



J. Scott Day, Commissioner
Steve Dechant, Commissioner
Ken Selzer, Commissioner
Heather Young, Commissioner
Sarah L. Shipman, Chair

Kansas State Employees Health Care Commission

Sam Brownback, Governor

**Kansas State Employees Health Care Commission
August 31, 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 August 31, 2015, at 1:30 p.m. in the KPERs Boardroom, 611 S Kansas Avenue, Topeka, Kansas. The following persons were present: Commissioners Sarah L. Shipman (Chair), J. Scott Day, Steve Dechant, Kenneth Selzer, and Heather Young; John Yeary 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

Chair Shipman asked for approval of the minutes of the June 8, 2015, meeting and the July 6, 2015, meeting.

It was moved by Commissioner Dechant and seconded by Commissioner Selzer to approve the minutes of June 8, 2015, and July 6, 2015. Motion passed 5-0.

Action Items

Approval of the Contract for Administration of COBRA Continuation

The Consolidated Omnibus Budget Reconciliation Act (COBRA) contains provisions giving certain former employees, retirees, spouses, former spouses, and dependent children the right to temporary continuation of their health coverage when coverage is lost due to a qualifying event. The obligation is on the employer to comply with the requirements of COBRA and to notify eligible members of the availability of continuation coverage. The State Employee Health Plan (SEHP) has outsourced the management of COBRA to vendors specializing in administering and compliance with COBRA since 2002. RFP EVT0003618 to provide COBRA administration services was posted on February 26, 2015, and closed on April 21, 2015. Six bids were received and five vendors were interviewed. Attached are short summaries on each of the interviewed vendors.

The vendor is responsible for all of the administration and notice requirements for the SEHP, including notices of when a member's COBRA continuation period will be expiring, open enrollment information and other special communications needed for our COBRA members. In addition to the vendor's experience in providing COBRA services, flexibility, capacity, processing ability, and cost, other issues of specific focus were vendor capability to provide quality customer service and member payment options.



Staff Recommendation:

Staff recommends that the Health Care Commission approve a three (3) year contract with COBRAGuard for COBRA administration.

It was moved by Commissioner Dechant and seconded by Commissioner Selzer to approve a three (3) year contract with COBRAGuard for COBRA administration. The motion passed 5-0.

Approval of the Medicare Advantage Plan

The request for proposal (RFP) EVT0003784 to obtain competitive bids from qualified vendors to provide a fully insured Medicare Advantage Plan for the direct bill component of the State Employee Health Plan (SEHP) was released on May 6, 2015. The bidding closed on June 26, 2015, and one response to the RFP was received. There are a limited number of companies that offer a statewide Medicare Advantage plan.

Medicare Advantage plans provide Medicare Part A, Part B and sometimes Part D benefits and the member's supplement coverage all in one. The plans commonly provide benefits that are not available under traditional Medicare. Direct bill members currently have the option of selecting a Medicare Advantage (Part C) Preferred Provider Organization (PPO) option with Coventry Health Care (CHC) or the Plan C Medicare Supplement policy with Blue Cross and Blue Shield of Kansas. Direct bill members pay the entire premium for their coverage.

Staff Recommendation:

Staff recommends that Coventry Health Care be awarded a three-year contract to provide the Medicare Part C Advantage plan.

It was moved by Commissioner Dechant and seconded by Commissioner Selzer to approve a three (3) year contract with Coventry Health Care to provide the Medicare Part C Advantage plan. The motion passed 5-0.

Approval of the First Health/Aetna Medicare Part D Plan

Direct Bill members that are Medicare eligible have the option of purchasing a fully insured Employer Group Waiver Program (EGWP) Medicare Part D plan in addition to their State Employee Health Plan Medicare Supplement or Advantage plan coverage. Beginning with plan year 2016 the name will change from First Health, an Aetna Company, to Aetna. There will be no change in the plan design other than the underwriter of the program.

