

State and School Employees Health Insurance Management Board

Standing Monthly Meeting June 26, 2018

Minutes

The standing monthly meeting of the State and School Employees Health Insurance Management Board convened on Tuesday, June 26, 2018, in Room 139 in the Woolfolk Building located at 501 North West Street in Jackson, Mississippi, at 8:30 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
Dr. Glenn Boyce *(via telephone)*
Mr. Mike Chaney *(Represented by Mr. Bob Williams)*
Mr. Kelly Hardwick
Dr. Andrea Mayfield *(via telephone)*
Ms. Pat Robertson *(via telephone)*

Voting Members Absent

Mr. Christopher Burkhalter, Vice-Chairman
Mr. Mark Formby
Mr. Larry Fortenberry
Dr. Carey Wright *(Represented by Ms. Donna Nester)*

Non-Voting Members Present

None

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
The Honorable John Read
- Chairman, House Appropriations Committee

Department of Finance and Administration Staff Present:

Mr. Richard Self
Ms. Cindy Bradshaw
Ms. Latasha Holmes
Ms. Amanda Murphy
Ms. Terri Ashley
Ms. Julia Bryan
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 May 23, 2018 Standing Monthly Board Meeting

Chairman Jackson announced that the minutes of the Board's May 23, 2018 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. Bob Williams (designee for member Chaney) to approve the minutes as presented. Mr. Kelly Hardwick seconded the motion. The motion passed by a 6 – 0 vote, with members Boyce, Hardwick, Jackson, Mayfield, Robertson, and Williams voting affirmatively.

Agenda Item 2: OPEB Trust Fund

Chairman Jackson recognized Mr. Richard Self, State Insurance Administrator with the Office of Insurance, who discussed recent changes in the reporting requirements for other post-employment benefits (OPEB), promulgated by the Governmental Accounting Standards Board (GASB). Mr. Self reminded the Board that since 2007, GASB Statements 43 and 45 have required public entities, including the State of Mississippi, to perform actuarial valuations of current and projected retiree medical and life insurance (OPEB) benefits. The Board has since contracted with Cavanaugh Macdonald, LLC to prepare the annual valuations, the purpose of which is to measure and report the unfunded accrued liability associated with the promised life insurance, medical and drug benefits of the State and School Employees' Life and Health Insurance Plan (Plan). Beginning with Fiscal year 2018, GASB has revised and replaced Statements 43 and 45 with Statements 74 and 75, significantly increasing the reporting requirements impacting the Plan, as well as the over 300 local employer groups (agencies, school districts, universities, etc.) participating in the Plan. A major component of these changes is the requirement that the local employer groups post liabilities and related transactions on their respective financial reports, necessitating additional actuarial effort and expense. After discussions with GASB representatives and the Office of the State Auditor, it was determined that the establishment by the Board of an irrevocable OPEB Trust Fund to help fund the retiree insurance liability would permit a more simplified option for complying with the burdensome and expensive actuarial and reporting requirements of GASB 74/75.

A motion was made by Mr. Kelly Hardwick to allow and direct the Chairman of the State and School Employees Health Insurance Management Board to take all steps necessary to establish an irrevocable trust fund to be known as the OPEB Trust Fund in an amount of \$1,000,000 to be taken from a current reserve fund. Dr. Andrea Mayfield seconded the motion. The motion passed by a 6 – 0 vote, with members Boyce, Hardwick, Jackson, Mayfield, Robertson, and Williams voting affirmatively.

Agenda Item 3: Financial Statements

Chairman Jackson recognized Ms. Latasha Holmes, 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 May 2018. Copies of the financial statements were provided to Board members for their review prior to the meeting.

Agenda Item 4: 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. Ms. Bradshaw reminded Board members of the upcoming Board retreat scheduled for July 18.

Agenda Item 5: Old Business

There was no old business for the Board to consider.

Agenda Item 6: New Business

Chairman Jackson recognized Board members Dr. Glenn Boyce and Ms. Pat Robertson, reminding everyone of their upcoming retirements on June 30, 2018, and thanking them for their many years of service to the State and School Employees' Life and Health Insurance Plan and the citizens of Mississippi. Chairman Jackson announced that Dr. Alfred Rankins, Jr., incoming Commissioner of Higher Education, and Mr. Ray Higgins, Jr., incoming Executive Director of the Public Employees' Retirement System, will begin serving on the State and School Employees Health Insurance Management Board effective July 1, 2018.

There was no other new 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., July 25, 2018, in Room 139, located at the Woolfolk Building.

As there was no further business, the meeting was adjourned at 8:48 a.m.



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