

**State and School Employees' Life and Health Insurance Plan
Health Insurance Management Board
Regular Monthly Meeting
August 28, 2013**

The regular monthly meeting of the State and School Employees Health Insurance Management Board convened on Wednesday, August 28, 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
Mr. Christopher Burkhalter
Ms. Pat Robertson
Mr. Liles Williams
Dr. Hank Bounds

Non-Voting

The Honorable Videt Carmichael
The Honorable Gary Chism

Members Absent:

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

The Honorable Eugene Clarke
The Honorable Herb Frierson

Department of Finance and Administration Staff Present:

Mr. Richard Self
Ms. Cindy Bradshaw
Mr. Steve May
Ms. Edie Ivey
Ms. Susan Lancaster
Ms. Ashley Harrell
Ms. Terri Smith
Ms. Vernetha Caston
Ms. Stephanie Ivy

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 26, 2013

The minutes of the Board's regular monthly meeting of July 26, 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. Mike Chaney seconded the motion. The motion passed by a 6 – 0 vote, with members Bounds, Burkhalter, Chaney, Clark, Robertson, and Williams voting affirmatively.

Fiscal Year 2013 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 as of June 30, 2013, as well as projections for Plan assets, liabilities, and funding status through calendar year 2016. A copy of Mr. Townsend's report entitled "*FISCAL YEAR 2013 ACTUARIAL REPORT Preliminary Projections*" was distributed to Board members for their review. Mr. Townsend explained that the report provided projections under two scenarios, one assuming no premium rate increases, and a second scenario assuming a 5% premium rate increase to occur January 1, 2015 and January 1, 2016. He stated that both scenarios assumed no rate increase in calendar year 2014.

Dr. Eric Clark 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, 2014. Ms. Pat Robertson seconded the motion. The motion passed by a 6 – 0 vote, with members Bounds, Burkhalter, Chaney, Clark, Robertson, and Williams voting affirmatively.

A motion was made by Mr. Christopher Burkhalter to provide the Legislative Budget Office with a projection of a five percent (5%) increase for FY 2015. Mr. Mike Chaney seconded the motion. The motion passed by a 6 – 0 vote, with members Bounds, Burkhalter, Chaney, Clark, Robertson, and Williams voting affirmatively.

Benefit Changes for 2014 and Advisory Council Recommendations

Chairman Upchurch recognized Ms. Edie Ivey, Director, Benefits and Participant Services 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, 2014, and explained the projected savings and/or additional costs associated with each. A handout entitled *Evaluation of Potential Benefit Changes for Calendar Year 2014* was provided to the Board prior to the meeting.

Ms. Ivey presented the following staff recommendations:

1. Increase Wellness/Preventive Benefits for Bone Density Screenings for Women Beginning at Age 50 – Staff does not recommend increasing the current wellness/preventive benefits for bone density screening.
2. Provide Limited Coverage of Speech Therapy to Include Delayed Language Development – Staff recommends providing limited coverage of speech therapy to include delayed language development.
3. Provide Benefits for Massage Therapy Services – Staff does not recommend providing benefits for massage therapy services.
4. Adjust Prescription Drug Retail and Mail Copayments – Staff recommends adjusting prescription drug copayments as shown in Scenario 2, to include mail order prescriptions being subject to three (3) copayments.

Prescription Drug Type	Current Copayment	Scenarios		
		1	2	3
Generic	\$ 12	\$ 12	\$ 12	\$ 15
Preferred Brand	\$ 40	\$ 42	\$ 45	\$ 45
Non-Preferred Brand	\$ 65	\$ 68	\$ 70	\$ 70
Specialty	\$ 65	\$ 68	\$ 70	\$ 70
2014 Projected Savings:				
Mail Order (subject to 2 copayments)		\$ 1,000,000	\$ 2,400,000	\$ 4,200,000
Mail Order (subject to 3 copayments)		\$ 2,000,000	\$ 3,500,000	\$ 5,300,000
Net effect of Changing Mail Order from 2 to 3 copayments		\$ 1,000,000	\$ 1,100,000	\$ 1,100,000

5. Expand List of Vaccines Available Through the Catamaran Vaccine Program – Staff recommends expanding the list of vaccines available through the Catamaran Vaccine Program.
6. Amend BMI Minimum for Participation in the Weight Management Enhancement Program – Staff recommends amending the BMI requirement for participation in the Weight Management Enhancement Program to include participants with a BMI \geq 30.
7. Add Coverage under Wellness/Preventive Benefits for one (1) A1C test per year for adults age 18 and older – Staff recommends adding coverage as a wellness/preventive benefit for one (1) A1C test per year for adults age 18 and older.

