



Landon State Office Building
900 SW Jackson Street, Room 900-N
Topeka, KS 66612

Phone: 785-296-6280
Fax: 785-368-7180
www.kdheks.gov/hcf/sehp/healthcare_commission.html

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

Kansas State Employees Health Care Commission

Sam Brownback, Governor

**Kansas State Employees Health Care Commission
September 20, 2011 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 at 1:30 p.m. in the KPERs Boardroom, 611 S. Kansas Avenue, Topeka, Kansas

1. Roll call

Shelley King, DOA Legal, conducted a roll call. The following persons were present: Commissioners Dennis Taylor (Chairman), Sandy Praeger, Nancy Ruoff, Steve Dechant and J. Scott Day. Mike Michael from the Division of Health Care Finance (HCF) within the Kansas Department of Health and Environment (KDHE), and Justin Kindy and Tim Nimmer from AON were also in attendance.

2. Approval of Minutes

Chairman Taylor asked for approval of the June 15, 2011 minutes.

IT WAS MOVED BY COMMISSIONER PRAEGER AND SECONDED BY COMMISSIONER DECHANT TO APPROVE THE MINUTES OF JUNE 15, 2011. MOTION PASSED 5-0.

3. SilverScript Part D Premium

SilverScript is a fully insured Part D product that provides prescription benefits for Medicare eligible members. This plan offers an expanded formulary, no front end deductible and coverage for all prescription drugs through the donut hole at the same co-insurance amount and co-insurance max.

As of June 2011, of the 8,184 direct bill members enrolled in Medicare plan options, 4,597 had elected to enroll in the SilverScript Part D EGWP plan, 592 elected the Medicare Advantage plan Part D program and 3,587 had elected to purchase coverage in the open market. A summary of the benefits of the SilverScript program is attached. Renewal rates for the SilverScript program have been received for plan year 2012. The rate for 2011 for the SilverScript plan is \$160 and the proposed rate for plan year 2012 is \$163 per member per month.

KHPA staff recommends approval of the 2012 SilverScript rate of \$163 per member per month for Plan year 2012.

IT WAS MOVED BY COMMISSIONER PRAEGER AND SECONDED BY COMMISSIONER RUOFF TO APPROVE THE SILVERSCRIPT RATE FOR PLAN YEAR 2012. MOTION PASSED 5-0.

4. Dependent Eligibility Audit Report

Historically, the State Employee Health Plan (SEHP) has required the agency human resource offices to obtain documentation from an employee of his or her dependent's eligibility for coverage under the SEHP, and this documentation was stored in the member's personnel file at the agency. The documentation was available to the SEHP upon request.

Beginning October 1, 2008, the SEHP started requiring that all documentation for newly enrolled dependents be submitted to the SEHP office. The documentation is scanned into the imaging system and associated with the member's enrollment record in SHaRP.

Beginning June 27, 2011, the SEHP, in conjunction with Claim Technologies Incorporated (CTI), began Phase I of a three-phase dependent audit to ensure that the health plan has dependent documentation on all currently enrolled dependents. During Phase I, CTI reviewed all of the dependent documentation warehoused in the imaging system and compared this documentation to the dependents currently enrolled in the health plan. A comprehensive list of those dependents with no supporting documentation was provided to the SEHP for review.

Phase II of the audit started August 9, 2011. During this phase, CTI and the SEHP communicated to the human resource offices a request for the dependent documentation that they have in their possession for those members identified during Phase I. Communications to the various human resource offices has been staggered to help manage the documentation flow to CTI and the SEHP. At the conclusion of Phase II, CTI will provide a comprehensive list to the SEHP of those dependents who did not have documentation at their human resource offices.

During Phase III, CTI will contact those employees who lack dependent documentation who have a claims threshold of \$10,000, requesting their documentation. Also during this phase, the SEHP will work with the human resource offices to obtain the missing dependent documentation identified during Phase II, excluding the dependents who have a claims threshold of \$10,000 that CTI will be working with.

Most large employers periodically undertake some type of dependent eligibility review to verify continued eligibility for coverage under the plan. CTI has projected a savings of \$171,599 to \$343,198. The timeline for completion of this audit is projected to be November 2011.

In July 2011, Legislative Post Audit (LPA) contacted the SEHP, asking for a report on what actions the SEHP has taken, or has considered taking, to identify ineligible dependents. The information provided in this update to the HCC was submitted to LPA.

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 pay their out-of-pocket cost or to replace lost income resulting from their injury or illness or may spend the money however they choose.

Voluntary insurance offerings include cancer insurance, critical illness insurance, accidental injury insurance, may be provided without an employer contribution toward the premium. Employees interested in these products are able to purchase them in the individual insurance market or from religious groups, unions and many other organizations. The main benefit to employees in getting these plans through their employer is the ability to use payroll deduction and the ability to use pre-tax income to pay their premiums. If pre-tax funds are used, this reduces the taxable income for both the employee and the State. There will be administrative costs to the State for the set up and maintenance of additional insurance plan offerings and payroll deductions.

As K.S.A 75-6501(b) provides for a rather broad scope of eligible health plan offerings, additional clarification from the Health Care Commission (HCC) is needed on whether or not the HCC is interested in providing any of these voluntary insurance plan offerings. A request for proposal (RFP) would need to be prepared and handled in accordance with the standard competitive bidding requirements of the HCC and the State of Kansas.

Discussion followed.

6. Finance Report

The finance report that was included in your packet shows that right now we are tracking very well with the projections that we have for the plan year 2011. One thing to point out, looking at the July column under Agency Contributions under Total Revenue the employer increase went into effect on July 1st so you do see the increase take effect for July and August. The employee portion goes into effect in January of each year but the employer increase begins in July. Our claims expense is tracking right now a bit below our projections. From past history we do have a couple of our higher cost months ahead of us. Those are the months of October and December. Part of that we contribute towards the awareness that people have in October since that is our enrollment period. Then by December people have met their deductible and co-insurance maximums and they are trying to get things done by year end. Traditionally we've seen those months a little higher so we expect that to level out and be more in line with what our projection was.

7. Health Quest Rewards Program

Information is included in your packet. At the last meeting the commission approved the Health Quest Rewards Program and we said we'd bring back some sampling material of the information that would be going out to the employees. There are a couple of fliers included along with the commission's plan month by month for the outreach on that program which also ties into our open enrollment meetings .

We began open enrollment meetings for our human resource offices across the state on September 1st. We do five of those for state personnel officers and three for non-state personnel officers groups. Beginning on September 26th, the open enrollment meetings for the employees will begin. There are roughly 100 meetings that our staff will conduct across the state. In those meetings, we want to make sure the employees have an opportunity to hear, understand and ask questions since it will be new for this plan year.

8. New Business

A. New Health Screening and Assessment

Discussion followed.

B. Enrollment books should have been delivered to your offices by now.

C. Flu Shots – This will be the 3rd year that we will be offering flu shots across the state. There will be 13 different locations during the month of October that employees can participate in.

Next HCC Meeting

December 05, 2011.

ADJOURNMENT – 2:15 P.M.

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