

## **State and School Employees Health Insurance Management Board**

### **Standing Monthly Meeting August 23, 2017**

#### **Minutes**

The standing monthly meeting of the State and School Employees Health Insurance Management Board convened on Wednesday, August 23, 2017, in Room 139 in the Woolfolk Building located at 501 North West Street in Jackson, Mississippi, at 9:03 a.m. The presiding officer was Ms. Laura D. Jackson, Chairman of the Board. A quorum was present.

#### **Voting Members Present**

Ms. Laura D. Jackson, Chairman  
Mr. Mike Chaney  
Mr. Mark Formby  
Mr. Larry Fortenberry  
Mr. Kelly Hardwick  
Dr. Andrea Mayfield *(Via telephone)*  
Ms. Pat Robertson  
Dr. Carey Wright

#### **Non-Voting Members Present**

The Honorable John Read - Chairman,  
House Appropriations Committee

#### **Voting Members Absent**

Dr. Glenn Boyce *(Represented by Ms. Susan Erickson)*  
Mr. Christopher Burkhalter, Vice-Chairman

#### **Non-Voting Members Absent**

The Honorable Videt Carmichael - Chairman,  
Senate Insurance Committee  
The Honorable Gary Chism - Chairman,  
House Insurance Committee  
The Honorable Eugene Clarke - Chairman,  
Senate Appropriations Committee

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

Mr. Richard Self  
Ms. Cindy Bradshaw  
Mr. Steve May  
Ms. Amanda Murphy  
Ms. Terri Ashley  
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.

## **Agenda Item 1: Minutes of the July 26, 2017 Standing Monthly Board Meeting**

Chairman Jackson announced that the minutes of the Board's July 26, 2017 standing monthly meeting had been provided to all Board members for their review in advance of today's meeting. A motion was made by Mr. Kelly Hardwick to approve the minutes as presented. Mr. Mike Chaney seconded the motion. The motion passed by a 7 – 0 vote, with members Chaney, Formby, Fortenberry, Hardwick, Mayfield, Robertson, and Wright voting affirmatively.

## **Agenda Item 2: Fiscal Year 2017 Actuarial Report Preliminary Projections**

Chairman Jackson 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, 2017, as well as projections for Plan assets, liabilities, and funding status through calendar year 2020. A copy of Mr. Townsend's report entitled "*Preliminary Actuarial Report & Financial Projections Fiscal Year 2017*", had been provided to all Board members for their review in advance of today's meeting. During his presentation, Mr. Townsend provided an update to his report which included a third scenario of premium rate projections, which was distributed to Board members for their review.

Mr. Townsend advised that he had prepared three sets of premium projections, one assuming no active employee premium rate increases until January 1, 2020, one assuming no active employee premium rate increases until January 1, 2019, and one assuming no active employee premium rate increases until July 1, 2018. All three scenarios assumed that the Board would adopt the proposed 2018 benefit changes recommended by the Advisory Council. He explained that each of the three scenarios also projected a need to adjust the premium rates for Horizon Non-Medicare retirees, and the Legacy and Horizon Medicare Primary retirees in order to bring them to their estimated actuarial costs. Mr. Townsend explained that under each of the three scenarios, the Plan was projected to comply through the end of 2020, with the stated funding policy objective of maintaining a surplus at least equal to one half (1/2) of one month's Plan expenditures.

A motion was made by Mr. Hardwick to increase the active employee health insurance premium rates by 5% on July 1, 2018. Ms. Pat Robertson seconded the motion. The motion passed by a 7 – 0 vote, with members Chaney, Formby, Fortenberry, Hardwick, Mayfield, Robertson, and Wright voting affirmatively.

Mr. Larry Fortenberry moved that the Board approve for Chairman Jackson to provide the Legislative Budget Office (LBO) with a proposed 5% premium rate increase projection effective July 1, 2019, for LBO's FY 2019 budgeting purposes. Mr. Chaney seconded the motion. The motion passed by a 7 – 0 vote, with members Chaney, Formby, Fortenberry, Hardwick, Mayfield, Robertson, and Wright voting affirmatively.

### **Agenda Item 3: Benefit Changes for 2018**

Chairman Jackson recognized Ms. Cindy Bradshaw, Deputy Director, with the Office of Insurance, who presented the proposed benefit changes for 2018. Ms. Bradshaw explained the proposed benefit changes and the projected savings or additional costs to the Plan associated with each one. A handout entitled *Evaluation of Potential Benefit Changes for Calendar Year 2018* had been provided to all Board members for their review in advance of today's meeting.

Ms. Bradshaw reported to the Board that the proposed 2018 benefit changes had been presented to the State and School Employees Health Insurance Advisory Council at their August 16, 2017 meeting. Ms. Bradshaw advised that the Advisory Council voted to accept all staff recommendations and communicate same to the Board.

Ms. Bradshaw presented the following staff recommendations:

#### **1. Modify Prescription Drug Coverage**

Staff recommends to increase the non-preferred drug copayment and the specialty drug copayment to \$100 per 30-day supply.