8. Expand Benefits for Dietician Counseling – Staff recommends expanding regular Plan benefits for dietician counseling to allow three additional visits per year, subject to the calendar year deductible and applicable coinsurance.
9. Eliminate Pre-Existing Condition Exclusions – Change required by PPACA.
10. Add prescription drug coverage for Vitamin D – Change required by PPACA.
11. Add coverage for Hepatitis C Virus Screening – Change required by PPACA.
12. Add Medical Office Visit Copayment Benefit – Staff recommends revising the current emergency room (ER) benefit from a \$0 first visit copayment / \$100 each subsequent visit copayment to a \$200 copayment for each ER visit, eliminating the \$20 per day private hospital room copayment, and amending the Plan's Select Coverage to include a medical office visit copayment benefit, including establishing annual out-of-pocket limits as provided under PPACA.

Benefit/Coverage Description	Current Select Coverage	Office Visit Copayment Benefit
Office Visit Copayment Benefit	No	Yes
Deductible In-Network	\$1,000	\$1,500
Deductible Out-of-Network	\$2,000	\$3,000
Coinsurance In-Network	20%	20%
Coinsurance Out-of-Network	40%	40%
Coinsurance Maximum In-Network	\$2,500	\$4,000
Coinsurance Maximum Out-of-Network	\$3,500	\$6,000
Emergency Room (ER) Copayment	\$100	\$200
ER Copayment Applies to 1 st Visit	No	Yes
Private Room Copayment	\$20	\$0
Primary Care Provider (PCP) Copayment	N/A	\$30
Specialist Copayment	N/A	\$40
Total out-of-pocket limit - Individual	\$6,350	\$6,350
Total out-of-pocket limit - Family	\$12,700	\$12,700
Family Deductible Used	Yes	Yes

13. Adjust Base Coverage Deductibles – Staff recommends adjusting the Base Coverage deductibles and coinsurance/copayment maximums for calendar year 2014, only if the proposed Select Coverage medical office visit copayment benefit is approved.

Proposed CY 2014 Base Coverage					
	Deductible	Medical Coinsurance	Drug Copayments	Coinsurance & Copayment Maximum	Out-of-Pocket Maximum
<u>Individual Coverage</u>					
In-Network	\$2,000	20%	TBD	\$3,000	\$5,000
Out-of-Network	\$2,000	40%	TBD	\$5,000	\$7,000
<u>Family Coverage</u>					
In-Network	\$3,000	20%	TBD	\$6,000	\$9,000
Out-of-Network	\$3,000	40%	TBD	\$9,000	\$12,000

14. Add a Centers of Excellence Program – Staff recommends the addition of a Centers of Excellence program starting in 2014, with staggered implementation as specific benefits and COE providers are determined. This program would be designed to incentivize participants to utilize designated providers who specialize in a particular medical service, with the COE designation, to be based on objective measures for which there is clear evidence of improved outcomes and/or cost efficiency.
15. Add Coverage for Telemedicine Services – Subsequent to the staff's initial analysis of the proposed addition of this benefit, telemedicine services became a mandated benefit effective July 1, 2013, in accordance with Senate Bill 2209, passed during the 2013 Regular Session of the Mississippi Legislature, and approved by the Governor.

Ms. Ivey reported to the Board that the proposed 2014 benefit changes had been presented to the State and School Employees Health Insurance Advisory Council at their August 22, 2013 meeting. Ms. Ivey advised that the Advisory Council voted to accept all staff recommendations and communicate same to the Board.

The Board chose to vote on each proposed benefit change individually:

Ms. Pat Robertson moved to accept the Advisory Council recommendation to not increase the current wellness/preventive benefits for bone density screening at this time. Mr. Liles Williams seconded the motion. The motion passed by a 6 – 0 vote, with members Bounds, Burkhalter, Clark, Robertson, and Williams and Mr. Bob Williams (designee for member Chaney) voting affirmatively. Mr. Mike Chaney was not present for this vote.

Dr. Eric Clark moved to accept the Advisory Council recommendation to provide limited coverage of speech therapy to include language development. Dr. Hank Bounds seconded the motion. motion passed by a 6 – 0 vote, with members Bounds, Burkhalter, Clark, Robertson, Williams, and Mr. Bob Williams (designee for member Chaney) voting affirmatively. Mr. Mike Chaney was not present for this vote. Dr. Hank Bounds advised that certain speech therapy services are currently being provided in the public school system. Dr.

Clark expressed concern regarding the adequacy of the services. Chairman Upchurch requested that Ms. Gracie Sanders (representative for Dr. Lynn House, Interim State Superintendent of Education), provide information to the Board at a subsequent meeting on how this program operates in the public school system, so that additional analysis could be done with regard to possible future changes to the Plan's benefit for speech therapy.

Ms. Pat Robertson moved to accept the Advisory Council recommendation to not provide benefits for massage therapy services at this time. Mr. Liles Williams seconded the motion. The motion passed by a 5 – 0 vote, with members Burkhalter, Clark, Robertson, Williams, and Mr. Bob Williams (designee for member Chaney) voting affirmatively. Dr. Hank Bounds and Mr. Mike Chaney were not present for this vote.

