

**Employee Advisory Committee Meeting Minutes**  
**February 24, 2010**  
**Mills Building, 4<sup>th</sup> Floor Training Room**

Attending: Pres. Cheryl Buxton, Kyle Austin, Brant Barber, Barbara Barto, Linda Kelly, Marjorie Knoll, John Oswald, Greg Piper, Kristy Rizek, Susan Warriner, Jan Sides, Steve Dechant, Jackie Scott, Steve Stankiewicz, Kim Fowler

On the Phone: Ben Middleton, Patty Delmott, Linda Prothe

Absent: Elizabeth Smith, Elizabeth Fultz

Representatives from health plan providers as well as KHPA members were also present.

Meeting Called to Order at 10:30 a.m. by President Cheryl Buxton.

EAC Member Resignations

President Cheryl Buxton announced to the committee that Claudia Keller from Wichita turned in her resignation for various reasons and Steve Dechant is also resigning from the EAC and is taking a position with the HCC. She told the committee they would be recruiting their replacements. Jennifer Flory stated they have names of possible replacements and will go back to the pool of applicants who have applied.

Non-Tobacco Enforcement Options

- Doug Farmer led a discussion regarding the non-tobacco enforcement options because some smokers are cheating and, therefore, jeopardizing the loss of employer contributions to the plan.
- 14% of those enrolled in the health plan indicated they are tobacco users; however, 20% of Kansans are smokers.
- It would cost the plan about \$5 million if 6% of the members are in fact tobacco users who claim they are not and are enjoying the non-smoker discount.
- The committee discussed randomly testing the members. The approximate cost would be \$25 per test and they would have a third party contractor handle the testing.

The committee agreed that the program needs to be enforced and there should be consequences for those who are in violation. Otherwise, the whole program should be eliminated.

Financial Update

Doug Farmer explained the financial table submitted to the HCC with a 10-year projection. Plan year 2010 will have a reserve of \$44 million at the end of the plan year; however, plan year 2011 is projected to be short \$4 million. The target actuarial reserve should be \$73 million.

Jan Sides noted that the retirees with the state's health plan pay both the employer and employee portions of the cost and any increase to either of those portions directly impacts them.

Several plan change savings options were presented. After much discussion, the committee made the following recommendations:

- No elimination of plans. Continue to offer plans A, B, and C.
- The following changes should be made to Plan A:
  - Increase the co-pay by \$5 (Primary Care Physician from \$20 to \$25; Specialist from \$40 to \$45)
  - Increase the deductible from \$150 for single coverage and \$300 for family coverage to \$400 for single coverage and \$800 for family coverage. (Note: This recommendation was based on a committee vote with nine members voting for this recommendation and seven members voting to raise it to \$300 for single coverage and \$600 for family coverage)
- Raise the premiums on all plans.

The discussion included, but was not limited to, reserve confidence levels, member relativity, and how to protect retirees by decreasing the differential between the employee and employer contributions rates.

Meeting Adjourned.