

**Kansas State Employees Health Care Commission
March 2, 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 March 2, 2015, 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, Kenneth Selzer 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).

AGENDA:

1. Approval of Minutes

Chairman Clark asked for approval of the December 9, 2014, minutes.

IT WAS MOVED BY COMMISSIONER DECHANT AND SECONDED BY COMMISSIONER DAY TO APPROVE THE MINUTES OF DECEMBER 9, 2014. THE MOTION PASSED 5-0.

2. Action Items

Approval of the Dental Contract

Request for Proposal (RFP) EVT0003433 for administrative services for the dental plan was released on November 17, 2014, and closed on January 8, 2015. Three (3) qualified bids were received. In addition to the incumbent, Delta Dental, bids were received from Blue Cross and Blue Shield of Kansas and Liberty Dental. Based upon the vendors' responses, State Employee Health Plan staff scheduled negotiation meetings with all three vendors. Following the meetings, the vendors were asked to provide their best and final rates.



In addition to vendor experience, flexibility, capacity, claims processing ability, and cost, other issues of specific focus were vendor capability to provide quality customer service and member access to network providers.

Staff Recommends:

Approval of the award of a three (3) year contract to Delta Dental services.

PRIOR TO A VOTE ON THE ISSUE, COMMISSIONER JAMES CLARK REPORTED THAT HE HAD PREVIOUSLY SERVED ON THE AUDIT COMMITTEE OF DELTA DENTAL AND HIS TERM ENDED NOVEMBER 2013 AND THAT THERE WAS NO CONFLICT OF INTEREST WITH THE CURRENT MATTER FOR APPROVAL OF THE CONTRACT TO DELTA DENTAL. IT WAS MOVED BY COMMISSIONER YOUNG AND SECONDED BY COMMISSIONER DECHANT TO APPROVE A THREE- (3) YEAR CONTRACT BE AWARDED TO DELTA DENTAL FOR AUDIT SERVICES. THE MOTION PASSED 5-0.

Approval of the Premium Reconciliation Audit 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. At the December 9, 2014, Health Care Commission meeting a contract for auditing services to include a claims audit of the self-funded medical, pharmacy and dental programs as well as a pharmacy rebate audit was awarded to Aon Consulting. In addition, the Commission requested that staff pursue a quote on the premium reconciliation audit that had not been originally quoted by Aon. Staff has subsequently negotiated with Aon to provide the requested premium audit services.

Staff Recommends:

Staff recommends that a three (3) year contract be awarded to Aon for premium reconciliation 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 PREMIUM RECONCILIATION AUDIT SERVICES. COMMISSIONER SELZER ABSTAINED FROM THE VOTE. THE MOTION PASSED 4-0.



Approval for New Non-State Public Employer

The State Employee Health Plan (SEHP) has been contacted by a public employer interested in joining the plan that has not previously been recognized by the HCC to join the plan. The information provided by the Salina Airport Authority would make them eligible under the provision that allows for local governmental entities to join the SEHP. When a public employer is interested in joining the SEHP, a two-part review occurs to determine eligibility. First, documentation of eligibility for coverage under the statute is required, which may include providing articles of incorporation, bylaws, tax status, enacting statutes, etc. KDHE legal staff reviews the prospective group's documentation as well as K.S.A. 75-6506 to determine whether the group is eligible as a public employer to participate. If the group is eligible under the statute, then a second review is performed to determine whether the Health Care Commission has recognized that type of group as eligible to join the plan. K.S.A. 75-6506(c) sets out the eligible groups that the HCC may recognize for inclusion in the SEHP. With regard to the above group requesting inclusion, K.S.A. 75-6506(c) permits the HCC to designate "by rules and regulations a group of persons on the payroll of a county, township, city, special district or other local governmental entity. . . , as qualified to participate in the state health care benefits program." Based upon the information provided, which included a review of the Authority's enacting statute of K.S.A. 27-315, *et seq.*, and a Salina city ordinance dated April 26, 1965, KDHE legal staff has indicated that public airport authorities are eligible to participate in the health plan as non-state groups based upon their status as local governmental entities.

Two other airport authorities were surveyed to determine the interest level and potential impact to the Plan. All airport authorities have current coverage available to their employees. The combined number of employees of the three authorities is 60. The financial impact of adding all three airport authorities to the SEHP would be \$62,000.

Staff Recommends:

Authorize the inclusion of public airport authorities as local governmental entities for participation in the non-state public employer portion of the SEHP.

IT WAS MOVED BY COMMISSIONER SELZER AND SECONDED BY COMMISSIONER DECHANT TO ALLOW THE INCLUSION OF THE AIRPORT AUTHORITIES AS NON-STATE PUBLIC EMPLOYER ENTITIES IN THE SEHP. 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. One of the retiree members has resigned. Staff thanks Jackie Scott for her service on the EAC.

Staff Recommends:

Approval of the reappointment of Susan Warriner, retiree, of the City of Perry to serve on the committee for a term ending December 31, 2017.

IT WAS MOVED BY COMMISSIONER DECHANT AND SECONDED BY COMMISSIONER YOUNG TO APPROVE THE REAPPOINTMENT OF ONE MEMBER. MOTION PASSED 5-0.

3. Reports

FY 2015 RFP Report

Mike Michael reported that staff is currently working on the following RFPs that will be released later this year: A Medicare Supplement plan, Advantra plan, and the Wellness Consultant Contract.

Direct Bill Open Enrollment 2015 Report

The Direct Bill open enrollment for retirees was held from November 1 through November 30, 2014. The Direct Bill call center staff conducted twenty-five (25) Direct Bill open enrollment meetings at twelve (12) locations throughout the state.

Direct bill members enrolled with UnitedHealthcare or Plan B (416 members) were required to make a new election for 2015 or be defaulted to Plan C. Direct bill members who did not wish to make any enrollment changes did not need to take any action, as their current election rolled forward for Plan Year 2015.

Non-State Public Employer Group

Current enrollment in the Non-State employer groups is: Number of Groups: 173; Covered Employees: 7,559.



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.

Aon Health Plan Trend Analysis

The Trend Analysis Report was presented and discussed by the Commission. Chairman Clark requested an updated report be emailed to the Commissioners in two weeks in order to monitor the changing trends.

HCC Annual Report: Plan Year 2014

The Annual Report for Plan Year 2014 was presented.

4. Discussion Items

Mike Michael reported on the results of the Annual Contract Review, Ten-Year Projection Sheet, and LPA Caremark Contract Audit.

5. Future Meetings

The next meeting is scheduled for April 20, 2015, at 1:30 pm in the KPERS Boardroom.

IT WAS MOVED BY COMMISSIONER SELZER AND SECONDED BY COMMISSIONER DECHANT TO ADJOURN THE MEETING. MOTION PASSED 5-0. MEETING WAS ADJOURNED AT 2:57 PM.