



**Kansas State Employees Health Care Commission  
December 14, 2015, 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 14, 2015, at 1:30 p.m. in the KPERs Boardroom, 611 S Kansas Avenue, Topeka, Kansas. The following persons were present: Commissioners Sarah L. Shipman (Chair), J. Scott Day, Steve Dechant, Kenneth Selzer, and Heather Young; John Yearly for 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).

**AGENDA**

**1. Approval of Minutes**

Chair Shipman asked for approval of the minutes of the August 31, 2015, meeting.

*It was moved by Commissioner Dechant and seconded by Commissioner Selzer to approve the minutes of August 31, 2015. Motion passed 5-0.*

**Action Items**

**Onsite Flu Shot Clinics**

The State Employee Health Plan (SEHP) began offering onsite flu shot clinics in 2009 when the responsibility for hosting onsite flu shot clinics was transferred to the SEHP. Prior to 2009 the flu shot clinics were administered by the Kansas Department of Health and Environment using grant funding.

Flu vaccinations are considered a preventive service under federal health plan requirements and must be covered in full by the plan. Work site flu shot clinics offer members convenient access to these vaccinations, and the plan benefits from a lower per shot cost by utilizing the clinic vendor. Under the current contract, which has a lower required minimum number of patients, we have been able to expand the clinic offerings to more locations throughout the state. For the current flu season flu shot clinics were held in 36 communities and 5,111 adult plan members received their vaccinations.

The current contract with OccuVAX expires in December 2016. A renewal offer to extend this program has been received and reviewed by staff. The cost of the flu shots includes the cost of the vaccine, shot administration and disposal for used clinic supplies. The current standard Trivalent flu shots are \$19 and under the renewal option that would increase to \$20 and this rate is guaranteed for three years. The plan does have a very small number of members such as pregnant members that require the thimerosal preservative-free shots and the cost of those shots will be \$23. The higher cost for thimerosal-free is due



to the increased costs of preservative-free vaccine. Of the flu shots given this year, approximately one percent of the flu shots requested were for preservative-free vaccine.

**Recommendation:**

Staff recommends that the contract with OccuVAX for onsite flu shot services be extended for three years to December 31, 2019.

*It was moved by Commissioner Selzer and seconded by Commissioner Day to approve the extension of the OccuVAX contract for three years until December 19, 2019. Motion passed 5-0.*

**Employee Assistance Program**

The Employee Assistance Program (EAP) is a service provided for health plan benefits-eligible employees and their dependents. The EAP provides informational resources on an interactive website, up to eight (8) in-person counseling sessions per issue per year, and access to telephonic consultations with professionals on legal and financial issues.

Since switching to our current vendor, ComPsych, in 2014, the visibility of the EAP has been enhanced and, as a result, the EAP has seen increased member utilization of the telephonic services, web resources and enhanced counseling opportunities. With the eight (8) session in-person counseling program, fewer referrals to the medical plan for treatment have been needed. Telephonic financial counseling services with a Certified Financial Planner (CFP) and phone consultation with an attorney on legal matters have been popular additions to the program. Members report high satisfaction with the services offered.

ComPsych has offered the State Employee Health Plan a three-year contract extension with no increase in cost over the current contract.

**Recommendation:**

Staff recommends that a three (3) year contract extension for EAP services with no increase in cost be awarded to ComPsych.

*It was moved by Commissioner Dechant and seconded by Commissioner Day to approve the extension of the ComPsych contract for three years with no cost increase.*

**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. Six (6) active members' terms will expire December 31, 2015 and one (1) additional vacancy is due to a member leaving. Staff thanks Sheryl McKelvey for her service on the EAC.



**Recommendation:**

Staff recommends the reappointment of the following nominees to serve on the EAC:

<b><u>Nominee</u></b>	<b><u>Agency</u></b>	<b><u>City</u></b>	<b><u>Term</u></b>
Brant Barber	Johnson County Court Services	Olathe	12/31/18
Alexandra Blasi	Ks. Board of Pharmacy	Topeka	12/31/18
Patty Delmott	Emporia State University	Emporia	12/31/18
Kris Holm	State Banking Commissioner	Topeka	12/31/18
Kristy Rizek	Ks. Dept. of Transportation	Topeka	12/31/18

In addition, staff recommends the appointment of the following new members to serve on the EAC:

<b><u>Nominee</u></b>	<b><u>Agency</u></b>	<b><u>City</u></b>	<b><u>Term</u></b>
Kris Grinter	KSU	Salina	12/31/18
Lauren Wolf	Board of Nursing	Topeka	12/31/18

*It was moved by Commissioner Selzer and seconded by Commissioner Young to approve the reappointment of the above nominees and the appointment of new members to serve on the EAC.*

**2. Reports**

**Finance Report**

Mike Michael introduced Mike Halford from Aon Hewitt who presented an update of the Statement of Operations for the State Employee Health Plan (SEHP) for Plan Year 2015.

