



**Kansas State Employees Health Care Commission
December 9, 2014 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 December 9, 2014 at 1:30 p.m. in the KPERS Boardroom, 611 S. Kansas Avenue, Topeka, Kansas. The following persons were present: Commissioners Jim Clark (Chairman), J. Scott Day, Steve Dechant, Sandy Praeger and Heather Young; 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). Sandy Praeger was recognized for her service to the State of Kansas and the Health Care Commission upon her retirement and she introduced the incoming Insurance Commissioner, Ken Selzer.

AGENDA:

1. Approval of Minutes

Chairman Clark asked for approval of the August 13, 2014, minutes.

IT WAS MOVED BY COMMISSIONER PRAEGER AND SECONDED BY COMMISSIONER DECHANT TO APPROVE THE MINUTES OF AUGUST 13, 2014. MOTION PASSED 5-0.

2. Action Items

Approval of the Auditing Services Contract

A Request for Proposal EVT0003202 for an audit firm to provide ongoing auditing services for the State Employee Health Plan (SEHP) was released on May 27, 2014, and closed on June 27, 2014. Auditing services requested would include a claims audit of the self-funded medical, pharmacy and dental programs as well as a pharmacy rebate audit, focused dependent eligibility auditing services to ensure the SEHP is only covering eligible spouses under the plan and any associated dependents, and a premium reconciliation audit. All proposals submitted were thoroughly analyzed and all



three bidders were invited in for negotiations. The committee recommended the contract be awarded to AON.

Staff Recommends:

Approval of the award of the three (3) year contract to AON for audit services.

IT WAS MOVED BY COMMISSIONER DECHANT AND SECONDED BY COMMISSIONER DAY TO APPROVE A THREE- (3) YEAR CONTRACT BE AWARDED TO AON FOR AUDIT SERVICES. MOTION PASSED 5-0.

Employee Advisory Committee

The Employee Advisory Committee (EAC) is composed of 21 members. Eighteen of the members are active employees and three are state retirees participating through Direct Bill. Each member serves a three-year term. Five active members' terms will expire December 31, 2014, and one additional vacancy is due to a member leaving state employment. One of the new members is completing the term of the member who has left state employment. Staff thanks Jenny Braun for her service on the EAC.

Staff Recommends:

Approval of the reappointment of Elizabeth Fultz (Education), Karen Gutzwiller (Administration/DCF), Marjorie Knoll (FHSU), and Steve Stankiewicz (Agriculture) to serve on the EAC, and approval of the appointment of new members Denise Nordyke (KDOT), and Justin Powell (Commerce) to the committee.

IT WAS MOVED BY COMMISSIONER PRAEGER AND SECONDED BY COMMISSIONER DAY TO APPROVE THE REAPPOINTMENT OF FOUR MEMBERS AND THE APPOINTMENT OF TWO NEW MEMBERS. MOTION PASSED 5-0.

Approval of Amendments to K.A.R. 108-1-1, 108-1-3 and 108-1-4

K.A.R. 108-1-1 establishes the eligibility requirements for participants in the state health care benefits program established by the HCC. Effective with plan year 2015 (1/1/2015) amendments to the definition of eligible "primary participant" and the addition of the term "variable hour employee" are made to reflect recent changes in federal law.

K.A.R. 108-1-3 establishes the eligibility requirements for school district and education entities to participate in the state health care benefits program established by the HCC.



Effective with plan year 2015 (1/1/2015) amendment to the definition of eligible “primary participant” and the addition of the term “variable hour employee” are made to reflect recent changes in federal law.

K.A.R. 108-1-4 establishes the eligibility requirements for public entities participants in the state health care benefits program established by the HCC. Effective with plan year 2015 (1/1/2015) amendment to the definition of eligible primary participant” and the addition of the term “variable hour employee” are made to reflect recent changes in federal law.

Cory Sheedy, attorney for the Kansas Department of Health and Environment, was asked to summarize the changes in each regulation and discussion was held regarding the changes.

Staff Recommends:

Approval of the amendment of K.A.R. 108-1-1, 108-1-3, and 108-1-4.

A ROLL CALL VOTE WAS CONDUCTED TO APPROVE THE AMENDMENT TO K.A.R. 108-1-1, 108-1-3 AND 108-1-4 AND THE VOTE WAS UNANIMOUS IN FAVOR OF THE AMENDMENTS.

3. Reports

PY 2014 RFP Report

Mike Michael reported that staff is currently working on the following RFPs that will be released later this year and in 2015: COBRA administration, HSA/HRA administration, a Medicare supplement plan and an Advantra plan.

Finance Report

Mike Michael introduced Mike Halford from Aon Hewitt who presented an update for the State Employee Health Plan (SEHP) for plan year 2014.

4. Discussion Items

Mike Michael reported that the Legislative Post Audit Committee approved the audit of the PBM contract, which will minimize cost and enhance the benefits, and presentation of the written report to the LPA Committee is expected in February 2015.



Sam Brownback, Governor

5. **Future Meetings**

The next meeting is scheduled for March 2, 2015, at 1:30 pm in the KPERS Boardroom.

IT WAS MOVED BY COMMISSIONER PRAEGER AND SECONDED BY COMMISSIONER DECHANT TO ADJOURN THE MEETING. MOTION PASSED 5-0. MEETING WAS ADJOURNED AT 2:17 PM.