

**State and School Employees' Life and Health Insurance Plan
Health Insurance Management Board
Regular Monthly Meeting
August 27, 2014**

The regular monthly meeting of the State and School Employees Health Insurance Management Board convened on Wednesday, August 27, 2014, 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. Hank Bounds
Mr. Christopher Burkhalter
Mr. Mike Chaney
Dr. Eric Clark
Mr. Larry Fortenberry
Ms. DeAnne Mosley
Ms. Pat Robertson
Mr. Liles Williams

Non-Voting

The Honorable Videt Carmichael
The Honorable Herb Frierson

Members Absent:

Dr. Carey Wright (*Represented by Ms. Gracie Sanders*)

The Honorable Gary Chism
The Honorable Eugene Clarke

Department of Finance and Administration Staff Present:

Mr. Richard Self
Ms. Cindy Bradshaw
Ms. Edie Ivey
Mr. Curt Hubbard
Mr. Steve May
Ms. Amanda Murphy
Ms. Lori Webb

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. Senator Videt Carmichael opened the meeting with prayer.

Approval of the Minutes of the Regular Meeting on July 23, 2014

The minutes of the Board's regular monthly meeting of July 23, 2014 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. Mr. Mike Chaney seconded the motion. The motion passed by a 8 – 0 vote, with members Bounds, Burkhalter, Chaney, Clark, Fortenberry, Mosley, Robertson, and Williams voting affirmatively.

Fiscal Year 2014 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, 2014, as well as projections for Plan assets, liabilities, and funding status through calendar year 2017. A copy of Mr. Townsend's report entitled "*ACTUARIAL REPORT FISCAL YEAR 2014 Preliminary Projections*" was distributed to Board members for their review. Mr. Townsend explained that medical trend for the 1st half of CY 2014 had actually decreased by about 2.6%, due in part to improved pricing for out of state medical claims under the newly-added Blue Cross & Blue Shield BlueCard program, greater participation in the AHS State Network by in-state hospitals, and overall enhancements to hospital and provider fees and allowables. Mr. Townsend also pointed out that prescription drug claims appear to have increased by approximately 17%, and that the Plan is still expected to incur a loss in CY 2014. In his report, Mr. Townsend provided three funding projection scenarios with various premium increases over the next three years, with each designed to reflect ending reserves as of 12/31/2017 equivalent to the Board's minimum funding objective. For comparison purposes, the report also provided projections assuming no premium rate increases for the CY 2015, CY 2016, and CY 2017. Discussion ensued regarding a proposed additional scenario that includes implementing a premium rate increase on July 1, 2015.

Mr. Mike Chaney moved that the Board approve the 4.6% premium rate increase to be effective July 1, 2015. The motion also included approval for Chairman Upchurch to advise the Legislative Budget Office that additional premium increases are likely in subsequent years based on current actuarial projections. Dr. Eric Clark seconded the motion. The motion passed by a 8 – 0 vote, with members Burkhalter, Chaney, Clark, Fortenberry, Mosley, Robertson, Williams, and Chairman Upchurch voting affirmatively. Dr. Bounds was not present for this vote.

Benefit Changes for 2015 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, 2015, including

the projected savings and/or additional costs associated with each proposed change. A handout entitled *Evaluation of Potential Benefit Changes for Calendar Year 2015* was provided to the Board prior to the meeting.

Ms. Ivey presented the following staff recommendations:

