

**State and School Employees' Life and Health Insurance Plan
Health Insurance Management Board
Regular Monthly Meeting
October 24, 2012**

The regular monthly meeting of the State and School Employees Health Insurance Management Board convened on Wednesday, October 24, 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
Ms. Pat Robertson

Non-Voting

The Honorable Herb Frierson

Members Absent:

Mr. Christopher Burkhalter
Dr. Hank Bounds
Ms. DeAnne Mosley
Dr. Lynn House
(Represented by Ms. Gracie Sanders)

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

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. Kim Abrams-Magee
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.

Approval of the Minutes of the Regular Meeting on September 26, 2012

The minutes of the Board's regular monthly meeting of September 26, 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. Dr. Eric Clark seconded the motion. The motion passed by a 5 – 0 vote, with members Chaney, Clark, Fortenberry, Robertson and Williams voting affirmatively.

Fiscal Year 2012 Financial Audit Report

Chairman Upchurch recognized Mr. Timothy J. Adler, CPA, Accounting and Auditor Director and Mr. Daniel Scarborough, CPA, Supervisor with BKD, LLP, to present the results of BKD's financial audit of the State and School Employees' Life and Health Insurance Plan for fiscal year 2012. A copy of the report entitled "*State of Mississippi Selected Funds of the State and School Employees' Life and Health Insurance Plan, Independent Accountants' Report and Combined Financial Statements of Funds Selected for Audit June 30, 2012*", as well as BKD's FY 2012 management letter to the Board, were provided to Board members prior to the meeting.

A motion was made by Ms. Pat Robertson to accept the audit report as presented. The motion was seconded by Mr. Larry Fortenberry. The motion passed by a 5 – 0 vote, with members Chaney, Clark, Fortenberry, Robertson and Williams voting affirmatively.

Catalyst Rx Pharmacy Benefit Manager Contract Amendment

Chairman Upchurch recognized Ms. Edie Ivey, Director of Benefits and Participant Services with the Office of Insurance, who discussed the proposed amendment to the Board's pharmacy benefit manager contract with Catalyst Rx. Ms. Ivey advised that Catalyst Rx had recently merged with SXC, and is now operating under the new name, Catamaran. Ms. Ivey further advised that Catamaran had proposed to enhance the drug utilization review and related services currently provided to the Plan by including certain components of their MedMonitor® Value Packages Program, specifically related to abuse medications/narcotics and diabetes. Ms. Ivey explained that these services are expected to benefit the Plan by identifying, and addressing the needs and potential problem areas for those patients who are at risk for dangerous or expensive drug related issues.

A motion was made by Dr. Eric Clark that the Board approve amending the pharmacy benefit manager contract with Catalyst RX to reflect the company's new name, Catamaran, and to expand drug utilization review services to include the MedMonitor® Value Packages programs for abuse medications/narcotics and diabetes, and for the Chairman of the Board

to execute the appropriate amendment on behalf of the Board. The motion was seconded by Mr. Larry Fortenberry. The motion passed by a 5 – 0 vote, with members Chaney, Clark, Fortenberry, Robertson and Williams voting affirmatively.

ActiveHealth Management, Inc. Contract Amendment

Chairman Upchurch recognized Ms. Cindy Bradshaw, Deputy Director with the Office of Insurance, who discussed the proposed amendment to the Board's medical management contract with ActiveHealth Management, Inc. Ms. Bradshaw reminded Board members that bariatric surgery procedures were recently added as a covered benefit under the Plan effective January 1, 2013. She added that in order to properly administer this new benefit, it is necessary to expand the medical management services currently provided by ActiveHealth. Ms. Bradshaw explained that medical necessity certification, as well as case management services to support participants before, during, and after the approved surgeries, would be needed to manage the process and help produce better outcomes. Ms. Bradshaw also discussed the Plan's weight management enhancement program (WMEP), and advised that staff recommended revising the WMEP's minimum body mass index (BMI) from ≥ 40 down to ≥ 35 , in order to ensure compatibility and integration between the new bariatric surgical benefit and the WMEP. She added that revising the BMI would provide greater access to the WMEP for more of the Plan's obese participants, including those bariatric surgical candidates with a BMI below 40.

A motion was made by Ms. Pat Robinson that the Board approve amending the medical management contract with ActiveHealth Management, Inc., to add bariatric management services and revise the BMI requirement for participation in the Weight Management Enhancement Program, and for the Chairman of the Board to execute the appropriate amendment on behalf of the Board. The motion was seconded by Mr. Liles Williams. The motion passed by a 5 – 0 vote, with members Chaney, Clark, Fortenberry, Robertson and Williams voting affirmatively.

HIPAA Exemption Election

Chairman Upchurch recognized Mr. Richard Self, State Insurance Administrator, with the Office of Insurance who advised the Board that staff recommends that the Board continue to elect exemption of the State and School Employees' Life and Health Insurance Plan from certain federal regulations under the Health Insurance Portability and Accountability Act (HIPAA). Mr. Self advised that although the Board has consistently elected to generally comply with the intent of the HIPAA requirements voluntarily, it has nonetheless voted annually to exempt the Plan from regulation under these provisions for the past fifteen years. He advised that should the Board elect to continue this exemption for 2013, a letter would be provided to the federal government as notification of this election, and the notice would be included in the 2013 *Plan Document*.

Mr. Larry Fortenberry moved to approve the exemption election. The motion was seconded by Mr. Mike Chaney. The motion passed by a 5 – 0 vote, with members Chaney, Clark, Fortenberry, 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 period ending September 30, 2012. 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.

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., November 28, 2012, in Room 139, located at the Woolfolk Building.

As there was no further business, the meeting was adjourned at 9:55 a.m.



Kevin J. Upchurch
Chairman
State and School Employees Health Insurance Management Board