Mr. Christopher Burkhalter moved to accept the Advisory Council recommendation to adjust prescription drug copayments as shown in Scenario 2, to include mail order prescriptions being subject to three (3) copayments. Ms. Pat Robertson seconded the motion. The motion passed by a 5 – 0 vote, with members Burkhalter, Clark, Robertson, Williams, and Mr. Bob Williams (designee for member Chaney) voting affirmatively. Dr. Hank Bounds and Mr. Mike Chaney were not present for this vote.

Ms. Pat Robertson moved to accept the Advisory Council recommendation to expand the list of vaccines available through the Catamaran Vaccine Program. Dr. Eric Clark seconded the motion. The motion passed by a 5 – 0 vote, with members Burkhalter, Clark, Robertson, Williams, and Mr. Bob Williams (designee for member Chaney) voting affirmatively. Dr. Hank Bounds and Mr. Mike Chaney were not present for this vote.

Ms. Pat Robertson moved to accept the Advisory Council recommendation to amend the BMI requirement for participation in the Weight Management Enhancement Program to include participants with a BMI ≥ 30 . Dr. Eric Clark seconded the motion. The motion passed by a 5 – 0 vote, with members Burkhalter, Clark, Robertson, Williams, and Mr. Bob Williams (designee for member Chaney) voting affirmatively. Dr. Hank Bounds and Mr. Mike Chaney were not present for this vote.

Dr. Eric Clark moved to accept the Advisory Council recommendation to add coverage as a wellness/preventive benefit for one (1) A1C test per year for adults age 18 and older. Mr. Liles Williams seconded the motion. The motion passed by a 5 – 0 vote, with members Burkhalter, Clark, Robertson, Williams, and Mr. Bob Williams (designee for member Chaney) voting affirmatively. Dr. Hank Bounds and Mr. Mike Chaney were not present for this vote.

Dr. Eric Clark moved to accept the Advisory Council recommendation to expand regular Plan benefits for dietician counseling to allow three additional visits per year, subject to the calendar year deductible and applicable coinsurance. Mr. Liles Williams seconded the motion. The motion passed by a 5 – 0 vote, with members Burkhalter, Clark, Robertson, Williams, and Mr. Bob Williams (designee for member Chaney) voting affirmatively. Dr. Hank Bounds and Mr. Mike Chaney were not present for this vote.

The following benefit changes are required by PPACA and were adopted without a vote:

- Eliminate Pre-Existing Condition Exclusions for all participants
- Add prescription drug coverage for Vitamin D for adults aged 65 or older
- Add coverage for Hepatitis C Virus Screening for adults born between 1945 and 1965, and for participants at higher risk for infection

After a lengthy discussion on the proposed benefit change to add a medical office visit copayment benefit and the associated proposed change to adjust Base Coverage deductibles and coinsurance/copayment maximums, the Board determined that consideration of these two benefit changes be tabled until such time that additional cost and participant impact information could be provided. Chairman Upchurch requested that Board members submit any specific information requests related to these changes to Richard Self, who would communicate same to Mr. Wm. Lynn Townsend for analysis. Board members discussed the feasibility of reconvening on Thursday, September 5, 2013, prior to the Board's Strategic Planning Retreat, to resume discussions and consideration of these two proposed benefit changes.

Mr. Christopher Burkhalter moved to accept the Advisory Council recommendation to add a Centers of Excellence program starting in 2014, with staggered implementation as specific benefits and COE providers are determined. Ms. Pat Robertson seconded the motion. The motion passed by a 5 – 0 vote, with members Burkhalter, Clark, Robertson, Williams, and Mr. Bob Williams (designee for member Chaney) voting affirmatively. Dr. Hank Bounds and Mr. Mike Chaney were not present for this vote.

The following benefit change is required by State Law and was adopted without a vote.

- Add coverage for telemedicine services

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 for the month of July 2013. Copies of the financial statements were provided to Board members for their review prior to the meeting.

General Schedule

Chairman Upchurch recognized Ms. Cindy Bradshaw, Deputy Director with the Office of Insurance, who reviewed the schedule of major activities and actions to be taken by the Board for the next several months. Ms. Bradshaw reminded Board members that the Strategic Planning Retreat is scheduled for 11:00 a.m., September 5, 2013, in the Woolfolk Conference Room 117.

Old Business

There was no new business for the Board to consider.

New Business

There was no new business for the Board to consider.

Adjournment

Chairman Upchurch recognized Dr. Eric Clark who moved that the Board meeting stand in recess until Thursday, September 5, 2013 at 10:00 a.m. in Room 117 of the Woolfolk Building. Ms. Pat Robertson seconded the motion. The motion passed by a 5 – 0 vote, with members Burkhalter, Clark, Robertson, Williams, and Mr. Bob Williams (designee for member Chaney) voting affirmatively. Dr. Hank Bounds and Mr. Mike Chaney were not present for this vote.

As there was no further business, the meeting was adjourned at 11:10 a.m.



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