1. Adjust Prescription Drug Retail and Mail Copayments – Staff recommends that mail order prescriptions be subject to the same three copayments as retail prescriptions, and recommends no change to the current copayment amounts.
2. Limit Preventive services Benefits for Contraceptives to Generic Only – Staff recommends that preventive services benefits for contraceptives be provided at no cost sharing to the participant for generic contraceptives only.
3. Provide Preventive Services Benefits for Risk-Reducing Medications for Women who are at increased Risk for Breast Cancer – Required by PPACA.
4. Adjust Preventive Services Benefits for Screening for Gestational Diabetes Mellitus in Pregnant Women – Consistent with U.S. Preventive Services Task Force (USPSTF) recommendations, staff recommends that preventive services benefits for GDM screening be limited to one (1) GDM screening in asymptomatic pregnant women after 24 weeks of gestation.
5. Provide Preventive Services Benefits for Annual Screening for Lung Cancer with Low-Dose Computed Tomography (LDCT) in Adults Ages 55 to 80 – Required by PPACA.
6. Adjust Preventive Services Benefits for Shingles Vaccine to Include Participants Aged 50 to 59 – Consistent with USPSTF recommendations, staff does not recommend providing preventive services benefits for the shingles vaccine for participants below the age of 60.
7. Provide Preventive Services Benefits for Thyroid Testing for Adults beginning at age 35 and every 5 years – Consistent with USPSTF recommendations, staff does not recommend providing preventive services benefits for thyroid testing.
8. Implement Tobacco Use Premium Surcharge – Staff recommends implementing a \$50 per month premium surcharge for tobacco users effective July 1, 2015.
9. Add Medical Office Visit Copayment Benefit – Staff does not recommend adding a medical office visit copayment benefit.
10. Adjust Base Coverage Deductibles – Staff does not recommend adjusting base coverage deductibles.
11. Expand Coverage for Autism Spectrum Disorder – Staff is still conducting research on whether certain behavior therapies should be covered by the Plan for the treatment of autism and does not have a recommendation at this time.

12. Explore Plan Structure Changes to Promote Healthcare Consumerism – Staff is presenting information only at this time and does not have a recommendation at this time.

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 21, 2014 meeting. Ms. Ivey advised that the Advisory Council voted to accept all staff recommendations and communicate same to the Board. Mr. Richard Self provided an update on the status of the staff's research on expanding coverage for the treatment of autism and reminded the Board that a final report will be due to the Legislature on or before December 1, 2014. He also provided a brief update on activities and research being conducted to promote consumerism within the Plan, including transparency services and resources, and possible incentivizing participants to take more control over their health care decisions.

Mr. Chaney moved to accept staff recommendations for all items with the exception of #1 and #8. Dr. Clark seconded the motion. The motion passed by a 8 – 0 vote, with members Bounds, Burkhalter, Chaney, Clark, Fortenberry, Mosley, Robertson, and Williams voting affirmatively.

Mr. Larry Fortenberry moved to accept staff recommendation for item #8. Dr. Hank Bounds seconded the motion. The motion passed by a 8 – 0 vote, with members Bounds, Burkhalter, Chaney, Clark, Fortenberry, Mosley, Robertson, and Williams voting affirmatively.

No action was taken by the Board on the staff recommendation with regard to Item 1, resulting in no change to the current prescription drug copayments.

Selection of Health Care Transparency Services Vendor

Chairman Upchurch recognized Ms. Cindy Bradshaw, Deputy Director with the Office of Insurance, who stated the Board authorized staff to prepare and issue a Request for Proposals (RFP) for transparency services at the September 2013 meeting. A subcommittee consisting of Mr. Christopher Burkhalter, Mr. Mike Chaney, Dr. Eric Clark, and Ms. Pat Robertson was assigned. Subsequent to the May 2014 release of the RFP, a comprehensive evaluation was conducted by the staff, including input and assistance from the subcommittee. The proposal evaluation process has been completed and the subcommittee is ready to present a recommendation to the Board.

Dr. Eric Clark moved that the Board approve entering into contract negotiations with Compass Healthcare Advisers to provide healthcare transparency services, and subject to successful contract negotiations for the Chairman of the Board to execute the contract on behalf of the Board. Mr. Mike Chaney seconded the motion. The motion passed by a 7 – 0 vote, with members Burkhalter, Chaney, Clark, Fortenberry, Mosley, Robertson, and Williams voting affirmatively. Dr. Bounds was not present for this vote.

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 2014. Copies of the financial statements were provided to Board members for their review prior to the meeting.

General Schedule

Chairman Upchurch recognized Ms. Bradshaw who 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 Upchurch announced that the next regular meeting of the State and School Employees Health Insurance Management Board is scheduled for 9:00 a.m., September 24, 2014, in Room 139, located at the Woolfolk Building.

As there was no further business, the meeting was adjourned at 11:00 a.m.

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