

State and School Employees Health Insurance Management Board

Standing Monthly Meeting

August 28, 2019

Minutes

The standing monthly meeting of the State and School Employees Health Insurance Management Board convened Wednesday, August 28, 2019, in Room 139 in the Woolfolk Building located at 501 North West Street in Jackson, Mississippi, at 9:00 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 *(Represented by Mr. Bob Williams)*
Mr. Larry Fortenberry *(Via telephone)*
Mr. Kelly Hardwick
Mr. Ray Higgins
Dr. Andrea Mayfield *(Via telephone)*
Dr. Alfred Rankins

Non-Voting Members Present

The Honorable John Read - Chairman,
House Appropriations Committee

Voting Members Absent

Mr. Christopher Burkhalter, Vice-Chairman
Mr. Mark Formby
Dr. Carey Wright *(Represented by Ms. Sharon Rosell)*

Non-Voting Members Absent

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
Ms. Latasha Holmes
Ms. Amanda Murphy
Ms. Terri Ashley
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 24, 2019 Standing Monthly Board Meeting

Chairman Jackson announced that the minutes of the Board's July 24, 2019 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 Fortenberry, Hardwick, Higgins, Mayfield, Rankins, and Williams voting affirmatively.

Agenda Item 2: Benefit Changes for 2020

Chairman Jackson recognized Ms. Cindy Bradshaw, Deputy Director, with the Office of Insurance, who presented the proposed benefit changes for 2020. 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 2020* 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 2020 benefit changes had been presented to the State and School Employees Health Insurance Advisory Council at their August 21, 2019 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:

- **Modify Prescription Drug Coverage**
Staff recommends implementing a two-tier copayment structure for generic drugs, with lower cost (less than \$20) generics assigned to Tier 1 with a \$12 copayment, and higher cost (\$20 or greater) generics assigned to Tier 2 with a \$30 copayment. This change is projected to produce with a savings to the Plan of \$5.5 million.
- **Modify Medical Deductibles, Coinsurance and Out-of-Pocket Maximums**
Staff does not recommend implementing any changes to the Plan's medical deductibles, coinsurance percentages, copayment amounts, or out-of-pocket maximums at this time.
- **Modify Wellness/Preventive Benefits**
Staff does not recommend any changes to the Plan's wellness/preventive benefits, and advises that coverage for pre-exposure prophylaxis (PrEP), as mandated under the Affordable Care Act, will be implemented as required.

- **Incentive Program**

Staff recommends that the Board create an incentive program to encourage greater utilization of the Plan's health and wellness benefits by the participants. While the actual incentives are not expected to impact the Plan until calendar year 2022, development of the program parameters and process planning will need to be done in 2020.

A motion was made by Mr. Hardwick to accept the staff and Advisory Council recommendations and for the Board to approve all items as presented. Dr. Alfred Rankins seconded the motion. The motion passed by a 6 – 0 vote, with members Fortenberry, Hardwick, Higgins, Mayfield, Rankins, and Williams voting affirmatively.

Agenda Item 3: Fiscal Year 2019 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, 2019, as well as projections for Plan assets, liabilities, and funding status through calendar year 2022. A copy of Mr. Townsend's report entitled "*Preliminary Actuarial Report Fiscal Year 2019*" had been provided to all Board members for their review in advance of today's meeting. Mr. Hardwick moved that the Board approve 3% health insurance premium rate changes to be effective January 1, 2020 and for Chairman Jackson to provide the Legislative Budget Office (LBO) with a proposed 3% premium rate increase projection effective January 1, 2021, for LBO's FY 2021 budgeting purposes. Mr. Larry Fortenberry seconded the motion. The motion passed by a 6 – 0 vote, with members Fortenberry, Hardwick, Higgins, Jackson, Rankins, and Williams voting affirmatively. (Member Mayfield left the meeting prior to the vote.)

Agenda Item 4: 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 July 2019. 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

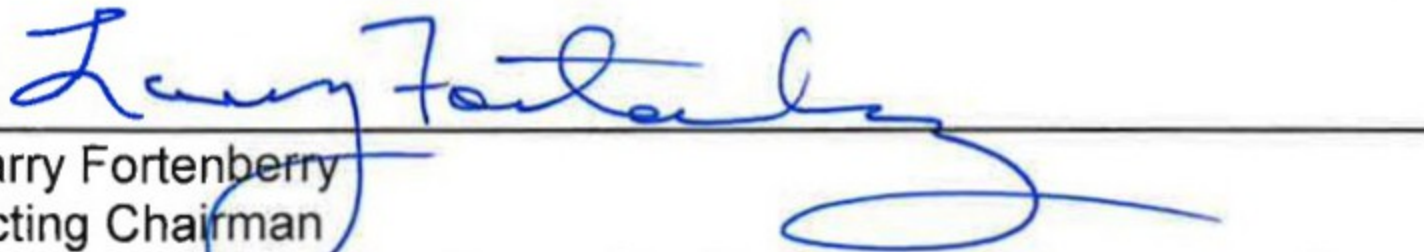
There was no old business for the Board to consider.

Agenda Item 7: New Business

There was no 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., September 25, 2019, in Room 139, located at the Woolfolk Building. As there was no further business, the meeting was adjourned at 9:36 a.m.



Larry Fortenberry
Acting Chairman
State and School Employees Health Insurance Management Board