

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

The regular monthly meeting of the State and School Employees Health Insurance Management Board convened on Wednesday, August 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
Dr. Eric Clark
Mr. Liles Williams
Mr. Mike Chaney
Mr. Larry Fortenberry
Dr. Lynn House
Ms. DeAnne Mosley
Ms. Pat Robertson

Non-Voting

The Honorable Videt Carmichael

Members Absent:

Dr. Hank Bounds
Mr. Christopher Burkhalter

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

Department of Finance and Administration Staff Present:

Ms. Rita Wray
Mr. Richard Self
Ms. Cindy Bradshaw
Ms. Cheryl Turner
Ms. Edie Ivey
Mr. Steve May
Mr. Curt Hubbard
Ms. Susan Lancaster
Ms. Lisa Crumpton

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.

Approval of the Minutes of the Regular Meeting on July 25, 2012

The minutes of the Board's regular monthly meeting of July 25, 2012, were provided to all Board members for their review prior to the meeting. A motion was made by Mr. Liles Williams to approve the minutes as presented. Mr. Larry Fortenberry seconded the motion. The motion passed by a 7 – 0 vote, with members Chaney, Clark, Fortenberry, House, Mosley, Robertson and Williams voting affirmatively.

Benefit Changes for 2013 and Advisory Council Recommendations

Chairman Upchurch recognized Mr. Richard Self, State Insurance Administrator with the Office of Insurance, who presented the proposed benefit changes for the State and School Employees' Life and Health Insurance Plan to be effective January 1, 2013, and explained the projected savings and/or additional costs associated with each. A handout entitled *Evaluation of Potential Benefit Changes for Calendar Year 2013* was provided to the Board prior to the meeting.

Mr. Self presented the following staff recommendations:

- Adjust Base Coverage deductibles and coinsurance/co-payment maximums consistent with 2013 Internal Revenue Service requirements for High Deductible Health Plans – Staff recommends no change in the Base Coverage deductibles and coinsurance/co-payment maximums for calendar year 2013.
- Adjust Prescription Drug Deductible and Co-payments – Staff recommends no change in prescription drug deductible or co-payment structure.
- Allow a 90-day supply of prescription drugs for a 60-day co-payment at retail pharmacies – Staff does not recommend allowing a 90-day supply of prescription drugs for a 60-day co-payment at retail pharmacies.
- Provide benefits for over-the-counter medications containing pseudoephedrine – Staff recommends allowing prescription drug benefits for over-the-counter pseudoephedrine medications purchased by prescription.
- Expand List of Outpatient Services Requiring Precertification – Staff does not recommend expanding the Plan's list of outpatient procedures that require precertification.

- Add coverage for bariatric surgery procedures – Staff recommends the addition of bariatric surgery procedures as a covered benefit under the Plan.
- Allow coverage of additional ultrasounds for maternity cases of 100% – Staff recommends increasing the number of ultrasounds provided at 100% (90% for non-participating physician), not subject to the calendar year deductible, from two to four.
- Allow limited benefits for gym memberships – Staff does not recommend limited benefits for gym memberships.
- Increase preventative benefits for females to allow bone density testing beginning at age 50 – Staff does not recommend expanding the current wellness benefits for bone density testing.
- Expand preventative services for women as required by the PPACA:
 - Well-woman visits for preconception and prenatal care for all female participants
 - Screening for Gestational Diabetes in pregnant women between 24 and 28 weeks of gestation (and at first prenatal visit for women at high risk for diabetes).
 - Contraceptive methods and counseling, including FDA-approved contraceptive methods, sterilization procedures, and patient education/counseling for all women with reproductive capacity.
 - Breastfeeding support, supplies and counseling in conjunction with each childbirth including comprehensive lactation support and counseling by a trained provider during pregnancy and/or postpartum, and coverage of the costs of renting breastfeeding equipment.
 - Annual Screening and counseling for interpersonal and domestic violence.

Mr. Self reported to the Board that the proposed 2013 benefit changes had been presented to the State and School Employees Health Insurance Advisory Council at their August 15, 2012 meeting. Mr. Self advised that the Advisory Council voted to approve all staff recommendations.

A motion was made by Mr. Mike Chaney to accept the recommendations made by the Advisory Council. Mr. Liles Williams seconded the motion. The motion passed by a 7 – 0 vote, with members Chaney, Clark, Fortenberry, House, Mosley, Robertson and Williams voting affirmatively.

Preliminary Actuarial Report Fiscal Year 2012, Plan Projection Scenarios

Chairman Upchurch recognized Mr. Wm. Lynn Townsend, FSA, MAAA, Consulting Actuary for the Board, who presented an overview of the financial status of the Plan as of June 30, 2012, including premium rate projections for FY 2014. A copy of Mr. Townsend's report entitled "*FISCAL YEAR 2012 ACTUARIAL REPORT Preliminary Projections*" was distributed to Board members for their review.

Discussion ensued with several Board members expressing support for no change to the active employee premium rate for 2013. There was additional discussion and varying opinions expressed by Board members as to the premium projection to be provided to the Legislative Budget Office for Fiscal Year 2014 budgeting purposes. After much discussion, Mr. Mike Chaney moved that the Board approve \$356 as the employer's portion of the active employee monthly premium rate, representing a zero percent (0%) increase to the existing premium, to be effective January 1, 2013; and to provide the Legislative Budget Office with a projection of a zero percent (0%) increase for FY 2014. Mr. Liles Williams seconded the motion. The motion passed by a 7 – 0 vote, with members Chaney, Clark, Fortenberry, House, Mosley, Robertson and Williams voting affirmatively.

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 July. Copies of the financial statements were provided to Board members for their review prior to the meeting.

General Schedule

Mr. Self reviewed the schedule of major activities and actions to be taken by the Board for the next several months. Mr. Self reminded Board members that the Strategic Planning Retreat is scheduled for October 9, 2012, at Eagle Ridge Conference Center in Raymond, Mississippi. Mr. Self encouraged Board members to contact him with any items they would like to have placed on the agenda.

Old Business

There was no old business for the Board to consider.

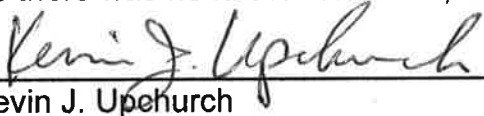
New Business

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., September 26, 2012, in Room 139, located at the Woolfolk Building.

As there was no further business, the meeting was adjourned at 10:00 a.m.

A handwritten signature in cursive script, reading "Kevin J. Upchurch", is written over a horizontal line.

Kevin J. Upchurch

Chairman

State and School Employees Health Insurance Management Board