



## AGENDA

State and Public School Life and Health Insurance Board  
\*\*\*\*\*SPECIAL BOARD MEETING\*\*\*\*\*  
October 14, 2015

2:00 p.m.

EBD Board Room – 501 Building, Suite 500

- I. *Call to Order .....Carla Haugen, Chairman*
- II. *Payment Transfer Fee HSA ..... Bob Alexander, EBD Executive Director*
- III. *HSA Possible PSE Contribution..... Bob Alexander, EBD Executive Director*
- IV. *Director's Report..... Bob Alexander, EBD Executive Director*

### *Upcoming Meetings*

*October 20, 2015*

***NOTE: All material for this meeting will be available by electronic means only  
ethel.whittaker@dfa.arkansas.gov***

***Notice: Silence your cell phones. Keep your personal conversations to a minimum.  
Observe restrictions designating areas as "Members and Staff only"***

**State and Public School Life  
And Health Insurance Board Meeting  
\*\*\*Special Board Meeting Minutes\*\*\*  
October 14, 2015**

The 152<sup>nd</sup> meeting of the State and Public School Life and Health Insurance Board (hereinafter called the Board), met on October 14, 2015 at 2:00 p.m. in the EBD Board Room, 501 Woodlane, Suite 500, Little Rock, AR 72201.

**MEMBERS PRESENT**

Dr. Tony Thurman  
Robert Boyd  
Carla Haugen- Chairman  
Renee Mallory  
Dan Honey – Vice- Chairman  
Angela Avery  
Janis Harrison  
Lori Freno-Engman  
Katrina Burnett  
Dr. John Kirtley- Teleconference

**MEMBERS ABSENT**

Dr. Joseph Thompson  
Dr. Andrew Kumpuris  
Shelby McCook

Bob Alexander, Executive Director, Employee Benefits Division

**OTHERS PRESENT:**

David Keisner, Dwight Davis, UAMS; Janna Keathley, Ethel Whittaker, Marla Wallace, Lori Eden, Stella Green, Sherry Bryant, Gretchen Baggett, EBD; Sylvia Landers, Minnesota Life; Kristi Jackson, Jennifer Vaughn, ComPsych; Pam Lawrence, AHH; Marc Watts, ASEA; Jordan Gass-Poore, Arkansas Democrat Gazette; Wayne Whitley, Ronda Walthall, Mike Boyd, AR Highway & Transportation Dept; Takisha Sanders, Kanita Collins, Health Advantage; Susan Walker, DataPath; Kim Henderson, ADFA; Gini Ingram, Ro Summers, ACHI; Steve Althoff, MTI; Raina Porchay, Susan Bujak, Sean Hansen, Catamaran; Martha Hill, Robyn Keene, Mike Mertens, AAEA; Karen Langlely, Qual Choice; Sam Smothers, Astra Zeneca; Glenn Belemjian, Merck; Michael Cuccia, DSI; Kristi Clark, Ark Building Authority; Donna Morg, ARTA

**CALL TO ORDER:**

Meeting was called to order by Carla Haugen, Chairman

**PAYMENT TRANSFER FEE HSA:** *by Bob Alexander, EBD Executive Director*

Alexander reported effective October 1, 2015 the plan has secured a new HSA vendor who is Wage Works. In the process of transferring the members from the previous vendor they are requiring a \$25.00 transfer fee per member transfer. Alexander would like the plan to cover the fee for the members. The maximum amount could be as much as \$472,000.00 for PSE and \$56,000 for ASE. Alexander would like to utilize the trust funds to cover the fee for members. Alexander reported the schools would need to make a choice to stay with the current vendor, or transfer to the new vendor. EBD will no longer have the responsibility for the administration fees for Datapath. Those remaining with Datapath could have the responsibility of paying possible fees.

Harrison inquired if this is a practice of other vendors to require a transfer fee. In addition, is there other funding beside the trust funds that may be used to cover the cost for the members? Alexander reported the only funds available are trust funds.

