

**Kansas State Employees Health Care Commission  
June 8, 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 June 8, 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 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 April 20, 2015, minutes, as amended.

*It was moved by Commissioner Selzer and seconded by Commissioner Young to approve the amended minutes of April 20, 2015. The motion passed 5-0.*

**2. Action Items**

**Approval of the Contract for Administrative Services for HSA and HRA Accounts**

Request for proposal (RFP) EVT0003542 was released to obtain competitive bids from qualified vendors for providing administrative services for Health Savings and Health Reimbursement Accounts. The current vendor is the State's official banking partner, U.S. Bank, and the current contract was done as an amendment to the State's banking agreement. The RFP was released on January 14, 2015, and closed on February 19, 2015. Eleven bids, including the incumbent's bid, were received. One bid was withdrawn and not reviewed at the bidder's request.

Following a review of each of the RFP responses, State Employee Health Plan (SEHP) staff scheduled vendor negotiation meetings with four of the bidders: NueSynergy, Surency, U.S. Bank and WageWorks. As a follow-up to the negotiations, all four vendors were asked to submit their best and final pricing.

In addition to vendor experience with the administration of comprehensive Health Reimbursement and Health Savings Account programs with debit cards, staff also reviewed the plan administrative costs and the vendor's capacity to provide quality customer service to members and process member transactions.



**Staff Recommendation:**

Staff recommends that a three-year contract for administrative services for Health Savings and Health Reimbursement Accounts be awarded to U.S. Bank.

*It was moved by Commissioner Selzer and seconded by Commissioner Day to award the three (3) year contract to U.S. Bank. The motion passed 5-0.*

**Approval of the Contract for Plan C Medicare Supplement Policy**

A request for proposal (RFP) EVT0003603 for a fully insured Plan C Medicare Supplement policy closed on April 2, 2015. Blue Cross and Blue Shield of Kansas, the current provider of service, submitted the only bid, and negotiations were held with them.

Direct Bill members are predominantly retirees that pay the entire cost of their health insurance. Once they are eligible for Medicare they may switch to a fully insured Medicare Supplement or Medicare Part C Advantage plan offered by the State Employee Health Plan (SEHP). Direct bill members are free to leave the SEHP and elect to purchase coverage in the private market. If the member leaves they are not eligible to enroll in the SEHP group at a later time.

The Plan C Medicare supplement policy is a standardized product that is not age-rated. The program has been in place for many years and enrollment numbers indicate it has been preferred by our Medicare members for their supplemental coverage needs. Staff reviewed the vendor's responses; the proposed premiums and rate caps; the vendor's flexibility; and its capabilities to provide accurate, timely, and quality customer service and claims processing.

**Recommendation:**

Staff recommends that a three (3) year Plan C Medicare Supplement contract be awarded to Blue Cross and Blue Shield of Kansas.

*It was moved by Commissioner Dechant and seconded by Commissioner Day to approve the award of the contract to Blue Cross and Blue Shield of Kansas. 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 contract to provide COBRA administration services, a fully insured Medicare Advantage plan, and a contract for the Wellness Consultant.



## **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.

## **EAC Report – Cheryl Buxton**

Cheryl Buxton spoke regarding the initial recommendations of the EAC regarding the Plan Design and Contribution Analysis and Approval for the Plan A and Plan C of the state health insurance plan, but her report was tabled until after discussion on the plan options. After discussion by the Commission, Ms. Buxton provided the recommendations of the EAC.

### **4. Discussion Items**

Mike Michael reported on the Plan Design and Contribution Analysis and Approval for the Plan A and Plan C of the state health insurance plan and provided plan options for discussion. The Commissioners recessed at 3:30 and resumed the regular session at 3:42 in order to continue discussions. A consensus was initially reached but after further review, there was no consensus and it was agreed to study the materials in greater detail and meet again to review the options.

### **5. Future Meetings**

The next meeting is scheduled for Monday, July 6, 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 4:40 p.m.*