

**State and School Employees' Life and Health Insurance Plan  
Health Insurance Management Board  
Regular Monthly Meeting  
July 27, 2016**

The regular monthly meeting of the State and School Employees Health Insurance Management Board convened on Wednesday, July 27, 2016, in Room 139 in the Woolfolk Building located at 501 North West Street in Jackson, Mississippi, at 9:01 a.m. The presiding officer was Ms. Laura D. Jackson, Chairman of the Board. A quorum was present.

**Members Present:**

Voting

Ms. Laura D. Jackson  
Mr. Christopher Burkhalter  
Mr. Mike Chaney (*Represented by Designee Mr. Daniel Bradshaw*)  
Mr. Larry Fortenberry  
Dr. Andrea Mayfield (*Via Phone*)  
Ms. Pat Robertson (*Via Phone*)  
Dr. Carey Wright (*Via Phone*)

Non-Voting

The Honorable Videt Carmichael

**Members Absent:**

Dr. Glenn Boyce (*Represented by Ms. Susan Erickson*)  
Ms. DeAnne Mosley  
Mr. Liles Williams

The Honorable Eugene Clarke  
The Honorable Gary Chism

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

Mr. Richard Self  
Ms. Cindy Bradshaw  
Mr. Steve May  
Ms. Amanda Murphy  
Mr. John Anderson  
Ms. Julia Bryan  
Mr. Rick Fava  
Mr. Chris Shaman

**Attorney General's Office Staff Present:**

Ms. Romaine Richards, Esquire

### **Call to Order**

The meeting was chaired and called to order by Ms. Laura D. Jackson, Chairman of the Board.

Chairman Jackson advised that Ms. Jackie Ray, Special Assistant Attorney General, with the Attorney General's Office, was present to speak to the Board regarding potential litigation that would impact the State Health Plan. Chairman Jackson asked the Board to consider entering into an executive session. A motion was made by Mr. Larry Fortenberry to enter into a closed session to discuss potential litigation. Ms. Pat Robertson seconded the motion. The motion passed by a 6 – 0 vote, with members Bradshaw (designee for Member Chaney), Burkhalter, Fortenberry, Jackson, Robertson, 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, the Board discussed whether the matter before them would warrant an executive session. Mr. Fortenberry made a motion to enter into executive session so that the Attorney General's Office could provide the Board members with information regarding possible litigation impacting the State Health Plan. The motion was seconded by Mr. Daniel Bradshaw (designee for Member Chaney). The motion passed by a 6 – 0 vote, with members Bradshaw (designee for Member Chaney), Burkhalter, Fortenberry, Jackson, Robertson, and Wright voting affirmatively.

Chairman Jackson reopened the meeting and announced publicly that the Board had voted to enter into executive session so that the Attorney General's Office could provide the Board members with information on possible litigation. The public was excused from the room and the Board entered into executive session at approximately 9:04 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 Mr. Fortenberry. The motion was seconded by Mr. Burkhalter and passed by a 6 – 0 vote, with members Bradshaw (designee for Member Chaney), Burkhalter, Fortenberry, Jackson, Robertson, and Wright voting affirmatively.

The executive session ended at approximately 9:26 a.m., and members of the public returned to the room. Chairman Jackson announced that the Attorney General's Office had updated Board members on possible litigation concerning the State Health Plan and that no action was taken during executive session. A motion was made by Mr. Burkhalter to approve cooperation by the Board and staff with regards to the possible litigation that had been discussed during the executive session. Mr. Fortenberry seconded the motion. The motion passed by a 6 – 0 vote, with members Bradshaw (designee for Member Chaney), Burkhalter, Fortenberry, Jackson, Robertson, and Wright voting affirmatively.

### **Approval of the Minutes of the Regular Meeting on June 22, 2016**

The minutes of the Board's regular monthly meeting of June 22, 2016, were provided to all Board members for their review prior to the meeting. A motion was made by Mr. Chris Burkhalter approve the minutes as presented. Mr. Larry Fortenberry seconded the motion. The motion passed by a 6 – 0 vote, with members Bradshaw (designee for Member Chaney), Burkhalter, Fortenberry, Jackson, Robertson, and Wright voting affirmatively.

