

**State and School Employees' Life and Health Insurance Plan
Health Insurance Management Board
Regular Monthly Meeting
February 27, 2013**

The regular monthly meeting of the State and School Employees Health Insurance Management Board convened on Wednesday, February 27, 2013, 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. Mike Chaney
Ms. DeAnne Mosley
Mr. Christopher Burkhalter
Ms. Pat Robertson
Dr. Hank Bounds
Mr. Liles Williams

Non-Voting

Members Absent:

Mr. Larry Fortenberry
Dr. Lynn House
(Represented by Ms. Gracie Sanders)

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

Department of Finance and Administration Staff Present:

Ms. Cindy Bradshaw
Ms. Cheryl Turner
Ms. Edie Ivey
Mr. Steve May
Ms. Ashley Harrell
Ms. Evelyn Jenkins
Mr. Willie McKennis
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 January 23, 2013

The minutes of the Board's regular monthly meeting of January 23, 2013, were provided to all Board members for their review prior to the meeting. A motion was made by Mr. Christopher Burkhalter to approve the minutes as presented. Ms. DeAnne Mosley seconded the motion. The motion passed by a 7 – 0 vote, with members Bounds, Burkhalter, Chaney, Clark, Mosley, Robertson and Williams voting affirmatively.

Calendar Year 2012 Actuarial Report Preliminary Projections

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 for CY 2012, as well as projections of active employee rates for FY 2014. Copies of the report entitled "*Actuarial Report Calendar Year 2012 Preliminary Projections*" was provided to Board members for their review. Several potential premium rate scenarios were included in this report.

Requests for Proposals for Consulting Services and Actuarial Services

Chairman Upchurch recognized Ms. Cindy Bradshaw, Deputy Director with the Office of Insurance, who advised that the consulting services contract with PricewaterhouseCoopers and the actuarial services contract with Mr. Wm. Lynn Townsend will expire on September 30, 2013.

Chairman Upchurch reminded the Board of the important services that each of these vendors provide in helping make sure that the Plan remains financially stable, responsive to the needs of the participants, and compliant with state and federal regulations, including the *Patient Protection and Affordable Care Act* (PPACA). Chairman Upchurch suggested that, based on the ongoing work to implement the provisions of PPACA, the Board may want to consider negotiating a contract extension with both PricewaterhouseCoopers and with Mr. Townsend to ensure continuity in the services being provided, based on the vendors' level of experience and familiarity with the Plan, ability, and qualifications. Chairman Upchurch further advised that, if so approved by the Board, the staff would work with the Personal Services Contract Review Board (PSCRB) to secure any necessary approvals. Ms. Pat Roberson stated that due to the complex and technical nature of actuarial work, which is exempt from PSCRB jurisdiction, extending the actuary contract has merit.

A motion was made by Mr. Liles Williams to enter into contract extension negotiations with Mr. Wm. Lynn Townsend, to provide actuarial services for the State and School Employees' Life and Health Insurance Plan, and subject to subcommittee recommendation and successful negotiations, for the Chairman of the Board to execute the contract extension on behalf of the Board. Mr. Mike Chaney seconded the motion. The motion passed by a 7 – 0 vote, with members Bounds, Burkhalter, Chaney, Clark, Mosley, Robertson and Williams voting affirmatively.

Ms. DeAnne Mosley provided clarification as to the PSCRB's contract approval process, advising that extending the service period of the consulting contract with PricewaterhouseCoopers could only be done if such action was declared to be an emergency contract award. Mr. Eric Clark stated that he did not believe the basis for considering the consulting contract extension constituted an emergency. Chairman Upchurch suggested that based on concerns expressed regarding the propriety of executing an extension with PricewaterhouseCoopers, the Board may instead want to consider issuing a Request for Proposals for consulting services.

A motion was made by Dr. Eric Clark to approve the issuance of a Request for Proposals for consulting services. Ms. Pat Robertson seconded the motion. The motion passed by a 7 – 0 vote, with members Bounds, Burkhalter, Chaney, Clark, Mosley, Robertson and Williams voting affirmatively.

Subcommittee Appointments

Chairman Upchurch announced the following subcommittee appointments:

Actuarial Services Contract Extension Negotiations

Mr. Christopher Burkhalter
Dr. Eric Clark
Ms. Pat Robertson

Consulting Services Request for Proposal

Dr. Hank Bounds
Mr. Liles Williams
Mr. Larry Fortenberry

Financial Audit Services Contract Extension

Chairman Upchurch recognized Mr. Steve May, Director of Accounting and Analysis with the Office of Insurance, who advised that the Board's Financial Audit Services Contract with BKD, LLP will expire August 24, 2013. Mr. May advised that the original term of the contract is for two years and includes an option to renew for three one-year renewals at the Board's discretion. He further advised that the contract includes pricing for this one-year option, thus eliminating the need for further negotiation should the Board elect to exercise this option. Mr. May stated that the Office of Insurance staff recommends that the Board exercise this option and extend the contract for one year.

A motion was made by Ms. Pat Robertson to approve the extension of the Financial Audit Services Contract with BKD, LLP through August 24, 2014. Mr. Liles Williams seconded the motion. The motion passed by a 6 – 0 vote, with members Burkhalter, Chaney, Clark, Mosley, Robertson and Williams voting affirmatively. Dr. Bounds was not present for this vote.

Election of Vice-Chairman

Chairman Upchurch advised that election of a vice-chairman was in order. A motion was made by Mr. Mike Chaney to elect Mr. Larry Fortenberry as Vice-Chairman to serve in the absence of the Chairman. Mr. Christopher Burkhalter seconded the motion. The motion passed by a 6 – 0 vote, with members Burkhalter, Chaney, Clark, Mosley, Robertson and Williams voting affirmatively. Dr. Bounds was not present for this vote.

Financial Statements

Chairman Upchurch recognized Mr. Steve May, who 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 2013. Copies of the financial statements were provided to Board members for their review prior to the meeting.

General Schedule

Ms. Bradshaw 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.

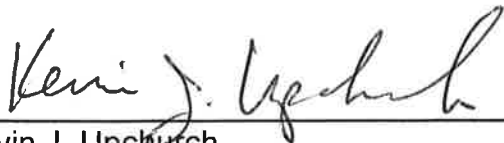
New Business

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 27, 2013, in Room 139, located at the Woolfolk Building.

As there was no further business, the meeting was adjourned at 9:52 a.m.



Kevin J. Upchurch
Chairman

State and School Employees Health Insurance Management Board