

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

The regular monthly meeting of the State and School Employees Health Insurance Management Board convened on Wednesday, March 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 (*Designee, Ms. Maris Cooper*)  
Mr. Larry Fortenberry  
Mr. Christopher Burkhalter  
Ms. Pat Robertson  
Mr. Liles Williams

Non-Voting

**Members Absent:**

Ms. DeAnne Mosley  
Dr. Lynn House (*Represented by Ms. Gracie Sanders*)  
Dr. Hank Bounds

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

**Department of Finance and Administration Staff Present:**

Ms. Rita Wray  
Mr. Richard Self  
Ms. Cindy Bradshaw  
Ms. Cheryl Turner  
Mr. Curt Hubbard  
Ms. Edie Ivey  
Mr. Steve May  
Ms. Sharon Kovarik  
Ms. Lisa Crumpton  
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 February 27, 2013**

The minutes of the Board's regular monthly meeting of February 27, 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. Mr. Liles Williams seconded the motion. The motion passed by a 6 – 0 vote, with members Burkhalter, Clark, Cooper (designee for member Chaney), Fortenberry, Robertson and Williams voting affirmatively.

### **Minnesota Life Insurance Letter of Understanding**

Chairman Upchurch recognized Mr. Richard Self, State Insurance Administrator with the Office of Insurance, who reminded Board members that during the January 2013 Board meeting, a subcommittee consisting of Dr. Lynn House, Mr. Christopher Burkhalter, and Mr. Larry Fortenberry, had been established to review the proposed renewal to the Letter of Understanding with Minnesota Life Insurance Company for the Plan's group term life insurance policy. The renewal, if approved, would extend the term of the Letter of Understanding and continue the Plan's fully-insured life insurance policy with Minnesota Life for four more years through December 31, 2017, with an option to renew for one additional year. Mr. Self reported that the subcommittee, with technical assistance from the Board's consulting actuary, Mr. Lynn Townsend, FSA, MAAA, had completed its review of the renewal.

Mr. Christopher Burkhalter moved that the Board approve entering into negotiations with Minnesota Life Insurance Company to renew the Letter of Understanding to provide life insurance coverage to the State and School Employees' Life Insurance Plan, and subject to successful negotiations, for the Chairman of the Board to execute the amended Letter of Understanding on behalf of the Board. Mr. Larry Fortenberry seconded the motion. The motion passed by a 6 – 0 vote, with members Burkhalter, Clark, Cooper (designee for member Chaney), Fortenberry, Robertson and Williams voting affirmatively.

### **Potential Benefit Changes for Calendar Year 2014**

Chairman Upchurch recognized Ms. Cindy Bradshaw, Deputy Director with the Office of Insurance, who outlined the process and schedule for Plan benefit changes for 2014, and briefly discussed the list of potential benefit changes presented by staff and provided to Board members prior to the meeting. Ms. Bradshaw advised that the Board will need to indicate which of the potential benefit changes listed they would like for the staff to analyze, and explained that other proposed changes could be added to the list if the Board so desired. The following potential benefit changes were discussed:

- Increase Preventive Benefits for females to allow bone density screenings beginning at age 50
- Provide limited coverage of Speech Therapy to include language disorders
- Provide benefits for Massage Therapy services
- Implement Medical Co-payments / Increase Out-of-Pocket Maximums
- Adjust Mail Order Co-payment Structure / Adjust Prescription Drug Co-payments
- Eliminate Pre-Existing Exclusion Periods, as required by PPACA
- Eliminate \$20 Private Room Co-payment
- Provide benefits for Telemedicine services rendered by In-Network providers
- Establish a Family Out-of-Pocket Maximum for Select Coverage, as required by PPACA
- Apply Base Coverage Calendar Year Deductible to the participant's Out-of-Pocket Maximum, as required by PPACA
- Increase access to vaccines through the Catamaran Vaccine Program
- Amend the BMI requirement for participation in the Weight Management Enhancement Program

In addition to the potential benefit changes on the list previously provided to the Board, staff suggested including the following:

- Revise benefit differentials for services provided by designated centers of excellence and/or quality outcomes rated providers for certain medical procedures, surgeries, and disease states

A motion was made by Mr. Liles Williams that the Board authorize staff to conduct cost/savings analyses for each of the aforementioned potential calendar year 2014 benefit changes. The motion was seconded by Mr. Larry Fortenberry. The motion passed by a 6 – 0 vote, with members Burkhalter, Clark, Cooper (designee for member Chaney), Fortenberry, Robertson and Williams voting affirmatively.