### **Fiscal Year 2018 Budget Request**

Chairman Jackson recognized Mr. Richard Self, State Insurance Administrator with the Office of Insurance, who presented the State and School Employees' Life and Health Insurance Plan's Fiscal Year 2018 budget request. A copy of the budget documents was distributed to Board members for their review prior to the meeting. Mr. Self explained that the proposed budget assumes a continuation level budget for most administrative activities. The budget includes projected claims and claims related expenses, as well as all other expenditures expected to be incurred for the upcoming fiscal year. Mr. Self pointed out that unlike previous years' budgets, the 2018 budget request included estimated funding from State general funds for a portion of the administrative costs associated with the operation of the Plan. Mr. Burkhalter moved that the Board approve the Fiscal Year 2018 budget as presented. Mr. Larry Fortenberry seconded the motion. The motion passed by a 6 – 0 vote, with members Bradshaw (designee for Member Chaney), Burkhalter, Fortenberry, Jackson, Robertson, and Wright voting affirmatively.

### **Financial Statements**

Chairman Jackson recognized Mr. Steve May, Director of Budget and Accounting 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 June 2016. Copies of the financial statements were provided to Board members for their review prior to the meeting.

### **General Schedule**

Chairman Jackson 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.

### **Old Business**

Chairman Jackson recognized Mr. Richard Self who advised that the Board's contract with BKD, LLP to conduct an annual financial audit of the Plan will expire on August 24, 2016. Mr. Self explained that the contract, which began August 25, 2011, included options to renew for three one-year periods, and reminded the Board of its previous approval of each of those one-year renewals. Mr. Self advised that the audits performed by BKD have been used and relied upon by the Office of the State Auditor (OSA) for the purpose of expressing an opinion on the State's Comprehensive Annual Financial Report (CAFR). He explained that prior to

this contract, OSA conducted these audits using their own staff, and invoiced the Plan for the audit services performed each year. In 2011, OSA advised that due to shortages in staffing, they would not be able to conduct the audit that year and requested that the Board hire an auditor for the FY 2011 audit. The Board agreed, subsequently issuing an RFP and selecting BKD as a result. Although advised by OSA that this was a temporary solution and that they would resume responsibility for conducting the audits as soon as they could, each subsequent year the Board was requested by OSA to continue contracting for these services due to staffing shortages within OSA. Several months ago, staff advised OSA that the BKD contract was expiring in August and that OSA would need to make arrangements to resume responsibility for conducting the annual audits. OSA has responded that it does not have sufficient resources to resume this responsibility this year and requested that the Board secure a new contract for these services. Staff does not recommend commencing a new RFP project to procure audit services, as the responsibility for overseeing and/or conducting these audits belongs to OSA, rather than the Board. In a cooperative effort to ensure the FY 2016 audit is completed in time so as not to delay the CAFR, staff recommends that the Board authorize a one-year extension to the current contract with BKD, subject to successful negotiation by staff. Mr. Self explained that the one-year extension would help avoid a potential delay in the issuance of the CAFR, and would likewise allow OSA ample time to address how such audits will be conducted after FY 2016.

Mr. Fortenberry made a motion to authorize staff to negotiate a one-year extension of the current contract for financial audit services, and that subject to successful negotiations, for the Chairman of the Board to execute an extension amendment with BKD, LLP. Mr. Burkhalter seconded the motion. The motion passed by a 6 – 0 vote, with members Bradshaw (designee for Member Chaney), Burkhalter, Fortenberry, Jackson, Robertson, and Wright voting affirmatively.

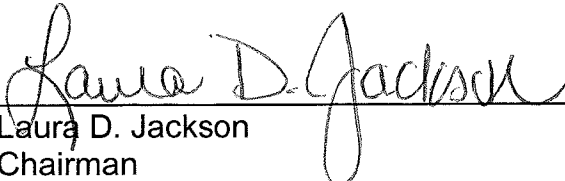
### **New Business**

There was no new business for the Board to consider.

### **Adjournment**

Chairman Jackson announced that the next regular meeting of the State and School Employees Health Insurance Management Board is scheduled for 9:00 a.m., August 24, 2016, in Room 139, located at the Woolfolk Building.

As there was no further business, the meeting was adjourned at 9:54 a.m.



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Laura D. Jackson  
Chairman

State and School Employees Health Insurance Management Board