

State and School Employees Health Insurance Management Board

Minutes of the Standing Monthly Meeting March 27, 2019

The standing monthly meeting of the State and School Employees Health Insurance Management Board convened on Wednesday, March 27, 2019, 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 Ms. Laura D. Jackson, Chairman of the Board. A quorum was present.

Voting Members Present

Ms. Laura Jackson, Chairman
Mr. Mike Chaney
Mr. Mark Formby
Mr. Larry Fortenberry
Mr. Kelly Hardwick
Mr. Ray Higgins

Non-Voting Members Present

None

Voting Members Absent

Mr. Christopher Burkhalter
Dr. Andrea Mayfield
Dr. Alfred Rankins *(Represented by Ms. Susan Erickson)*
Dr. Carey Wright *(Represented by Dr. Felicia Gavin)*

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 Standing Board Meeting of February 27, 2019

Chairman Jackson announced that minutes of the Board's standing monthly meeting of February 27, 2019, had been provided to all Board members for their review in advance of today's meeting. A motion was made by Mr. Kelly Hardwick for the Board to approve the minutes as presented. Mr. Mark Formby seconded the motion. The motion passed by a 6 – 0 vote, with members Chaney, Formby, Fortenberry, Hardwick, Higgins, and Jackson voting affirmatively.

Agenda Item 2: Fiscal Year 2018 Financial Audit Report

Chairman Jackson recognized Mr. Timothy T. Burns, CPA and Partner with BKD, LLP, to present the results of BKD's financial audit of the State and School Employees' Life and Health Insurance Plan for fiscal year 2018. Copies of the report entitled "*Independent Auditor's Reports and Financial Statements June 30, 2018*", and BKD's management letter, were provided to Board members at the meeting. Mr. Burns reported that the Plan received an unmodified, or "clean" opinion, again this year. He explained that the prior year audited financial statements for fiscal year 2017 contained an error in transfers and due from other governments, which resulted in a restatement of the beginning net position for the 2018 financial statements. Mr. Burns stated that this error did not impact the State's 2017 Comprehensive Annual Financial Statement, but recommended that internal control procedures be enhanced to prevent future errors. Richard Self, State Insurance Administrator with the Office of Insurance confirmed the error and advised that corrective actions have already been taken. No further action was needed or taken by the Board.

Agenda Item 3: Actuarial Report Calendar Year 2018

Chairman Jackson recognized Mr. Wm. Lynn Townsend, FSA, MAAA, consulting actuary for the Board, who discussed his calendar year 2018 actuarial analysis of the State and School Employees' Life and Health Insurance Plan. Mr. Townsend's presentation included an overview of the financial status of the Plan as of the end of 2018, as well as projections of the Plan's financial status through Calendar Year 2022, including assumed premium rate adjustments necessary to meet the Plan's stated funding objective. Copies of Mr. Townsend's "*CY18 ACTUARIAL REPORT HIGHLIGHTS*", as well as his complete report entitled "*ACTUARIAL REPORT CALENDAR YEAR 2018*," were provided to Board members for their review prior to the meeting. No further action was needed or taken by the Board.

Agenda Item 4: Potential Benefit Changes for Calendar Year 2020

Chairman Jackson recognized Ms. Cindy Bradshaw, Deputy Director with the Office of Insurance, who outlined the process and schedule for consideration of proposed Plan benefit changes for 2020, and briefly discussed the list of potential changes. A copy of this list had been provided to Board members prior to the meeting. Ms. Bradshaw advised that the Board will need to indicate which of the potential benefit changes listed they would like for the staff to analyze, and explained that other proposed changes could be added to the list if the Board so desired. The following potential benefit changes were discussed:

1. Consider changes to prescription drug benefits
 - a. Coverage tiers, copayments, deductibles
 - b. Mail order drugs
 - c. Brand drugs with coupons
 - d. Formulary and/or drug class restrictions
 - e. Specialty medications
 - f. Coverage for OTC pseudoephedrine
2. Consider changes to medical benefits
 - a. Deductibles, coinsurance, copayments
 - b. Out-of-pocket maximums
3. Consider changes to wellness/preventive benefits
 - a. ACA requirements
 - b. USPSTF recommendations
 - c. Other
4. Consider adding a wellness incentive program

Mr. Kelly Hardwick made the motion to authorize the staff to begin a focused evaluation and analysis of all items with the flexibility to evaluate additional items should the interest and need arise. Mr. Mike Chaney seconded the motion. The motion passed by a 6 – 0 vote, with members Chaney, Formby, Fortenberry, Hardwick, Higgins, and Jackson voting affirmatively.

Agenda Item 5: Financial Statements

Chairman Jackson recognized Ms. Latasha Holmes, Director of Budget and Accounting, who briefly reviewed the financial statements for the State and School Employees' Life and Health Insurance Plan for the month of February 2019. Copies of the financial statements were provided to Board members for their review prior to the meeting.

Agenda Item 6: General Schedule

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

Agenda Item 7: Old Business

There was no old business for the Board to consider.

Agenda Item 8: New Business

There was no new business for the Board to consider.

Adjournment

Chairman Jackson announced that the next standing meeting of the State and School Employees Health Insurance Management Board is scheduled for 9:00 a.m., on Wednesday, April 24, 2019 in Room 139, located at the Woolfolk Building in Jackson, Mississippi.

As there was no further business, the meeting was adjourned at 10:15 a.m.

A handwritten signature in cursive script, reading "Christopher J. Burkhalter", is written over a horizontal line.

Christopher J. Burkhalter
Vice-Chairman
State and School Employees Health Insurance Management Board