



J. Scott Day, Commissioner
Steve Dechant, Commissioner
Sandy Praeger, Commissioner
Nancy Ruoff, Commissioner
Mark J. McGivern, Chair

Kansas State Employees Health Care Commission

Sam Brownback, Governor

**Kansas State Employees Health Care Commission
April 22, 2013 Minutes
KPERs Boardroom, 611 S Kansas Ave., Topeka, Kansas**

CALL TO ORDER

The Kansas State Employees Health Care Commission (HCC) meeting was called to order on April 22, 2013 at 1:30 p.m. in the KPERs Boardroom, 611 S Kansas Avenue, Topeka, Kansas. The following persons were present: Commissioners Mark J. McGivern (Chairman), J. Scott Day and Steve Dechant; Sarah L. Shipman from the Department of Administration, Office of Chief Counsel, and Mike Michael from the Division of Health Care Finance (HCF) within the Kansas Department of Health and Environment (KDHE). Commissioner Sandy Praeger was absent. Commissioner Ruoff has resigned.

AGENDA:

1. Approval of Minutes

Chairman McGivern asked for approval of the February 25, 2012 minutes.

IT WAS MOVED BY COMMISSIONER DAY AND SECONDED BY COMMISSIONER DECHANT TO APPROVE THE MINUTES OF FEBRUARY 25, 2012. MOTION PASSED 3-0.

Approval of Kansas Senior Plan C Medicare Supplement Renewal Rates

The renewal premium for the Blue Cross and Blue Shield of Kansas (BCBS) Kansas Senior Plan C Medicare Supplement policy has been received. Senior Plan C is a fully insured program available to Direct Bill members with Medicare coverage. BCBS has proposed increasing the current premium by three (3.1) percent from \$189.55 per month to \$195.41 per month.

Recommendation:

Staff recommends the acceptance of the Plan Year 2014 premium for Kansas Senior Plan C of \$195.41 per member per month.



Discussion followed.

IT WAS MOVED BY COMMISSIONER DECHANT AND SECONDED BY COMMISSIONER DAY TO ACCEPT THE PLAN YEAR 2014 PREMIUM FOR KANSAS SENIOR PLAN C OF \$195.41 PER MEMBER PER MONTH. MOTION PASSED 3-0.

Selection to Fill vacant Employee Advisory Committee Position

The Employee Advisory Committee (EAC) is composed of twenty-one members, eighteen of whom are active employees and three who are participating through Direct Bill. Due to the resignation of an active employee EAC member, we recommend that the following nominee be selected to serve on the EAC:

<u>Nominee</u>	<u>Agency</u>	<u>City</u>	<u>Term</u>
Alexandra Blasi	Kansas Real Estate Commission	Topeka	12/31/05

IT WAS MOVED BY COMMISSIONER DECHANT AND SECONDED BY COMMISSIONER DAY TO SELECT ALEXANDRA BLASI TO SERVE ON THE EAC. MOTION PASSED 3-0.

2. Reports

2013 RFP Report

The following Requests for Proposals (RFPs) have been released:

- EVT0002036 to provide administration for the wellness program was released on January 25, 2013, and closed March 20, 2013. Services being requested included administration of the health assessment and biometric screenings, disease management services, wellness activities and a weight management program.
- EVT0002059 for Pharmacy Benefit Management (PBM) services was released on February 7, 2013, and closed March 20, 2013. The Pharmacy Benefit Manager will administer the State Employee Health Plan (SEHP) prescription drug program.
- EVT0002118 for the Employee Assistance Program (EAP) was released on February 28, 2013, and closed April 10, 2013. The EAP bid provides employees and their families access to counseling services. A separate part of the EAP RFP will obtain pricing information for mandatory employee counseling and job fitness for duty assessments currently utilized by the Department of Administration.



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- EVT0002234 for Onsite Flu Shot Clinic was released on April 4, 2013, and closes on May 3, 2013. The SEHP has offered flu shot clinics for the last several years in areas with large numbers of employees. This RFP will allow us to review the market cost as well as the possibility of expanding the onsite flu shot clinics offered to additional locations.
- EVT0002176 for administration of the Flexible Spending Act (FSA) program was released on March 25, 2013, and will close on April 24, 2013. This includes the Health Care FSA, Limited FSA and Dependent Care FSA programs.

The following RFPs will be released in the near future:

- Medicare Part D Prescription Drug Employer Group Waiver Program (EGWP)
- Tobacco Cessation Program – The SEHP is partnering with the State's tobacco quit line to issue an RFP for tobacco cessation services. This bid will be handled by the KDHE Public Health Division but will include the services outlined by SEHP as needed for the current HealthQuest Tobacco cessation program.
- Staff will be on an RFP to secure a transparency tool for the membership to locate provider services, compare price, quality, new patient acceptance, etc. This product was presented to the EAC at their last meeting and Cheryl Buxton will report on the EAC's discussion.

State Employee Survey Results

Mike Michael discussed the results of the 2013 survey which was available through Survey Monkey. 1,535 members provided responses. The HCC had specifically asked that the survey include a question on the timing of the Health Savings Account contribution and whether a change in the timing would affect enrollment in Plan C. Mike Michael presented a chart summarizing the responses in this area.

Aon Health Plan Trend Analysis

Justin Kennedy of Aon presented a power point review of medical claims trends by service category. There was some discussion concerning the Wellness Program impact. 57% of the employee population were wellness participants for Plan Year 2012. A savings of \$2.1M in employee medical costs was realized, which translates roughly to a 0.6% trend reduction. It was reported that the Wellness Program is gaining traction and producing positive results. No specific changes in the program



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were suggested. The blended incurred basis PEPM self-funded trend for both the active and retirees is 5%.

3. Discussion Items

CBIZ Contract Extension

The CBIZ contract will expire December 31, 2013. Mike Michael recommended that the contract be extended through 2015 at the same cost.

Cost of Obesity Analysis

Mike Michael presented a power point concerning the 2012 cost of obesity for the state of Kansas. Bariatric surgery was discussed in some detail. Questions were raised at the last HCC meeting regarding the ability to maintain weight loss after bariatric surgery. Mike Michael reported that about 95% of bariatric patients are able to maintain long-term weight loss. Commissioner McGivern asked Mike Michael to present some actual numbers from states that have bariatric surgery coverage in an attempt to find out what the history of the coverage around the country might be. Mike Michael will have figures to present at the next meeting.

10-Year Projection Sheets

Mike Michael presented spread sheets concerning 10 year projections. Discussion followed.

4. EAC Report

Cheryl Buxton reported that a meeting of the EAC was held on March 20th. Officers for the coming year will remain the same. Four members were renewed and two new members were chosen. She reported that the group had received a presentation from Castlight Health regarding providing online personalized shopping for health care options. There will be more discussion on this topic at the next EAC meeting to be held May 29th.

5. Next HCC Meeting

Next meeting is scheduled for June 13, 2013 at 1:30 pm in the KPERS Boardroom.

**IT WAS MOVED BY COMMISSIONER DAY AND SECONDED BY
COMMISSIONER DECHANT TO ADJOURN THE MEETING. MOTION PASSED
3-0. MEETING WAS ADJOURNED AT 3:25 PM.**