



J. Scott Day, Commissioner
Steve Dechant, Commissioner
Sandy Praeger, Commissioner
Nancy Ruoff, Commissioner
Dennis R. Taylor, Chair

Kansas State Employees Health Care Commission

Sam Brownback, Governor

**Kansas State Employees Health Care Commission
February 21, 2012 Minutes
KPERs Boardroom, 611 S Kansas Avenue, Topeka, Kansas**

CALL TO ORDER

The Kansas State Employees Health Care Commission (HCC) meeting was called to order on February 21, 2012 at 1:30 p.m. in the KPERs Boardroom, 611 S Kansas Avenue, Topeka, Kansas.

Roll Call

Shelley King, Department of Administration, Office of Chief Counsel, conducted a roll call. The following persons were present in person: Commissioners Dennis R. Taylor (Chairman), Sandy Praeger, Nancy Ruoff, J. Scott Day and Steve Dechant. Mike Michael from the Division of Health Care Finance (HCF) within the Kansas Department of Health and Environment (KDHE), and Michael Morrow from AON were also in attendance.

AGENDA:

1. Approval of Minutes

Chairman Taylor asked for approval of the December 5, 2011 minutes.

IT WAS MOVED BY COMMISSIONER DECHANT AND SECONDED BY COMMISSIONER PRAEGER TO APPROVE THE MINUTES OF DECEMBER 5, 2011. MOTION PASSED 5-0.

2. Long Term Care Contract Renewal

The State Employee Health Plan (SEHP) offers members a fully insured voluntary group long term care plan administered by Genworth Life Insurance Company. Genworth provides complete administrative and support services for the long term care program. This includes printing and mailing of ID cards, certificates of coverage, claims processing, customer service, fiscal and other services related to the long term care program. There are 1,790 State of Kansas employees, retirees, and their eligible dependents that have group long term care insurance policies through Genworth. New hires are eligible to apply for insurance within the first 31 days of benefits eligibility without any underwriting requirements if they are under the age of 66. All other employees and retirees and their eligible dependents can apply for coverage at any time with full medical underwriting.



The contract is scheduled to expire December 31, 2012. The contract allows for the SEHP, at its option, to renew the contract for an additional agreed upon term. The SEHP staff has been in negotiations with Genworth to extend the current contract under the same policy provisions. The SEHP does not incur any expense in offering this product to eligible participants, nor does it contribute to the cost of the insurance for members who elect to purchase this product. Premiums are paid by the insured directly to Genworth Life Insurance Company.

SEHP staff recommended that the Health Care Commission approve the three (3) year contract extension with Genworth Life Insurance Company extending the contract to December 31, 2015.

Discussion followed.

IT WAS MOVED BY COMMISSIONER PRAEGER AND SECONDED BY COMMISSIONER DAY TO APPROVE A THREE YEAR EXTENSION OF THE LONG TERM CARE CONTRACT WITH GENWORTH LIFE INSURANCE COMPANY EXTENDING THE CONTRACT TO DECEMBER 31, 2015. MOTION PASSED 5-0.

3. Actuary/Consulting Contract Renewal

The State Employee Health Plan (SEHP) contracts with Aon Consulting, Inc. for actuary and consulting services. Aon currently provides these services which include assistance with rate setting, other postemployment benefits reporting, funding analysis, and analysis and projections for the health plan.

The SEHP staff has been in negotiations with Aon to extend the current contract which is scheduled to expire December 31, 2012. The contract allows for the SEHP, at its option, to renew the contract for an additional agreed-upon term. Aon has presented a proposal to extend the current contract for services to the SEHP at the same fee currently being paid in an annual amount of \$300,000.

SEHP staff recommended that the Health Care Commission approve the three (3) year contract extension with Aon Consulting, Inc. extending the contract to December 31, 2015.

Discussion followed.

IT WAS MOVED BY COMMISSIONER PRAEGER AND SECONDED BY COMMISSIONER RUOFF TO APPROVE THE THREE YEAR EXTENSION OF THE ACTUARIAL/CONSULTING CONTRACT WITH AON CONSULTING, INC. EXTENDING THE CONTRACT TO DECEMBER 31, 2015. MOTION PASSED 5-0.

4. 2012 RFP Report

A Request for Proposal (RFP) EVT0001204 to provide a fully insured Plan C Medicare Supplemental product was released on February 8, 2012, and will close March 15, 2012. We will be bidding a Medicare Part C Advantage plan RFP that is planned to be released in April. SEHP staff is currently working to prepare the RFP for these fully insured products,



and we are in negotiations with Alere who is our wellness vendor to see if we can extend that contract or if it will need to go out for bid on that RFP.

No action required.

5. **Voluntary Insurance Plans**

The State Employee Health Plan (SEHP) offers a comprehensive benefit package. Periodically, the SEHP is contacted by agents and brokers of various voluntary insurance plans such as cancer insurance, critical illness insurance, accidental injury insurance, and other similar benefit offerings. Benefits paid under these types of plans are paid to the employee who may use the money to cover their out-of-pocket expenses, to replace lost income resulting from their injury or illness, or may spend the money however they choose.

