



**Kansas State Employees Health Care Commission  
April 20, 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 April 20, 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; John Yeary 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 March 2, 2015, minutes.

*It was moved by Commissioner Selzer and seconded by Commissioner Dechant to approve the minutes of March 2, 2015. The motion passed 5-0.*

**2. Action Items**

**Approval of the Vision Contract**

Request for Proposal (RFP) EFT0003434 for administrative services for the voluntary fully insured vision plan was released on November 17, 2014, and closed on January 2, 2015. Six (6) qualified bids were received. In addition to the incumbent—Superior Vision—bids were received from Aetna, MetLife, OptiCare, Surency, and VSP. Based upon the vendors' responses, State Employee Health Plan staff scheduled negotiation meetings with four vendors: Superior Vision, MetLife, OptiCare and Surency. Following the negotiation meetings, the vendors were asked to provide their best and final premiums.

In addition to the initial premium and three-year premium rate guarantee, the vendor's flexibility, capacity, claims processing ability, and ability to provide quality customer



service were considered. The current vendor has the most robust network of providers. The vendor network being proposed is not as robust as the current network available but they do have 124 of the top 200 providers in the current network. The vendor has committed to enhancing their network by providing a guarantee of \$30,000 if they do not recruit at least 75 percent of the top 200 providers or providers representing 75 percent of the claim volume.

**Staff Recommendation:**

Based on the information gathered in bid responses and during negotiation meetings, staff recommends approval of the award of a three (3) year contract to Surency to provide the insured voluntary vision plan.

*It was moved by Commissioner Dechant and seconded by Commissioner Day to approve the award of the three (3) year contract to Surency to provide the insured voluntary vision plan. The motion passed 5-0.*

**Approval of the Group Long-Term Care Insurance Program**

Request for proposal (RFP) EVT0003380 for a voluntary group long-term care (LTC) plan for State employees was released on October 8, 2014, and closed on November 14, 2014. Five (5) qualified bids were received. Bids were received from ACSIA Partners, J. Manning & Associates, LifeSecure, LTCI Partners, and Transamerica Life Insurance Company. Based upon a discussion with the vendors, it was determined that the bids of J. Manning, LTCI Partners and LifeSecure were all parts of one consolidated bid. Therefore, the State Employee Health Plan staff scheduled negotiation meetings with three bidders: J. Manning / LTCI Partners / LifeSecure, ACSIA Partners, and Transamerica. As a follow-up to the negotiations, each of the vendors was asked to provide their best and final rates.

The review process looked at each company's delivery model, underwriting provisions, required enrollment conditions and member premiums. In addition, consideration was given to each company's flexibility, capability to provide quality customer service, and member educational services.

**Staff Recommendation:**

Based on the information gathered in bid responses and during negotiation meetings, staff recommends that ACSIA Partners be awarded a three-year contract to provide a voluntary Long-Term Care insurance program for state employees.



*It was moved by Commissioner Day and seconded by Commissioner Young to approve the award of the three (3) year contract to ACSIA Partners to provide a voluntary Long-Term Care insurance program for state employees. The 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.

#### **Finance Report**

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

#### **Aon Health Plan Trend Analysis**

An update on the trend analysis was presented by Mike Halford of Aon Hewitt. The Commissioners requested that additional types of reporting be prepared on a monthly basis to analyze changes in trends.

#### **EAC Report – Cheryl Buxton**

Kris Holm presented for Cheryl Buxton. They have elected officers to the EAC. They have been meeting with Mike Michael to review plans.

### **4. Discussion Items**

Mike Michael reported on the results of the ten-year projection and SEHP design, SEHP reserves, and the Legislative Post Audit of the Caremark Contract.

### **5. Future Meetings**

The next meeting is scheduled for Monday, June 8, 2015, at 1:30 p.m. in the KPERS Boardroom.

*It was moved by Commissioner Dechant and seconded by Commissioner Selzer to adjourn the meeting. The motion passed 5-0. Meeting was adjourned at 2:50 p.m.*