**RFP Report**

There are four Requests for Proposals (RFPs) for contracts that will end December 31, 2016, that are being worked by staff:

- Flexible Spending Accounts
- Pharmacy Benefits Manager for Prescription Drug Plan
- Wellness Program
- Part D Prescription Drug Plan

**Active Open Enrollment**

Active employee Open Enrollment was held from October 1 through October 31. Eighty four (84) Open Enrollment meetings were held for employees in thirty-three (33) cities, and twelve (12) online Open Enrollment webinars for state employees and four (4) for Non State public employees were held. Staff estimates that approximately 5,500 employees attended these meetings.



There were 26,572 employees who utilized the online Open Enrollment system for State employees to review their health plan coverage and save their health plan elections for Plan Year (PY) 2016. Non State Groups also enrolled online and 4,497 Non State employees made health care elections. Final enrollment numbers as of November 30, 2015, for State and Non State active employees was as follows:

Vendor	Plan A	Plan C	Waived
Blue Cross and Blue Shield of Kansas	24,775	14,848	
Aetna	1,082	552	
			3,644
<b>Total</b>	<b>25,857</b>	<b>15,400</b>	<b>3,644</b>

Flexible Spending Accounts (FSAs) require an annual election, and 4,667 State employees elected a medical FSA, Plan C members elected 1,202 limited purpose FSAs, and 1,366 members elected a dependent care FSA. Enrollment in the voluntary vision plan through Surency for Active and Non State Members:

<u>Coverage Level</u>	<u>Enrolled</u>
Basic Plan	10,128
Enhanced Plan	23,244
<b>Total Enrolled</b>	<b>33,372</b>
Waived Vision	11,529

**Direct Bill Open Enrollment 2016 Report**

The Direct Bill open enrollment for retirees was held from October 16 through November 15, 2015. The Direct Bill call center staff conducted twenty-three (23) Direct Bill open enrollment meetings at eleven (11) locations throughout the state and ten (10) online webinars. There were 1,595 individuals attending these meetings.

There were 351 Medicare eligible direct bill members that needed to make a new health plan election for plan year 2016. Multiple communications were sent to them about the changes they needed to make. Of those, only 31 members did not make an active election and were defaulted into Kansas Senior Plan C. For all other Direct Bill members, their current election rolled forward unless they requested a change. Enrollment numbers as of December 2, 2015:

**Direct Bill Pre-Medicare Population**

Vendor	Plan A	Plan C	Total
Aetna	43	6	<b>49</b>
BCBS of Kansas	1,352	536	<b>1,888</b>
<b>Total</b>	<b>1,395</b>	<b>542</b>	<b>1,937</b>



Direct Bill Medicare-Eligible Population

Vendor	Ks. Senior Plan C	Advantra Freedom PPO	Advantra Liberty PPO	Total
BCBS of Kansas	8,496			<b>8,496</b>
Coventry		768	13	<b>781</b>
Aetna Part D	3,324	71	4	<b>3,399</b>

All Direct Bill Members

Vendor	Dental	Basic Vision	Enhanced Vision	Total
Delta Dental	10,567			<b>10,567</b>
Surency		1,484	4,215	<b>5,699</b>

**3. Discussion Items**

Discussion was held on the 2018 Excise Tax Projection and the estimation of financial impacts of the excise tax and potential solutions for the increased tax to the SEHP. Aon Hewitt projected the annual cost of coverage, including estimates for employee contributions to FSA and HSA accounts from the Statement of Operations, and compared the estimates against the thresholds to determine the years in which the SEHP is anticipated to cross the thresholds and be subject to the tax. For active employees, Plan A is projected to be subject to the tax in 2027 and Plan C in 2020. For retirees, both Plans A and C are projected to be subject to the tax in 2020. Strategies to mitigate this tax were discussed and further discussion is to be held at the next scheduled meeting.

Discussion was held on the 10-year Projection Sheet for Plan Year 2016.

Mike Morrow and Mike Halford of Aon Hewitt were thanked by members of the Health Care Commission for their service to the Health Care Commission.

**4. Future Meetings**

The next meeting is scheduled for Monday, March 7, 2016, at 1:30 p.m. in the KPERS Boardroom.

*It was moved by Commissioner Dechant and seconded by Commissioner Day to adjourn the meeting. The motion passed 5-0. Meeting was adjourned at 2:59 p.m.*