

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

## **Standing Monthly Meeting August 26, 2020**

### **Minutes**

The standing monthly meeting of the State and School Employees Health Insurance Management Board convened Wednesday, August 26, 2020, in Room 117 in the Woolfolk Building located at 501 North West Street in Jackson, Mississippi, at 9:00 a.m. A speakerphone was available in Room 138 in the Woolfolk Building for the general public to listen to the meeting. The presiding officer was Ms. Liz Welch, Chairman of the Board. A quorum was present.

#### **Voting Members Present**

Ms. Liz Welch, Chairman  
Mr. Christopher Burkhalter, Vice-Chairman  
Mr. Mike Chaney  
Mr. Mark Formby  
Mr. Larry Fortenberry  
Mr. Kelly Hardwick  
Mr. Ray Higgins  
Dr. Andrea Mayfield  
Dr. Alfred Rankins *(Via telephone)*

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

The Honorable J. Walter Michel - Chairman,  
Chairman, Senate Insurance Committee

#### **Voting Members Absent**

Dr. Carey Wright

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

The Honorable W. Briggs Hopson - Chairman,  
Senate Appropriations Committee  
The Honorable John Read  
Chairman, House Appropriations Committee  
Vacant - Chairman,  
House Insurance Committee

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

Mr. Richard Self  
Ms. Cindy Bradshaw  
Ms. Latasha Holmes *(Via telephone)*  
Ms. Amanda Murphy  
Mr. John Anderson *(Via telephone)*  
Mr. Chris Shaman *(Via telephone)*  
Ms. Angela Inman *(Via telephone)*  
Ms. Christina Young *(Via telephone)*

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

Ms. Liz Bolin, Esquire

### **Call to Order**

The meeting was chaired and called to order by Ms. Liz Welch, Chairman of the Board.

### **Agenda Item 1: Minutes of the June 24, 2020 Standing Monthly Board Meeting**

Chairman Welch reminded everyone that the Board did not meet in July, and announced that the minutes of the Board's June 24, 2020 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. Dr. Andrea Mayfield seconded the motion. The motion passed by a 8 – 0 vote, with members Burkhalter, Chaney, Formby, Fortenberry, Hardwick, Higgins, Mayfield, and Rankins voting affirmatively.

### **Agenda Item 2: Telemedicine Services Contract**

Chairman Welch recognized Mr. Richard Self, State Insurance Administrator with the Office of Insurance, who advised Board members that the Board's contract with American Well Corporation (AmWell) to provide real-time, interactive medical consultations with Mississippi-licensed physicians and nurse practitioners via videoconference, for routine and urgent care to Plan participants twenty-four hours a day, seven days a week with minimal wait time, will expire on February 29, 2021, and includes an option to renew for an additional year at the Board's discretion. Mr. Self briefly described the services provided by AmWell, and stated that staff recommends that the Board exercise the renewal option and extend the contract through February 28, 2022. He explained that should the Board choose not to extend the contract, staff will need to initiate the development of a Request for Proposals in order to ensure that the selected contractor will be ready to provide services by March 1, 2021. A motion was made by Mr. Mike Chaney for the Board to approve extending the AmWell contract through February 28, 2022. Mr. Ray Higgins seconded the motion. The motion passed by a 8 – 0 vote, with members Burkhalter, Chaney, Formby, Fortenberry, Hardwick, Higgins, Mayfield, and Rankins voting affirmatively.

### **Agenda Item 3: Fiscal Year 2022 Budget Request**

Chairman Welch recognized Mr. Richard Self who presented the State and School Employees' Life and Health Insurance Plan's Fiscal Year 2022 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. A motion was made by Mr. Larry Fortenberry to approve the Fiscal Year 2022 Budget Request as presented. Mr. Hardwick seconded the motion. The motion passed by a 8 – 0 vote, with members Burkhalter, Chaney, Formby, Fortenberry, Hardwick, Higgins, Mayfield, and Rankins voting affirmatively.



#### **Agenda Item 4: Benefit Changes for 2021**

Chairman Welch recognized Ms. Cindy Bradshaw, Deputy Director with the Office of Insurance, who presented the proposed benefit changes for 2021. 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 2021* 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 2021 benefit changes had been presented to the State and School Employees Health Insurance Advisory Council at their August 19, 2020 meeting. Ms. Bradshaw advised that the Advisory Council voted to support the staff recommendations for each of the calendar year 2021 benefit changes, with the exception of Item 2A. The Advisory Council did not support the staff recommendation for Scenario 3, and instead recommended Scenario 2, a \$1,300 individual and \$2,600 family deductible.

