

State and School Employees Health Insurance Management Board

Standing Monthly Meeting February 23, 2022

The standing monthly meeting of the State and School Employees Health Insurance Management Board convened Wednesday, February 23, 2022, in the Office of Insurance Conference Room, Suite 901B, in the Woolfolk Building located at 501 North West Street in Jackson, Mississippi, at 9:00 a.m. Due to COVID-19 social distancing guidelines, the meeting was held virtually using Microsoft Teams®. A dial-in number was available upon request for the 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. Mike Chaney
Mr. Mark Formby
Mr. Larry Fortenberry *(Via Teams)*
Mr. Kelly Hardwick
Mr. Ray Higgins
Dr. Alfred Rankins *(Via Teams)*
Mr. Kell Smith
Dr. Carey Wright *(Represented by Dr. Felicia Gavin via Teams)*

Non-Voting Members Present

Voting Members Absent

Mr. Christopher Burkhalter, Vice Chairman

Non-Voting Members Absent

The Honorable John Read – Chairman,
House Appropriations Committee
The Honorable Walter Michel – Chairman,
Senate Insurance Committee
The Honorable Briggs Hopson – Chairman,
Senate Appropriations Committee
The Honorable Henry Zuber– Chairman
House Insurance Committee

Department of Finance and Administration Staff Present:

Ms. Cindy Bradshaw
Ms. Angela Inman *(Via Teams)*
Mr. Chris Shaman *(Via Teams)*
Ms. Amanda Murphy
Ms. Alicia Coleman *(Via Teams)*
Ms. Christina Young *(Via phone)*

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 January 26, 2022 Standing Monthly Board Meeting

Chairman Welch announced that the minutes of the Board's January 26, 2022 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 for the Board to approve the minutes for January as presented. Mr. Mark Formby seconded the motion. The motion passed by a 7 – 0 vote, with members Chaney, Formby, Fortenberry, Gavin (designee for member Wright), Hardwick, Higgins, and Smith voting affirmatively.

Agenda Item 2: Actuarial Services Contract

Chairman Welch recognized Ms. Cindy Bradshaw, State Insurance Administrator with the Office of Insurance, who advised the Board that the Actuarial Services Contract with Mr. Wm. Lynn Townsend, FSA, MAAA, which began October 1, 2018, will expire on September 30, 2022. Ms. Bradshaw reminded the Board that the Contract includes an option to renew for one additional year at the Board's discretion, at the guaranteed pricing already provided for in the agreement. Ms. Bradshaw stated that staff recommended that the Board exercise the one-year option, and extend the Contract through September 30, 2023. A motion was made by Mr. Formby to exercise the one-year renewal option in the Actuarial Services Contract with Wm. Lynn Townsend to extend the agreement through September 30, 2023. Mr. Chaney seconded the motion. The motion passed by a 7 – 0 vote, with members Chaney, Formby, Fortenberry, Gavin, Hardwick, Higgins, and Smith voting affirmatively.

Agenda Item 3: OPEB Actuarial Services Contract

Chairman Welch recognized Ms. Bradshaw who advised Board members that the Board's contract with Cavanaugh Macdonald Consulting, LLC, to provide the annual actuarial valuation of the State's other post-employment benefits (OPEB), will expire on June 30, 2022. Ms. Bradshaw reminded the Board that the Contract includes an option to renew for one additional year at the Board's discretion, at the guaranteed pricing already provided for in the agreement. Ms. Bradshaw stated that staff recommended that the Board exercise the one-year option. A motion was made by Mr. Ray Higgins that the board exercise the one-year extension option in its OPEB Actuarial Services Contract with Cavanaugh Macdonald Consulting, LLC, and for the Chairman of the Board to execute the appropriate contract amendment on behalf of the Board to extend the contract through June 30, 2023. Mr. Chaney seconded the motion. The motion passed by an 8 – 0 vote, with members Chaney, Formby, Fortenberry, Gavin, Hardwick, Higgins, Rankins and Smith voting affirmatively.

