



J. Scott Day, Commissioner
Steve Dechant, Commissioner
Sandy Praeger, Commissioner
Heather Young, Commissioner
Jim Clark, Chair

Kansas State Employees Health Care Commission

Sam Brownback, Governor

**Kansas State Employees Health Care Commission
August 13, 2014 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 August 13, 2014 at 1:31 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, Sandy Praeger 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). Chairman Clark welcomed new Commissioner Heather Young.

AGENDA:

1. Approval of Minutes

Chairman Clark asked for approval of the June 10, 2014 minutes.

IT WAS MOVED BY COMMISSIONER DECHANT AND SECONDED BY COMMISSIONER PRAEGER TO APPROVE THE MINUTES OF JUNE 10, 2014. MOTION PASSED 5-0.

2. Action Items

Approval of Medicare Advantage Rates

Renewal rates for the Coventry Advantra program have been received for plan year 2015. The per member per month rate for 2014 for the First Health plan is \$180 with the standard drug coverage and \$251 with First Health Drug coverage and the proposed rate for plan year 2015 is \$188 with the standard drug coverage and \$267 with the First Health Part D coverage. Direct bill members pay the entire premium for their coverage.

Staff Recommends:

Approval of the 2015 fully insured Coventry Advantra rates of \$188 with Coventry Part D or \$267 with the First Health Part D coverage.



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IT WAS MOVED BY COMMISSIONER PRAEGER AND SECONDED BY COMMISSIONER DECHANT TO APPROVE THE 2015 FULLY INSURED COVENTRY ADVANTRA RATES OF \$188 WITH COVENTRY PART D OR \$267 WITH THE FIRST HEALTH PART D COVERAGE. MOTION PASSED 5-0.

Medicare Part D Prescription Drug Coverage Renewal Rates

Renewal rates for the First Health program have been received for plan year 2015. The rate for 2014 for the First Health plan is \$168 and the proposed rate for plan year 2015 is \$176 per member per month. Direct bill members pay the entire premium for their coverage.

Staff Recommends:

Approval of the 2015 fully insured First Health Part D EGWP rate of \$176 per member per month.

IT WAS MOVED BY COMMISSIONER DECHANT AND SECONDED BY COMMISSIONER PRAEGER TO APPROVE THE 2015 FULLY INSURED FIRST HEALTH PART D EGWP RATE OF \$176 PER MEMBER PER MONTH. MOTION PASSED 5-0.

Approval of Fitness Center Equipment

The HealthQuest staff reviewed the currently available spaces and met with exercise equipment vendors on contract with the State of Kansas already about obtaining new equipment. Cost estimates have been obtained as well as recommendations for equipment to purchase. Staff would need to work with the Department of Administration to obtain space in the Eisenhower and Landon Buildings to open fitness centers at those locations. As soon as space is available, new fitness centers and equipment could be purchased under the existing contracts.

Staff Recommends:

To further the wellness goals of state employees, new exercise equipment should be obtained for the fitness centers in the Curtis, Eisenhower and Landon State Office Buildings. Staff recommends approval of the bid from Advanced Exercise Equipment for the purchase of the exercise equipment.



IT WAS MOVED BY COMMISSIONER PRAEGER AND SECONDED BY COMMISSIONER DECHANT TO APPROVE THE BID FROM ADVANCED EXERCISE EQUIPMENT FOR THE PURCHASE OF EXERCISE EQUIPMENT.

Approval of Employer Contribution Amount for FY 2015

Mike Michael presented information regarding the projected reserve balances for the SEHP. Mike stated that projections are on pace for the targeted reserve balance. Staff recommended that the State of Kansas employer contribution for 2015 be reduced 8.5%. Discussion followed.

IT WAS MOVED BY COMMISSIONER DECHANT AND SECONDED BY COMMISSIONER DAY TO APPROVE THE 8.5% REDUCTION IN EMPLOYER CONTRIBUTION FOR PLAN YEAR 2015. MOTION PASSED 5-0.

3. Reports

PY 2014 RFP Report

Mike Michael reported that staff is currently working on the following RFPs that will be released later this year: a voluntary hearing aid benefit, Long Term Care, COBRA, HSA/HRA, actuarial/consulting, dental and vision. Staff is also working the Voluntary Hearing Aid benefit and the HSA/HRA RFP.

Finance Report

Mike Michael introduced Michael Halford from Aon Hewitt who presented an update for the State Employee Health Plan (SEHP) for plan year 2014.

4. Discussion Items

Current Members on Plan B

Mike Michael presented information concerning Plan B & UHC elimination-enrollment options for PY 2015. Mike discussed the need for Plan B participants to elect another option for PY 2015 as this plan will be eliminated. Members will have their choice of electing either Plan A or Plan C. Those members enrolled in UHC will also need to make a new enrollment election. Mike sought input from Commissioners as to what to elect for employees who did not exercise an option. After discussion it was decided to default all members not specifying an option into Plan C. Further, it was decided that those members who did not specify an option and who had been with BCBS remain with BCBS and be enrolled in Plan C. Those members enrolled in Plan B with Coventry will be enrolled into the Aetna Plan C option. All members enrolled in UHC Plan A, B or C will be enrolled in the Aetna Plan C option. These actions will only occur for those members not actively making



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their own enrollment selections, thus preventing anyone from not having health insurance in PY 2015.

5. **Future Meetings**

The next meeting is scheduled for December 9, 2014 at 1:30 pm in the KPERS Boardroom.

**IT WAS MOVED BY COMMISSIONER DAY AND SECONDED BY
COMMISSIONER DECHANT TO ADJOURN THE MEETING. MOTION PASSED
5-0. MEETING WAS ADJOURNED AT 2:23 PM.**