

**State and School Employees' Life and Health Insurance Plan
Health Insurance Management Board
Regular Monthly Meeting
October 22, 2014**

The regular monthly meeting of the State and School Employees Health Insurance Management Board convened on Wednesday, October 22, 2014, in Room 139 in the Woolfolk Building located at 501 North West Street in Jackson, Mississippi, at 9:02 a.m. The presiding officer was Mr. Kevin J. Upchurch, Chairman of the Board. A quorum was present. Mr. Mike Chaney joined the meeting at approximately 9:07.

Members Present:

Voting

Mr. Kevin Upchurch
Mr. Christopher Burkhalter
Dr. Eric Clark
Mr. Mike Chaney (*Initially represented by Designee Mr. Bob Williams until approximately 9:07*)
Mr. Larry Fortenberry
Mr. Liles Williams
Dr. Carey Wright

Non-Voting

The Honorable Herb Frierson

Members Absent:

Dr. Hank Bounds	The Honorable Videt Carmichael
Ms. Deanne Mosley	The Honorable Gary Chism
Ms. Pat Robertson	The Honorable Eugene Clarke

Department of Finance and Administration Staff Present:

Mr. Richard Self
Ms. Cindy Bradshaw
Mr. Curt Hubbard
Ms. Sherri Hilton
Ms. Edie Ivey
Mr. Steve May
Ms. Amanda Murphy
Mr. Chris Shaman
Ms. Lori Webb
Ms. Claire Whittington

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 September 24, 2014

The minutes of the Board's regular monthly meeting of September 24, 2014 were provided to all Board members for their review prior to the meeting. A motion was made by Mr. Larry Fortenberry for the Board to approve the minutes as presented. Mr. Bob Williams (designee for member Chaney) seconded the motion. The motion passed by a 6 – 0 vote, with members Burkhalter, Clark, Fortenberry, Wright, Bob Williams (designee for member Chaney), and Liles Williams voting affirmatively.

Approval of the Minutes of the Regular Meeting on August 27, 2014

The minutes of the Board's regular monthly meeting of August 27, 2014 were provided to all Board members for their review prior to the meeting. A motion was made by Mr. Chris Burkhalter for the Board to approve the minutes as presented. Mr. Bob Williams (designee for member Chaney) seconded the motion. The motion passed by a 6 – 0 vote, with members Burkhalter, Clark, Fortenberry, Wright, Bob Williams (designee for member Chaney), and Liles Williams voting affirmatively.

Actuarial Analysis of Other Postemployment Benefits (OPEB) Liability

Chairman Upchurch recognized Mr. Ed Koebel, EA, FCA, MAAA, with Cavanaugh Macdonald Consulting. Mr. Koebel presented an updated valuation as of June 30, 2014, of the State's other post-employment benefits (OPEB) liability relative to the State and School Employees' Life and Health Insurance Plan. Copies of Mr. Koebel's presentation entitled *GASB 43/45 June 30, 2014 OPEB Valuation* were provided to Board members. A copy of the full report entitled *Report of the Actuary on the Other Postemployment Benefits Valuation, Prepared as of June 30, 2014*, had previously been provided to the Board for their review prior to the meeting. Mr. Koebel pointed out that the current OPEB liability of \$762.4M as of June 30, 2014, represented an increase of approximately \$72M over the June 30, 2013 liability. No action was required by the Board on this report.

2015 Plan Document

Chairman Upchurch recognized Ms. Cindy Bradshaw, Deputy Director with the Office of Insurance, who presented the draft *2015 Plan Document*, a copy of which had been provided to Board members for their review prior to the meeting. Ms. Bradshaw reminded Board members that the *Plan Document* provides a comprehensive description of the operation and administration of the State and School Employees' Life and Health Insurance Plan, and includes a listing of covered, as well as excluded, services and benefits.

Ms. Bradshaw discussed in detail a summary of the proposed changes to the *Plan Document*, including but not limited to the 2015 benefit changes recently approved by the Board, as well as several benefit and notification changes required by the *Patient Protection and Affordable Care Act*. A copy of this summary had likewise been provided to Board members for their review prior to the meeting. Chairman Upchurch recognized Mr. Mike Chaney, who expressed concern regarding the tobacco use premium surcharge approved at the August 27, 2014 Board meeting. Discussion was held regarding the potential economic impact of the surcharge to those participants who regularly use tobacco, as well as how the program will be administered.

