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**Employee Advisory Committee Meeting Minutes
April 20, 2011
Landon State Office Bldg., Room 106**

Attending: Pres. Cheryl Buxton, Brant Barber, Barbara Barto, Tracy Clarke, Patty Delmott, Elizabeth Fultz, Mitchel Hoag, Linda Kelly, Marjorie Knoll, Linda Prothe, Kristy Rizek, Jackie Scott, Jan Sides, Steve Stankiewicz, Susan Warriner, and Casey Wells

By Phone: John Oswald

Absent: Kim Fowler and Greg Piper

Meeting called to order by President Cheryl Buxton.

Introduction of New Members

All members were asked to introduce themselves and state their agency affiliation. New members included Mitchel Hoag, Department of Transportation; Kristy Rizek, Department of Transportation; and Casey Wells, Department of Revenue.

Approval of August 31, 2010, Meeting Minutes

Linda Prothe motioned to accept the minutes as submitted, Marjorie Knoll seconded, motion passed.

KHPA Updates

Open Enrollment

Jennifer Flory, KHPA, provided updates on the 2010 open enrollment. Plan A remains the largest plan with 33,296 contracts, reduced by 248 contracts from the same period in 2009. Plan B gained enrollment to 2,729 contracts, a gain of approximately 400 contracts. Plan C also gained enrollment to 486 contracts, an increase of 106. Fewer eligible participants waived coverage, 2,443, a decrease of 178. Overall, there was an increase of 136 contracts, with a total population as of April of 38,954. Single coverage was the largest group constituting 47% of the total; 14% chose member and spouse; 17% chose member and children; and 16% chose member and family. Approximately 6% waived coverage. The HealthyKIDS program had 2,325 families, or 8,854 individuals, enrolled. HSA and dependent care accounts had 9,586 who chose the health care flexible spending account and 1,204 who chose a dependent care flexible spending account. Enrollment in Kansas Senior Plan C without drug coverage was 2,977 and 4,542 who elected it with drug coverage. In the Advantra program, there were 509 contracts; Advantra program with SilverScript was 68. The Humana program had 74 enrolled without the SilverScript drugs and 10 that enrolled with SilverScript. The vision program had 38,051 contracts. For state employees enrolling in vision there were 7,749 who chose the basic program and 20,445 chose the enhanced program, for a total enrollment in vision by state employees of 28,194.

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Attendance at Plan Year 2010 open enrollment meetings was down considerably; however, there were no big changes, so this was not unexpected. They did offer web-based meetings. There were a few technical glitches, but they plan to offer them again for Plan Year 2011 open enrollment. It was felt that this option was a good alternative for employees unable to attend other meetings.

Tobacco Cessation Program

A total of 3,033 members agreed to enroll in and complete the Tobacco Cessation program. As of April 4, of that total there were 1,744 who had actually enrolled in the program. The deadline to complete the program to continue to receive the discount is May 1. There are 481 members who actually completed the program.

HealthQuest/Wellness

For HealthQuest screenings, so far 3,973 people have participated and 4,933 people have scheduled an appointment in the future. Of those health assessments, as of March 21, 2,460 individuals have requested a gift card. As of June, KHPA will start mailing "at home mailing kits" which enables participants to do a finger stick and submit the results.

Long Term Care

A total of 2,300 applications were received. Prior long term care program offerings only reached a high of 705 applications.

Contract Updates

Extension of the Senior Plan C BC/BS program at no rate increase for next year has been completed. The next commission meeting will be looking at the Lab Card program and the key vendors for that. At the May meeting the commission will be reviewing the medical vendors for active employees. They are in discussions with Humana and Coventry.

Legislative Updates

There is nothing definitive to report at this point. The cancer drug program report was submitted by March 1, but there has been no feedback on that. This is the pilot year for the autism project and that report is due on March 1, 2012.

Governor Brownback has issued an Executive Reorganization Order (ERO) to the Legislature that will make KHPA a division of the Department of Health and Environment instead of being governed by a board. The Legislature chose not to take action on that; therefore, that ERO will take effect on July 1, 2011. The name will be changed to the Division of Health Care Finance. At this time, this should not affect the employee advisory committee.

A program was passed in the 2010 legislative session called the Recovery Audit Contract (RAC) requiring KHPA to hire an auditor for Medicaid and the state employee health

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plan as well as any other program that was purchasing health services. There is a vendor in place and discussions are in process about when they will start. It is expected to take approximately three years. This will be an historical audit as well as going forward three years.

2012 Plan Design, Rates, and Funding

Mike Michael, KHPA, distributed a projected reserve calculation that will be submitted to the commission on May 25 (attached). This is based on maintaining a 7.5% employer contribution increase from the current 5%. Mike proceeded to explain the cost projection sheet to the committee.

Mike concentrated on plan year 2012 for discussion. For policy choices the employer contribution will be changed from 15% to 7.5% whereas the employee contribution will increase to 13.2% from 8% with a 7.7% increase on direct bill clients. From 2000 to 2008 contributions have been on a rollercoaster and they're trying to stabilize that trend.

A PowerPoint was presented demonstrating cost projections and how several different scenarios could change the projections. In reviewing the 95/5, in 2012, the employer stays at 7.5% because in previous years it has trended to about 96% contribution by employer and 4% by employee. To get it back to 95/5, a 7.5% employer increase and 44% employee premium increase on single contracts, which is about half of our membership, would be needed. It breaks down to about \$10 per month per employee with single coverage. Employees with dependent coverage will see a decrease of about 7.4% which is about a \$16 a month reduction. Direct bill would be a 9.3% increase. Mike cautioned that to stay at the 95/5 for future years, premium increases will need to be consistent.

A discussion was held about increases for employees focusing on whether premium increases or deductibles and co-pay increases were shared fairly for employees at different salary levels. The feedback from employees that several members encountered was that they would prefer a modest premium increase rather than increases in deductibles and co-pays.

Elizabeth Fultz motioned to vote on the 7.5% across the board increase for both employer and employee for 2012, incurred no plan changes, but would leave the split at 96/4 through 2015. Linda Prothe seconded. Motion carried with 10 ayes and 4 nos.

Linda Prothe motioned to use the 95/5 split, with the 7.5% increase for employer, the 44% increase for single coverage members, and the 7.4% decrease for dependent coverage members, and includes no plan changes, as the EAC's second choice. Barbara Barto seconded. Motion carried with 8 ayes and 6 nos.

A motion was made to vote on the 4.8% employee increase as the third choice. Motion was seconded and failed with 2 ayes and 9 nos.

Steve motioned not to vote on option E, Margie seconded, motion carried with 11 ayes and 2 nos.

There was discussion about different scenarios of percentages.

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Linda Kelly made a motion to make Option A, which included 7.5% increase for three years with plan design changes in 2013 and 2014, as the first choice of the committee for recommendation and Option B, which included an increase for single coverage employees and a decrease for dependent coverage employees, as the second choice. Steve Stankiewicz seconded. There was a tie of 7 ayes for this and 7 ayes for making Option B as the first choice. President Cheryl Buxton made the deciding vote to make Option B as the committee's first recommendation.

Next EAC Meeting

It will be held on Wednesday, May 11, 2011, LSOB Rm. 106 at 10:30 a.m.

Meeting Adjourned.