

**Kansas State Employees Health Care Commission  
July 6, 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 July 6, 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 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**

It was agreed among the Commissioners that minutes of the June 8, 2015, HCC meeting would be prepared in conjunction with the minutes of the July 6, 2015, meeting, and both approved at the next meeting scheduled for August 17, 2015.

**2. Action Items**

**Approval of the Plan Design and Contribution Amounts**

The State Employee Health Plan (SEHP) currently offers two plan designs. Each plan has a unique design and unique member cost-sharing features.

As discussed at the last several Health Care Commission (HCC) meetings, to maintain the financial stability of the program, plan design and/or rate changes will need to occur for next year. Staff has provided the HCC various options for consideration for Plan Year 2016. Staff modeled additional options for the HCC to see what further options would be available.

**Staff Recommendation:**

Staff recommends the following Option 6 from the chart below:



Sam Brownback, Governor

	EAC Option	Option 1	Option 2	Option 3	Staff's Recording of selections at June 8th Meeting	Option 4	Option 5	Option 6
		Closing the Plan A & C Gap 20%	Closing the Plan A & C Gap 25%	Closing the Plan A & C Gap 30%	Closing the Plan A & C Gap 20%, 25% Retirees	Closing the Plan A & C Gap 20%, 25% Retirees	Closing the Plan A & C Gap 15%, 25% Retirees	Closing the Plan A & C Gap 20%, 25% Retirees
<b>Plan Design Changes</b>								
Increase Office Visit Copay \$5.00: Plan A		\$ 800,000	\$ 800,000			\$ 800,000	\$ 800,000	\$ 800,000
Increase Deductible \$400/\$800: Plan A	\$ 2,400,000				\$ 2,400,000			
Increase Deductible \$500/\$1,000: Plan A								
Increase Deductible \$600/\$1,200: Plan A							\$ 6,800,000	\$ 6,800,000
Increase Deductible \$750/\$1,500: Plan A								
Add an Additional Deductible for Family Memberships \$500/\$1,000/\$1,500: Plan A		\$ 5,000,000	\$ 5,000,000			\$ 5,000,000		
Increase Deductible Single/Family \$2,750/\$5,500: Plan C	\$ 2,500,000	\$ 2,500,000			\$ 2,500,000			
Decrease the ER HSA Contribution by \$250		\$ 3,200,000			\$ 3,200,000			
<b>Contribution Changes</b>								
Align Plan A Employee Contributions:		Included In Row Below	Included In Row Below	Included In Row Below	Included In Row Below			
Align Plan C Employee Contributions:		\$ 15,600,000	\$ 20,200,000	\$ 26,300,000	\$ 16,000,000	\$ 17,000,000	\$ 12,600,000	\$ 16,800,000
Wellness Program Discount: Reduce to \$10/pay period								
Wellness Program Discount: Reduce to Zero	\$ 14,800,000	\$ 7,400,000	\$ 7,400,000	\$ 7,400,000	\$ 7,400,000	\$ 7,400,000	\$ 7,400,000	\$ 7,400,000
Align the ER Contribution Amount for the HealthyKIDS Program		\$ 2,200,000	\$ 2,200,000	\$ 2,200,000		\$ 2,200,000	\$ 2,200,000	\$ 2,200,000
Align Retire Rates:								
Plan A		\$ 2,900,000	\$ 3,700,000	\$ 4,500,000	\$ 3,700,000	\$ 3,700,000	\$ 3,700,000	\$ 3,700,000
Plan C		Included in Above Row	Included in Above Row	Included in Above Row	Included in Above Row			
NSE Employer Contribution Increase 6%	\$ 4,100,000	\$ 4,100,000	\$ 4,100,000	\$ 4,100,000	\$ 4,100,000	\$ 4,100,000	\$ 4,100,000	\$ 4,100,000
State Employer Contribution Increase 6%	\$ 6,200,000							
EE Dental Contribution Increase 3%	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
<b>Other Changes</b>								
Medicare Eligible Retiree Members:								
Required to enroll in one of the Medicare Products	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
End coverage on the last day of Employment:								
Lost Revenue								
Additional Claims Cost	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
<b>Total:</b>	<b>\$ 31,750,000</b>	<b>\$ 45,450,000</b>	<b>\$ 45,150,000</b>	<b>\$ 46,250,000</b>	<b>\$ 41,050,000</b>	<b>\$ 41,950,000</b>	<b>\$ 39,350,000</b>	<b>\$ 43,550,000</b>



<b>HCC Approved 7-6-2015</b>	
<b>Plan Design Changes</b>	
Increase Office Visit Copay \$5.00: Plan A	\$ 800,000
Increase Deductible \$400/\$800: Plan A	\$ 2,400,000
Increase Deductible Single/Family \$2,750/\$5,500: Plan C	\$ 2,500,000
<b>Contribution Changes</b>	
Plan A & C Employee Contributions:	\$ 16,800,000
Wellness Program Discount: Reduce to \$10/oav period	\$ 7,400,000
ER Contribution Amount for the HealthvKids Program	\$ 2,200,000
Plan A & C Retiree Contributions:	\$ 3,700,000
NSE Employer Contribution Increase 6%	\$ 4,100,000
EE Dental Contribution Increase 3%	\$ 300,000
<b>Other Changes</b>	
<b>Medicare Eligible Retiree Members:</b>	
Required to enroll in one of the Medicare Products	\$ 250,000
<b>End coverage on the last day of Employment:</b>	
Additional Claims Cost	\$ 1,200,000
	<b>\$ 41,650,000</b>

*It was moved by Commissioner Young and seconded by Commissioner Day that, rather than adopting one of the seven options presented, the above plan design changes be approved. The motion passed 4-1, with Commissioner Dechant casting a vote against the plan.*



### **Health Plan Process Updates**

Mike Michael presented the following process changes for the health plan beginning with plan year 2016. The HSA/HRA Employer contribution schedule will be moving to reflect what the member enrollment is on the date due for the ER contribution. The HSA will require an active enrollment just like the FSA and HealthyKIDS programs. If a member does not actively engage in the enrollment process they will be defaulted to the minimum HSA contribution of \$25/pay period, as this prevents the member from losing the ER contribution. The member can change their HSA contribution at any time, so if they want to increase their HSA contribution they can at a later date. The premium for newborns that are enrolled in the health plan will be collected based on the enrollment date vs. the current process of collecting the premium the first of the following month following the birth of the child. There will be some formulary changes which will result in approximately a \$5.5 million savings to the health plan.

### **3. Reports**

#### **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.

#### **2016 HealthQuest Rewards Program**

An update on the rewards program was presented by Mike Halford of Aon Hewitt.

### **4. Future Meetings**

The next meeting is scheduled for Monday, August 31, 2015, at 1:30 p.m. in the KPERS Boardroom.

*It was moved by Commissioner Dechant and seconded by Commissioner Young to adjourn the meeting. The motion passed 5-0. Meeting was adjourned at 2:30 p.m.*