The EGWP plan offers coverage not traditionally available in the open market, including an expanded formulary, no front end deductible and limited coverage for prescription drugs through the coverage gap also referred to as the donut hole. Based upon the Centers for Medicare and Medicaid Services (CMS) rules, those direct bill members who elect the Medicare Advantage option have the option of purchasing either the Medicare Advantage plan standard Part D drug coverage or the Aetna EGWP Part D plan.



Those members who elect the Senior Plan C Medicare Supplement policy may elect the Aetna EGWP Part D plan or elect to purchase a Medicare Part D plan available in the open market. As of July 1, of the 8,953 direct bill members enrolled in Medicare plan options, 3,387 of them have elected to enroll in the First Health Part D EGWP plan.

Renewal rates for the Aetna Part D plan are \$176 per member per month, which is the same rate as plan year 2015. Direct bill members pay the entire premium for their coverage.

Staff Recommendation:

Staff recommends approval of the 2016 fully insured Aetna Part D EGWP rate of \$176 PMPM.

It was moved by Commissioner Day and seconded by Commissioner Young to approve a three (3) year contract with First Health/Aetna to provide the Medicare Part D Plan. The motion passed 5-0.

Approval of the Actuarial and Consulting Contract

Request for Proposal (RFP) EVT0003437 for actuarial and consulting services was released on November 12, 2014. The RFP closed on December 19, 2014. Three bids were received in response to the RFP. In addition to the incumbent Aon, bids were received from Segal Consulting and Wakely Consulting. All bidders were invited to negotiation meetings. Following review and vendor negotiations, all bidders were asked to submit their best and final pricing.

Based upon a review of the RFP and subsequent negotiation sessions, all three vendors are able to meet the requirements in the RFP and would be able to provide the services requested. The three-year retainer costs of all three were considered and Segal Consulting provided the requested services at the best overall price to the plan.

Staff Recommendation:

Based on the information gathered in bid responses and during negotiation meetings, staff recommends that Segal be awarded a three-year contract to provide actuarial and consulting services to the plan.

It was moved by Commissioner Dechant and seconded by Commissioner Day to approve a three (3) year contract with Segal to provide actuarial and consulting services to the plan. Commissioner Selzer abstained from voting, and the motion passed 4-0.

Approval for Wellness Consulting Contract

Request for Proposal (RFP) EVT0003826 for wellness consulting services was released on June 12, 2015. The RFP closed on July 21, 2015. Two bids were received in response to the RFP. In addition to the incumbent CBIZ, a bid was received from Segal Consulting. All bidders were invited to negotiation meetings. Following review and vendor negotiations, all bidders were asked to submit their revised proposals.



Based upon a review of the RFP and subsequent negotiation sessions, both vendors would be able to provide the services requested. The three-year retainer costs were considered and CBIZ provided the services at a lower monthly retainer cost.

Staff Recommendation:

Based on the information gathered in bid responses and during negotiation meetings, staff recommends that CBIZ be awarded a three-year contract to provide the wellness consulting services to the plan.

It was moved by Commissioner Selzer and seconded by Commissioner Day to approve a three (3) year contract with CBIZ to provide the wellness consulting services to the plan. The motion passed 5-0.

2. 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.

3. Discussion Items

Mike Michael discussed that there are 328 Medicare eligible members that are enrolled in either Plan A or Plan C that will need to make an enrollment choice of a Medicare product for plan year 2016. If the member does not make their own election to ensure they will not be without coverage in 2016 they will be enrolled in Kansas Sr. Plan C without a Part D as a passive election is not allowed for the Part D. The National enrollment period for the Part D is November 15–December 7, 2015. Several communications will be provided to these members to try to achieve 100% participation for the member to make their own election. The open enrollment for the Active and Cobra members will be October 1-31, 2015. The Direct Bill open enrollment will be October 16–November 15, 2015.

4. Future Meetings

The next meeting is scheduled for Monday, December 14, 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 2:28 p.m.