### **Calendar Year 2012 Actuarial Report Highlights**

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 as

of the end of Calendar Year 2012, including premium rate projections for FY 2014. Copies of the "*Calendar Year 2012 Actuarial Report Highlights*", as well as the complete report entitled "*Calendar Year 2012 Actuarial Report*", were provided to Board members for their review prior to the meeting.

A motion was made by Ms. Pat Robertson that the Board accept the *Calendar Year 2012 Actuarial Report*. The motion was seconded by Mr. Liles Williams. The motion passed by a 6 – 0 vote, with members Burkhalter, Clark, Cooper (designee for member Chaney), Fortenberry, Robertson and Williams voting affirmatively.

Chairman Upchurch recognized Dr. Eric Clark, who suggested that the Board consider scheduling active employee premium rate changes to be effective at the beginning of fiscal years rather than calendar years, so as to minimize any potential adverse impact to agency budgets. Discussion was held on this matter, but no action was taken.

### **Financial Statements**

Chairman Upchurch recognized Mr. Steve May, Director of Accounting and Analysis with the Office of Insurance, 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 February 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**

Mr. Self provided the Board with an update on the litigation concerning the Plan's Specialty Drug program. Mr. Self reminded the Board that among the benefit changes approved for Calendar Year 2010 was a central fill specialty drug program to be administered by the Plan's pharmacy benefit manager, Catalyst Rx (now Catamaran). He explained that this decision was made to help control the high costs of specialty drug medications, as well as provide clinical support to help better manage those medications. Mr. Self stated that shortly after that benefit change was announced, several specialty pharmacy providers commenced legal action to prevent the Board from implementing the central fill model, alleging that it violated the "any willing provider" provision of Section 83-9-6(3) of the Mississippi Code.

Mr. Self reminded the Board that their position was that this section of the law did not apply to the State and School Employees' Health Insurance Plan. He further reminded the Board that after the local courts had ruled against the Plan, this matter had been appealed to the Mississippi Supreme Court, who ultimately ruled that this section of the statute did apply to the Plan.

Mr. Self advised that staff was working with Catamaran to determine the impact of the Mississippi Supreme Court's ruling, and to ascertain what changes may need to be made to the Plan's specialty drug program to ensure compliance. Mr. Self stated that staff would provide an update to the Board at a subsequent meeting on the ruling's estimated impact, as well as any resulting operational and/or proposed benefit changes to the Plan.

### **New Business**

Mr. Self advised the Board that the University of Mississippi Medical Center (UMMC) has made a request for certain non-identifiable Plan claims data to assist them in a study they are conducting regarding out of state medical services received by Plan participants. UMMC has indicated that this data will be used to help them better understand gaps in service in Mississippi and will assist them in long-term strategic planning to improve access for those services. Discussion was held regarding the fact that UMMC was not only the state-owned teaching hospital and medical school; it is also a member of the Plan's provider network and competitor of other network hospitals. Several Board members expressed concerns over the increased risk of HIPAA violations resulting from potential inadvertent disclosure of protected health information, as well as the propriety and possible legal ramifications of providing Plan data to UMMC, but not to other non-State hospitals.

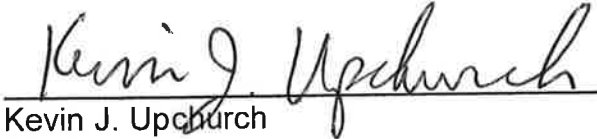
A motion was made by Dr. Eric Clark that the Board table the UMMC data request subject to call at next month's Board meeting. Mr. Larry Fortenberry seconded the motion. The motion passed by a 6 – 0 vote, with members Burkhalter, Clark, Cooper (designee for member Chaney), Fortenberry, Robertson and Williams voting affirmatively.

A motion was made by Dr. Eric Clark that the Board request an official Attorney General's opinion on whether or not the Board can provide the requested data to UMMC, without being legally obligated to make the same information available to any other non-state entities. Mr. Christopher Burkhalter seconded the motion. The motion passed by a 6 – 0 vote, with members Burkhalter, Clark, Cooper (designee for member Chaney), Fortenberry, Robertson and Williams voting affirmatively.

### **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., April 24, 2013, in Room 139, located at the Woolfolk Building.

As there was no further business, the meeting was adjourned at 10:19 a.m.

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