Dr. Thurman reported the timing for this change has caused much confusion for the school districts due to the decision made a few days into open enrollment.

Boyd is concerned with the amount of the fee. In addition, Boyd recommended not transfer the accounts, as many of them have small balances lower than the \$25.00 transfer fee. Also, the accounts have the potential to have \$.00 balances before the 2017 plan year. This could save 80% of the \$472,000.00.

Alexander reported as early as July School representatives were advised of the possible change.

Alexander reported beginning October 19, 2015 representatives from EBD and Wage Works will visit the Public Schools to meet with the school representatives for detail discussion.

**Honey motioned to the extent that Datapath is unwilling to waive the \$25.00 termination fee, and to the extent that members will be required to pay the termination fee if they transfer from Datapath to wage works that the plan cover the fee from the Trust fund. Harrison seconded.**

**Discussion:**

Dr. Thurman continues to have concerns in terms of accessing the Trust fund for fees of almost \$500,000.

Haugen requested if contact can be made with Datapath prior to the next Board meeting October 20, 2015 for further clarification of the transfer fee before a decision is made.

Harrison inquired if the Director has referred this matter to the Attorney General's Office. Alexander reported The Procurement Office contacted the Attorney's General's Office.

Dr. Thurman recommended the motion include for members who would like to wait for the next calendar year to make the change that EBD would pay the transfer fee. Honey modified the motion to include those concerns.

Honey motioned to the extent that Datapath is unwilling to waive the \$25.00 termination fee, and to the extent that members will be required to pay the termination fee if they transfer from Datapath to Wage Works that the plan cover the fee from the Trust fund. In addition, for members who would like to wait until the next calendar year for the change, the fee would be covered. Harrison seconded.

After discussion Harrison requested an individual voice vote:

- John Kirtley – Yes
- Janis Harrison – No
- Lori Freno-Engman – Yes
- Katrina Burnett – No
- Dan Honey – Yes
- Angela Avery – Yes
- Robert Boyd – No
- Dr. Tony Thurman – No
- Renee Mallory – Yes

The motion is approved with five (5) yes votes; and there were four (4) no votes.

Harrison recommended have The Attorney General's opinion regarding the ability for Datapath to access transfer fees upon termination of their contract. Honey seconded. All were in favor.

### **Motion Approved.**

Dr. Thurman has concerns regarding the FICA savings used for benefits. How can the FICA savings be allocated for administrative fees? Alexander reported there is \$37 million in reserves. Therefore, the FICA savings would not be used.

Honey reported if the Attorney General Office agrees that Datapath could access the fee the previous motion would be sustained.

Harrison reported The Director of DFA or The Procurement Office will be responsible for requesting the Attorney General's opinion.

### **HSA POSSIBLE PSE CONTRIBUTION:** *by Bob Alexander, EBD Executive Director*

Alexander reported in the past the plan has not contributed to the PSE HSA accounts. Adding \$100.00 for every possible HSA account for public schools would cost as much as \$2.4 million. Alexander reported this would be effective for the 2016 plan year.

Dr. Thurman inquired the members who remain with the previous vendor would not qualify for the \$100.00 in their accounts.

Boyd disagrees with funding the HSA accounts. The purpose of an HSA is to encourage individuals to fund their accounts. Therefore, to fund the accounts is not encouraging the members to be responsible. In addition funding the accounts will not affect member's savings behavior.

Dr. Thurman reported concerns of funding the accounts in terms of members who remain with the current vendor will not receive the \$100.00. This could be viewed as an incentive for members to make the change.

**Harrison motioned to review this topic at Tuesday's Board Meeting. Boyd seconded. All were in favor.**

**Motion Approved.**

Haugen reported this topic should be reviewed by the Benefits Sub-committee.

**DIRECTOR'S REPORT:** *by Bob Alexander, EBD Executive Director*

No further discussion

**Meeting Adjourned**