Agenda Item 4: Life Insurance Policy Renewal

Chairman Welch recognized Ms. Bradshaw who advised Board members that the current policy and Letter of Understanding between Minnesota Life Insurance Company and the State and School Employees Health Insurance Management Board will expire December 31, 2022. Staff recommends appointing a subcommittee to work with staff and the Board's actuary to consider renewal options. Mr. Higgins made the motion that the Chair appoint a subcommittee to evaluate options with Minnesota Life Insurance Company to renew the Letter of Understanding to provide life insurance coverage to the State and School Employees' Life Insurance Plan and subject to successful negotiations, for the Chairman of the Board to execute the amended Letter of Understanding on behalf of the Board. Mr. Kell Smith seconded the motion. The motion passed by an 8 – 0 vote, with members Chaney, Formby, Fortenberry, Gavin, Hardwick, Higgins, Rankins and Smith voting affirmatively. A subcommittee consisting of Mr. Chris Burkhalter, Mr. Mike Chaney, Mr. Kelly Hardwick, and Mr. Kell Smith was appointed.

Agenda Item 5: Pharmacy Benefit Manager Services Contract Modification

Chairman Welch recognized Ms. Bradshaw who advised Board members that the Board entered into a contract with CaremarkPCS Health (CVS Caremark) to provide pharmacy benefit manager (PBM) services to the Plan beginning January 1, 2021. As part of ongoing efforts to reduce pharmacy costs, staff and subcommittee have evaluated transitioning to a more controlled formulary.

Additionally, the federal government mandated plans pay for up to 8 at-home COVID 19 tests per month. These are over-the-counter products which are excluded from coverage under the Plan. To comply with the mandate, CVS Caremark has established a process for providing these tests which includes a processing fee for paper claims not contemplated in the current contract.

Mr. Hardwick made the motion that the Board authorize the Chairman to execute an amendment to the CVS Caremark Contract to support the Plan converting to the Value Formulary and add the Enhanced Specialty Guideline Management program and incorporate the COVID-19 OTC tests paper processing fee. Mr. Larry Fortenberry seconded the motion. The motion passed by an 8 – 0 vote, with members Chaney, Formby, Fortenberry, Gavin, Hardwick, Higgins, Rankins and Smith voting affirmatively.

Agenda Item 6: Calendar Year 2020 Actuarial Report Preliminary Projections

Chairman Welch recognized Mr. Wm. Lynn Townsend, FSA, MAAA, consulting actuary for the Board, who presented preliminary projections from his actuarial analysis of the State and School Employees' Life and Health Insurance Plan for calendar year (CY) 2021. A copy of the report entitled "*CY21 Actuarial Report Preliminary Projections*" was provided to Board members for their review prior to the meeting. Mr. Townsend discussed historical and projected trend rates, and provided projected premium rate adjustment needs as indicated to meet the Plan's stated funding objective. A motion was made by Mr. Chaney to revise the premium rate change assumption for January 1, 2023, to 6% and to provide this updated information to the Legislative

Budget Office for CY 2023 budgeting purposes. Mr. Hardwick seconded the motion. The motion passed by an 7 – 0 vote, with members Chaney, Formby, Fortenberry, Gavin, Hardwick, Rankins, and Smith voting affirmatively.

Agenda Item 7: Financial Statements

Chairman Welch recognized Ms. Angela Inman, Deputy Director, Office of Insurance, who briefly reviewed the financial statements for the State and School Employees' Life and Health Insurance Plan for the month of January 2022. Copies of the financial statements were provided to Board members for their review prior to the meeting. No action was required or taken by the Board on this item.

Agenda Item 8: General Schedule

Chairman Welch recognized Mr. Chris Shaman, Deputy Director, 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 9: Old Business

There was no old business for the Board to consider.


Agenda Item 10: New Business

There was no new business for the Board to consider.

Adjournment

Chairman 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, March 23, 2022.

As there was no further business, the meeting was adjourned at 10:24 a.m.



Liz Welch
Chairman
State and School Employees Health Insurance Management Board