During the December 2011 Health Care Commission (HCC) meeting, an update was provided for the voluntary insurance offerings. Since that meeting, SEHP staff has met with the Department of Administration's Legal staff to review the Plan's legal authority to offer these types of programs and to review the employee survey questions prior to posting on the website. That was completed, the survey was posted to the website, and it closed on February 10th. It was on the website approximately 30 days. Staff is still working to finalize those responses to the survey so that we can share them with the HCC and the Employee Advisory Committee (EAC). Staff also contacted the Office of General Services and they have provided a cost estimate for implementing a payroll deduction option, and any regulations or statutes that may be impacted. Staff will need to finalize what a cost impact would be for the Regent Universities if they need to implement a payroll deduction for this benefit. Staff will meet with the EAC at their next meeting to discuss the survey and the costs associated with implementing the program and then we will bring back a report and have a discussion with the HCC at the April meeting.

No action required.

6. **Direct Bill Open Enrollment 2012 Report**

The Direct Bill open enrollment for retirees was held from November 1 through November 30, 2011. The Direct Bill call center staff conducted 27 Direct Bill open enrollment meetings at 13 locations across the state. Staff estimates that approximately 1,300 retirees attended these meetings.

This was the first year for retirees to use an online open enrollment system. There were 481 retirees who logged onto the enrollment system to review their health plan coverage. And of those logging into the system, 131 reviewed and saved their health plan elections for Plan Year 2012. Retirees were not required to use the online enrollment system this year and so the SEHP received 751 paper enrollment forms for processing. It should be noted that those members who elected to make no health plan changes were not required to submit a paper form or go online.

Final enrollment numbers as of February 1, 2012, for Direct Bill:



Vendor	Plan A	Plan B	Kansas Senior Plan C	Coventry Advantra Freedom PPO	Humana PPO
Blue Cross and Blue Shield of Kansas	2,402	657	7,711	N/A	N/A
Coventry Health Care of Kansas	159	13	N/A	629	N/A
UnitedHealthcare	7	3	N/A	N/A	N/A
Humana	N/A	N/A	N/A	N/A	83
Total	2,568	673	7,711	629	83

Vendor	Basic	Enhanced	Part D	Dental Coverage	Waived
Superior Vision	1,547	3,512	N/A	N/A	6,605
Delta Dental	N/A	N/A	N/A	8,001	3,663
SilverScript	N/A	N/A	4,384	N/A	N/A
Total	1,547	3,512	4,384	8,001	N/A

There were no substantial changes in any of the enrollment numbers. No action required.

7. HCC Annual Report – 2011 Plan Year

SEHP staff presented the Annual Report to the HCC members. No action required.

*See Attachment A – Annual Report.

8. Employee Advisory Committee Report

The Employee Advisory Committee (EAC) report was given by Cheryl Buxton. She stated that three things were talked about at the last EAC meeting:

- 1) New members were welcomed;
- 2) open enrollment updates were given; and
- 3) the HealthQuest rewards program and the changes that have occurred with that for this year and the way employees have to go through and do things on line to get their discount in future years for their premiums was discussed. Even though there has been substantial amounts of communications that have gone out to all employees who use our health care, the EAC was concerned that because of the drastic changes in the way the health assessment program is going that special cautions are needed to be sure



SEHP staff are communicating and re-communicating about those changes because the EAC wants to make sure that employees get the discounts that are due them. Employees are going to have to go through, in the EAC's opinion, a lot through the online system to make that happen. EAC stressed communication to make sure that employees understand what they have to do to get the discounts in their premiums in future years.

Questions were raised as to the e-mails being sent – is there any evidence through sampling employee opinion as to whether or not the message is received. It would be good to quantify how many people are not getting the message – whether that's a survey or random sampling of employees. EAC will work with SEHP to find out how many people have been able to access the website to judge those numbers so it can be determined if there are ways to get back out to our employees if they don't understand, and how can we better help them to understand it.

SEHP staff reported that right around 7,000 individuals have earned their 20 credits and will be eligible for the discount in Plan Year 2013 (this is out of between 44,000 to 45,000). We have probably around 25,000 individuals who have registered and opened an account. 40% haven't registered at this time. EAC is concerned what will happen at enrollment time. SEHP staff reported that they are trying a gift card incentive, plus messaging trying to get people to sign up early instead of waiting until the last minute. SEHP will also be messaging out to the HR offices so employees don't miss that opportunity to get a premium discount.

Chairman Taylor noted that he had been approached by a health care vendor wanting to give a presentation. EAC stated that they would be open to meeting with health care vendors for presentations. Chairman Taylor stated he would also give the information to SEHP.

9. Annual Contract Review

SEHP staff presented a list of all contracts to the HCC members. No action required.
*See Attachment B – SEHP Contracts as of January 1, 2012.

10. Dependent Eligibility Audit

SEHP staff reported that there has been a good response from the agencies providing the dependent documentation. There are 43 of 244 entities left, so we are close to being finished. We are looking at the end of the first quarter, it may go into the second quarter before it is done since it was a complete dependent audit, not just a random sample.

No action required.

11. 10-Year Projection Spreadsheet

SEHP staff presented the 10-year projection spreadsheet to the HCC members. Aon also gave a presentation to the HCC members. No action required.
*See attachment C.



Sam Brownback, Governor

Next HCC Meeting

Chairman Taylor requested that future meetings be held in the Landon State Office Building in Room 106.

Next meeting is scheduled for April 16, 2012 at 1:30 p.m. in the Landon State Office Building, Room 106.

Adjournment – 2:21 p.m.

IT WAS MOVED BY COMMISSIONER PRAEGER AND SECONDED BY COMMISSIONER DECHANT TO ADJOURN THE MEETING. MOTION PASSED 5-0.