Ms. Bradshaw presented the following staff recommendations:

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

Staff recommends no changes to the current prescription drug deductible or copayments; Staff recommends changing the generic mandate to require the appropriate brand copayment (rather than generic), plus the difference in the cost of the brand and generic drug. This change is projected to produce negligible savings to the Plan.

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

- A. Staff recommends increasing the Select Coverage individual deductible to \$1,500 and the family deductible to \$3,000. This change is projected to produce a savings to the Plan of \$18.7 million. The Advisory Council voted to recommend increasing the Select Coverage individual deductible to \$1,300 and the family deductible to \$2,600, which is projected to produce a savings to the Plan of \$11.6 million.
- B. Staff recommends increasing the coinsurance maximum by \$500 to \$3,000. This change is projected to produce a savings to the Plan of \$4 million.
- C. Staff does not recommend changes to the out-of-pocket maximums at this time.

##### **3. Modify Prior Authorizations**

Staff recommends that the prior authorization requirement for coverage of wound vacuum assisted closure, pulmonary rehabilitation, and preventative low-dose CT scans for lung cancer be removed to reduce unnecessary administrative burden on providers. This change is not projected to produce material costs or savings to the Plan.

##### **4. Add Dental Services for Participants with Congenital Defects**

Staff does not recommend changes to coverage for dental services at this time based on the statutory coverage limitation included in Section 25-15-7 of the Mississippi Code.

##### **5. Wellness Incentive Program**

Staff recommends implementing a wellness incentive program in 2021 to promote healthier lifestyles. This change is projected to ultimately produce savings to the Plan through lower claims costs associated with an improvement in behavior-driven conditions, but will increase participant utilization of annual wellness visits beginning in 2021. Net cost/savings TDB.

A motion was made by Mr. Fortenberry to accept the Advisory Council recommendations and for the Board to approve all items as presented with the exception of Item #4 which will be tabled for the time being. Mr. Chaney seconded the motion. The motion passed by a 7 – 0 vote, with members Burkhalter, Chaney, Fortenberry, Hardwick, Higgins, Mayfield, and Rankins voting affirmatively. (Member Formby left the meeting prior to the vote being taken.)

**Agenda Item 5: Fiscal Year 2020 Actuarial Report Preliminary Projections**

Chairman Welch 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, 2020, as well as projections for Plan assets, liabilities, and funding status through calendar year 2023. A copy of Mr. Townsend's report entitled "*Preliminary Actuarial Report Fiscal Year 2020*" had been provided to all Board members for their review in advance of today's meeting. Mr. Burkhalter moved that the Board approve a 3% health insurance premium rate increase for the non-Medicare coverage classes to be effective January 1, 2021, and for Chairman Welch to provide the Legislative Budget Office (LBO) with a proposed 3% premium rate increase projection effective January 1, 2022, for LBO's FY 2022 budgeting purposes. Mr. Hardwick seconded the motion. The motion passed by a 7 – 0 vote, with members Burkhalter, Chaney, Fortenberry, Hardwick, Higgins, Mayfield, and Rankins voting affirmatively.

**Agenda Item 6: Financial Statements**

Chairman Welch 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 months of June and July 2020. Copies of the financial statements were provided to Board members for their review prior to the meeting.

**Agenda Item 7: General Schedule**

Chairman Welch 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 8: Old Business**

Chairman Welch recognized Cindy Bradshaw who provided the Board with a brief overview and update of COVID-19 activity under the Plan, including testing, positive diagnoses, hospitalizations, and other related claims trends.


**Agenda Item 9: New Business**

There was no new business for the Board to consider.

### **Adjournment**

Chairman Welch announced that the next meeting of the State and School Employees Health Insurance Management Board is scheduled for 9:00 a.m., September 23, 2020, and that details regarding meeting format and access would be forthcoming.

As there was no further business, the meeting was adjourned at 11:28 a.m.

A handwritten signature in cursive script, reading "Liz Welch", is written over a horizontal line.

Liz Welch  
Chairman

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