A motion was made by Mr. Chaney to approve the *2015 Plan Document* as presented with the exception of the new section entitled *Tobacco Use Premium Surcharge*, with that section to be voted on separately. Dr. Eric Clark seconded the motion. The motion passed by a 6 – 0 vote, with members Burkhalter, Chaney, Clark, Fortenberry, Wright, Williams voting affirmatively.

A motion was made by Mr. Burkhalter to approve for inclusion in the *2015 Plan Document* the section entitled *Tobacco Use Premium Surcharge*. Mr. Fortenberry seconded the motion. The motion passed by a 5 – 1 vote, with members Burkhalter, Clark, Fortenberry, Wright, and Williams voting affirmatively. Member Chaney voted against the motion.

Pharmacy Benefit Manager Request for Proposal

Chairman Upchurch recognized Mr. Richard Self, State Insurance Administrator with the Office of Insurance, who advised that the Board's contract with Catamaran PBM of Maryland for pharmacy benefit manager services will expire on December 31, 2015. Mr. Self advised that a Request for Proposals (RFP) for pharmacy benefit manager services will need to be developed and issued within the next several months in order to ensure that the selected vendor will be ready to provide services by January 1, 2016. A subcommittee consisting of Mike Chaney, Larry Fortenberry, and Liles Williams was named at the September 24, 2014 Board meeting. A motion was made by Mr. Mike Chaney that the Board approve proceeding with the Request for Proposals for pharmacy benefit manager services. Mr. Liles Williams seconded the motion. The motion passed by a 6 – 0 vote, with members Burkhalter, Chaney, Clark, Fortenberry, Wright, Williams voting affirmatively.

Medical Management Services Request for Proposal

Mr. Self advised that the Board's contract with ActiveHealth for medical management services will expire on December 31, 2015. Mr. Self advised that an RFP for medical management services will need to be developed and issued within the next several months in order to ensure that the selected vendor will be ready to provide services by January 1, 2016. A subcommittee consisting of Chris Burkhalter, Dr. Eric Clark, and Pat Robertson was named at the September 24, 2014 Board meeting. A motion was made by Mr. Larry Fortenberry that the Board approve proceeding with the Request for Proposals for medical management services. Mr. Burkhalter seconded the motion. The motion passed by a 6 – 0 vote, with members Burkhalter, Chaney, Clark, Fortenberry, Wright, Williams voting affirmatively.

Old Business

A motion was made by Mr. Burkhalter to close the meeting to consider going into an executive session to discuss a matter of potential litigation. Dr. Carey Wright seconded the motion. The motion passed by a 6 – 0 vote, with members Burkhalter, Chaney Clark, Fortenberry, Williams, and Wright voting affirmatively.

The public was excused from the room while the Board went into closed session. Board members, staff of the Department of Finance and Administration, and staff from the Attorney General's Office remained in the room.

In closed session, a motion was made by Mr. Burkhalter to go into executive session to discuss a matter of potential litigation. The motion was seconded by Mr. Fortenberry.

Chairman Upchurch reopened the meeting and announced publicly that the Board had voted to enter into executive session to discuss a matter of potential litigation. The public was excused from the room and the Board entered into executive session at approximately 10:15 a.m. Board members, staff of the Department of Finance and Administration, and staff from the Attorney General's Office remained in the room.

No action was taken by the Board in executive session. A motion to adjourn the executive session and reopen the meeting was made by Dr. Eric Clark. The motion was seconded by Mr. Williams and passed by a 6 – 0 vote — members Burkhalter, Chaney, Clark, Fortenberry, Wright, Williams voting affirmatively.

The executive session ended at approximately 10:20 a.m., and members of the public returned to the room. Chairman Upchurch announced that no action was taken during executive session.

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 September 2014. 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.

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., on Thursday, November 19, 2014, in Room 139, located at the Woolfolk Building.

As there was no further business, the meeting was adjourned at 10:33 a.m.



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