

**State and School Employees' Life and Health Insurance Plan
Health Insurance Management Board
Regular Monthly Meeting
September 25, 2013**

The regular monthly meeting of the State and School Employees Health Insurance Management Board convened on Wednesday, September 25, 2013, in Room 139 in the Woolfolk Building located at 501 North West Street in Jackson, Mississippi, at 9:00 a.m. A quorum was present. In the absence of Board Chairman Kevin J. Upchurch and Vice-Chairman Larry Fortenberry, Mr. Mike Chaney moved that Mr. Christopher Burkhalter preside and serve as temporary chair. Dr. Eric Clark seconded the motion. The motion passed by a 5 – 0 vote, with members Bounds, Chaney, Clark, Mosley, and Robertson voting affirmatively.

Members Present:

Voting

Dr. Eric Clark
Mr. Mike Chaney
Mr. Christopher Burkhalter
Ms. Pat Robertson
Dr. Hank Bounds *(via conference call)*
Ms. DeAnne Mosley

Non-Voting

Members Absent:

Mr. Kevin Upchurch
Mr. Larry Fortenberry
Mr. Liles Williams
Dr. Lynn House *(Represented by Ms. Gracie Sanders)*

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

Department of Finance and Administration Staff Present:

Mr. Richard Self
Ms. Cindy Bradshaw
Mr. Steve May
Ms. Edie Ivey
Ms. Susan Lancaster
Ms. Lisa Crumpton
Ms. Sharon Kovarik

Attorney General's Office Staff Present:

Ms. Romaine Richards, Esquire

Call to Order

The meeting was chaired and called to order by temporary Chairman Mr. Christopher Burkhalter, who opened the meeting with prayer. Dr. Hank Bounds joined the meeting via conference call at 9:00 a.m. and his participation ended at approximately 9:35 a.m.

Approval of the Minutes of the Regular Meeting on August 28, 2013

The minutes of the Board's regular monthly meeting of August 28, 2013 were provided to all Board members for their review prior to the meeting. A motion was made by Ms. Pat Robertson to approve the minutes as presented. Mr. Mike Chaney seconded the motion. The motion passed by a 5 – 0 vote, with members Bounds, Chaney, Clark, Mosley, and Robertson voting affirmatively.

Approval of the Minutes from the Special Meeting on September 5, 2013

The minutes of the Board's special meeting of September 5, 2013 were provided to all Board members for their review prior to the meeting. A motion was made by Mr. Mike Chaney to approve the minutes as presented. Ms. Pat Robertson seconded the motion. The motion passed by a 5 – 0 vote, with members Bounds, Chaney, Clark, Mosley, and Robertson voting affirmatively.

Fiscal Year 2013 Actuarial Report

Chairman Burkhalter advised Board members that Mr. Wm. Lynn Townsend, FSA, MAAA, Consulting Actuary for the Board, would not be present today, and that presentation of the Fiscal Year 2013 Actuarial Report would be deferred to next month's meeting. Copies of the *Actuarial Report Fiscal Year 2013* and *Actuarial Report Highlights Fiscal Year 2013* were provided to Board members prior to the meeting.

Direct Contracting Administrator Contract Amendment

Chairman Burkhalter recognized Mr. Richard Self, State Insurance Administrator for the Office of Insurance, who reminded Board members that Advanced Health Systems (AHS) serves the Board as the Direct Contracting Administrator for the Plan. Mr. Self advised that the Plan's AHS State network consists primarily of in-state physicians, clinics and hospitals with a relatively small number of out-of-state physicians in the surrounding states of Tennessee, Alabama and Louisiana. Mr. Self explained that the current contract includes a discount arrangement through a third party to reduce out of state hospital charges, but that it did not include physicians and other healthcare providers, nor did it provide hold harmless language to protect participants from provider balance billing. He stated that Plan participants who use non-network providers are financially responsible for the difference between what a provider charges and the Plan's allowed amount, which can result in thousands of dollars in additional out of pocket costs to the participant. In addition, participants who fail to receive

Plan approval to use an out of network provider are also subject to higher deductibles and coinsurance amounts.

Mr. Self advised that staff had worked with AHS to find a solution to the affordable access problem. He stated that AHS offered to amend their contract with the Board to include access to the Blue Card Program, a reciprocal agreement established by Blue Cross and Blue Shield Association that would provide Plan participants the opportunity to utilize Blue Cross and Blue Shield provider agreements in other states outside Mississippi. By accessing the services of providers under these agreements, Plan participants could receive in-network benefits, including protection against balance billing.

Mr. Self advised that staff was requesting that the Board consider authorizing staff to negotiate an amendment to the direct contracting administrator contract that would expand access for the participants to providers across the country using the Blue Card Program.

A motion was made by Mr. Mike Chaney to approve negotiations with AHS to amend the direct contracting administrator contract to expand access for participants to providers outside of Mississippi through the Blue Card Program, and subject to successful negotiations, for the Chairman of the Board to execute the appropriate amendment on behalf of the Board. Ms. Pat Robertson seconded the motion. The motion passed by a 5 – 0 vote, with members Bounds, Chaney, Clark, Mosley, and Robertson voting affirmatively.