A motion was made by Mr. Hardwick to accept the staff and Advisory Council recommendation (#1) to increase the non-preferred drug copayment and the specialty drug copayment to \$100 per 30-day supply. Mr. Fortenberry seconded the motion. The motion passed by a 7 – 0 vote, with members Chaney, Formby, Fortenberry, Hardwick, Mayfield, Robertson, and Wright voting affirmatively.

#### **2. Modify Medical Deductibles, Coinsurance and Out-of-Pocket Maximums**

Staff does not recommend implementing a specialist copayment benefit, nor any other changes to the Plan's medical deductibles, coinsurance or copayment amounts. Staff does not recommend changes to the out-of-pocket maximums.

A motion was made by Mr. Fortenberry to accept the staff and Advisory Council recommendation (#2) to not implement a specialist copayment benefit, nor any other changes to the Plan's medical deductibles, coinsurance or copayment amounts, or the out-of-pocket maximums. Mr. Chaney seconded the motion. The motion passed by a 7 – 0 vote, with members Chaney, Formby, Fortenberry, Hardwick, Mayfield, Robertson, and Wright voting affirmatively.

#### **3. Modify Medicare-Eligible Retiree Coverage**

Staff does not recommend changes to the Medicare-Eligible Retiree coverage.

#### **4. Modify Visit Limit for Dietitian Services**

Staff recommends removing the visit limit for dietitian services.

#### **5. Modify Telemedicine Benefit to include Registered Dietitians**

Staff recommends adding a \$10 copayment benefit for online provider visits with registered dietitians not subject to deductible for Select Coverage, and a \$10 copayment benefit subject to the deductible for Base Coverage.

**6. Modify Wellness/Preventive Benefits**

Staff recommends modifying the covered wellness/preventive benefits to include 100% coverage for a generic statin, to comply with the ACA-mandated coverage.

A motion was made by Mr. Chaney to accept the staff and Advisory Council recommendation **(#6)** to modify the covered wellness/preventive benefits to include 100% coverage for a generic statin, to comply with the ACA-mandated coverage. Ms. Robertson seconded the motion. The motion passed by a 7 – 0 vote, with members Chaney, Formby, Fortenberry, Hardwick, Mayfield, Robertson, and Wright voting affirmatively.

**7. Modify Coverage for Non-surgical Treatment of Obesity**

Staff does not recommend any changes to the coverage for treatment of obesity at this time.

A motion was made by Ms. Robertson to accept the staff and Advisory Council recommendation **(#4)** to remove the visit limit for dietitian services, **(#5)** to add a \$10 copayment benefit for online provider visits with registered dietitians not subject to deductible for Select Coverage, and a \$10 copayment benefit subject to the deductible for Base Coverage, and **(#7)** to not make any other changes to the coverage for non-surgical treatment of obesity at this time. Mr. Fortenberry seconded the motion. The motion passed by a 7 – 0 vote, with members Chaney, Formby, Fortenberry, Hardwick, Mayfield, Robertson, and Wright voting affirmatively.

**8. Modify Coverage for Diagnosis and Treatment of Infertility**

Staff does not recommend any change to this exclusion at this time.

**9. Modify Coverage for Hair Loss**

Staff does not recommend any change to this exclusion at this time.

A motion was made by Mr. Chaney to accept the staff and Advisory Council recommendation **(#3)** to not modify Medicare-Eligible Retiree coverage, recommendation **(#8)** to not modify coverage for diagnosis and treatment of infertility, and recommendation **(#9)** to not modify coverage for hair loss. Mr. Fortenberry seconded the motion. The motion passed by a 7 – 0 vote, with members Chaney, Formby, Fortenberry, Hardwick, Mayfield, Robertson, and Wright voting affirmatively.

**Agenda Item 4: 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 July 2017. Copies of the financial statements were provided to Board members for their review prior to the meeting.

**Agenda Item 5: General Schedule**

Chairman Jackson recognized Ms. Cindy Bradshaw, Deputy Director of the Office of Insurance, who reviewed the schedule of major activities and actions to be taken by the Board for the next several months.

**Agenda Item 6: Old Business**

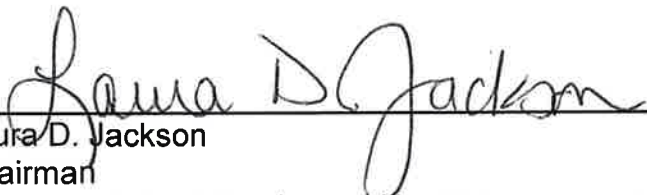
Mr. Formby requested that the Board consider the possibility of supporting an onsite clinic to provide services to participants in the Capitol Complex area. He suggested that the Board may want to study the feasibility of such a clinic, and how it may save the participant and the Plan money, and consider supporting legislation to create a clinic should it subsequently be proposed. No action was taken on this item at this time.

**Agenda Item 7: New Business**

There was no old business for the Board to consider.

**Adjournment**

Chairman Jackson announced that the next meeting of the State and School Employees Health Insurance Management Board is scheduled for 9:00 a.m., September 27, 2017, in Room 139, located at the Woolfolk Building. As there was no further business, the meeting was adjourned at 10:38 a.m.

  
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Laura D. Jackson  
Chairman  
State and School Employees Health Insurance Management Board