.

A motion was made by Ms. Pat Robertson to approve extending the consulting services contract with PricewaterhouseCoopers, LLP through September 30, 2013. Mr. Mike Chaney seconded the motion. The motion passed by a 5 – 0 vote, with members Chaney, Clark, Fortenberry, Mosley and Robertson voting affirmatively.

Obesity Treatment Program, Evaluation Report

Chairman Upchurch recognized Ms. Katie S. McClendon, Pharm. D., BCPS with the University of Mississippi's Office of Research and Sponsored Programs, who was the investigator assigned to the Obesity Treatment Program project. Handouts entitled *"Assessment of Outcomes Following Bariatric Surgery for Mississippi State Employees – Year Two Report for the State of Mississippi Office of Insurance on Research Conducted at the University of Mississippi"* were provided to Board members for their review. Ms. McClendon discussed the report, advising that the handout was a preliminary report based on the limited data that has been collected thus far on the participants who had undergone bariatric surgery. She explained that the legislation authorizing the project required a report after the first two years, and that data was still being collected and analyzed. Ms. McClendon advised that the final report should be completed by August 2013.

Dr. Eric Clark requested additional information to be provided to Board members relative to mortality rates as a result of bariatric surgery, which Ms. McClendon agreed to provide.

Financial Statements

Mr. Self briefly reviewed the financial statements for the State and School Employees' Life and Health Insurance Plan and the Children's Health Insurance Program for the month of January. Copies of the financial statements were provided to Board members for their review prior to the meeting.

General Schedule

Ms. Planch reviewed the schedule of major activities and actions to be taken by the Board for the next several months.

Old Business

There was no old business for the Board to consider.

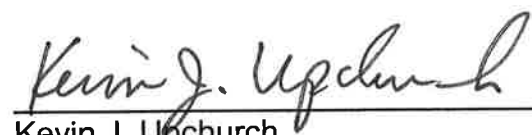
New Business

There was no new business for the Board to consider.

Adjournment

Chairman Upchurch announced that the next regular meeting of the State and School Employees Health Insurance Management Board is scheduled for 9:00 a.m., March 28, 2012, in Room 139, located at the Woolfolk Building.

As there was no further business, the meeting was adjourned at 10:26 a.m.



Kevin J. Upchurch
Chairman

State and School Employees Health Insurance Management Board