Mr. Self announced that Memorial Hospital of Gulfport joined the AHS State network on September 1, 2013, thus providing additional network provider access to Plan participants in the coastal region of the State.

Wellness Benefits

Mr. Self reminded Board members that during April's meeting the Board established a wellness subcommittee to work with the staff to review the Plan's current program and then to bring back to the Board any recommendations as to any improvements or enhancements that could be made. Mr. Self advised that the subcommittee consisted of Dr. Lynn House, Dr. Eric Clark, Mr. Larry Fortenberry, Dr. Hank Bounds and Ms. DeAnne Mosley. He added that PricewaterhouseCoopers (PWC), the Board's consultants, also worked with staff and the subcommittee on this project. Mr. Self noted that the subcommittee had met to review materials and information that staff had compiled from vendors, other agencies, other state insurance programs as well as the Plan's current wellness vendor. He reported that as a result of the evaluation process, the staff and subcommittee concluded that integrating the wellness and medical management activities into a holistic approach appears to be the best service delivery model in that it helps in managing the participant before, during, and even after being diagnosed with a chronic health condition. He advised that this model not only minimizes duplication and overlap of services, but can lower administrative costs and can improve health outcomes through a concerted effort. Mr. Self advised that because of the link between lifestyle and the onset of a chronic illness, medical management companies are now incorporating wellness and health promotion into their disease management service models.

Mr. Self stated that in addition to the services offered under the Plan's current wellness program, including Health Risk Assessments (HRA), on-line self-help programs for nutrition, exercise, stress management, tobacco cessation, weight loss, etc., the subcommittee and staff wanted to find ways to improve engagement from the participant level. Mr. Self advised that capturing and utilizing clinical and biometric information through the Board's medical management vendor could help identify participants who would benefit from the Plan's wellness and medical management services.

Mr. Self reminded the Board that the wellness and health promotion services contract with WebMD will expire on December 31, 2013. He stated that the Plan's medical management vendor, ActiveHealth Management (AHM), provides similar wellness services to other clients, and that AHM had actually proposed providing similar services in their original response to the medical management vendor RFP. He stated that rather than issue an RFP at this time, the wellness subcommittee's recommendation was for the Board to consider negotiating an amendment to the current medical management vendor's contract to authorize AHM to begin providing wellness services effective January 1, 2014.

A motion was made by Dr. Eric Clark to approve entering into contract negotiations with ActiveHealth Management Inc., to amend the medical management vendor contract to authorize the provision of wellness services effective January 1, 2014, and subject to successful contract negotiations, for the Chairman of the Board to execute the appropriate contract amendment on behalf of the Board. Mr. Bob Williams (designee for member Chaney) seconded the motion. The motion passed by a 5 – 0 vote, with members Bounds, Clark, Mosley, Robertson, and Mr. Bob Williams voting affirmatively. Mr. Mike Chaney was not present for this vote.

Health Care Transparency

Chairman Burkhalter recognized Ms. Cindy Bradshaw, Deputy Director with the Office of Insurance, who advised Board members that healthcare consumers have had very little information readily available to them regarding the quality, as well as the cost, of the healthcare services they were receiving. Ms. Bradshaw reported that within the industry, there have been greater efforts and focus toward being more transparent with cost and quality. Ms. Bradshaw advised that the staff had seen demonstrations from several different companies that have developed web-based applications to provide consumers with easy access to quality and cost information. Ms. Bradshaw advised that this type of tool could help participants in making better informed healthcare decisions, which would result in better health outcomes and savings to the participant as well as the Plan. Ms. Bradshaw advised that staff recommends that the Board issue a request for proposals for a transparency solution tool/service and to establish a subcommittee for the procurement process.

A motion was made by Mr. Bob Williams (designee for member Chaney) for the Board to issue a request for proposals for transparency solution tool/services. Ms. DeAnne Mosley seconded the motion. The motion passed by a 5 – 0 vote, with members Bounds, Clark, Mosley, Robertson, and Mr. Bob Williams voting affirmatively. Mr. Mike Chaney was not present for this vote.

Chairman Burkhalter asked Mr. Self to provide the Chairman of the Board names to consider for the subcommittee appointments for the transparency solution tool/services procurement process and that the appointments would be announced at a future meeting.

Financial Statements

Chairman Burkhalter 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 August 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 new business for the Board to consider.

New Business

There was no new business for the Board to consider.

Adjournment

Chairman Burkhalter announced that the next regular meeting of the State and School Employees Health Insurance Management Board is scheduled for 9:00 a.m., October 23, 2013, in Room 139, located at the Woolfolk Building.

As there was no further business, the meeting was adjourned at 9:35 a.m.

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

Kevin J. Upchurch
Chairman

State and School Employees Health Insurance Management Board