



## AGENDA

### State and Public School Life and Health Insurance Board Benefits Sub-Committee

EBD Board Room - 501 Building - 5<sup>th</sup> Floor

June 24, 2013

9:00 a.m.

1. Call to Order ..... *Becky Walker, Chair*
2. Approval of Minutes ..... *Becky Walker, Chair*
3. Review of other state coverage & rates.. *Jason Lee, Executive Director*
4. Plan Design 2014 Discussion ..... *Jason Lee, Executive Director*
5. Election of Chair and Vice-Chair ..... *Jason Lee, Executive Director*
6. Director's Report..... *Jason Lee, Executive Director*

Upcoming Meeting  
July 12th  
August 9th

**State and Public School Life and  
Health Insurance Board  
Benefits Sub-Committee  
Minutes  
June 10<sup>th</sup>, 2013**

The Benefits Sub-Committee of the State and Public School Life and Health Insurance Board (hereinafter called the Committee) met on June 10, 2013 in the EBD Board Room, 501 Woodlane, Suite 500, Little Rock, Arkansas.

**Members Present**

Gwen Wiggins  
Janis Harrison  
Carla Wooley  
Jeff Altemus  
Lloyd Black  
Becky Walker  
Bob Alexander

**Members Absent**

Jason Lee, Executive Director, Employee Benefits Division (EBD).

**Others Present:**

John Colberg, Cheiron; John Kirtley, Dwight Davis, David Keisner, UAMS; Pamela Lawrence, AHH; Michelle Hazelett, Marla Wallace, Doug Shackelford, Lori Eden, Stella Greene, Sherry Bryant, Leslie Smith, Tracy Butler Oberste, Janna Keathley, Ethel Whittaker, EBD; Ron DeBerry, Takisha Sanders, Kathy Ryan, ABCBS/Health Advantage; Andre Kaurman, BJ Himes, QualChoice; Rhonda Walthall, Larry Dickerson, AHTD; Rhonda Hill, ACHI; Alicia Hayden, CTRX; Steve Singleton, ARTA; Mark Watts, ASEA; Eric Rasmussen, Harding Coop; Donna Morey, AEA

**Call to Order**

The meeting was called to order by Becky Walker, Chair

**Approval of Minutes**

A request was made by Walker to approve the April 5, 2013 minutes. Black made the motion to adopt. Wooley seconded. All were in favor. Minutes approved.

**Preliminary Rates for CY 2014** by John Colberg, Cheiron, Jason Lee, Executive Director

Lee Reported the BSPW Group met June 4<sup>th</sup> and discussed Health Plan Design for 2014 and Value Based Pharmacy Plan Coverage. The group discussed the idea of adding a deductible. However they would like to see only a \$500.00 Deductible since the Co-Insurance is subject to change. In addition they would like to see the Actuarial value at least 85%. There was also discussion of possible savings opportunity for Pharmacy Benefits. Co-Pay structure and Pharmacy Co-Pay Design Change.

Colberg reported on Preliminary Rates with No Benefit Changes for PSE and ASE. For PSE Actives Set Percent change results in a 44% increase. PSE Actives Revised State Allocation of \$50 Million allocated to each member of \$88.64 which resulted in a significant increase on Gold Family. The Retirees were not effected by the scenarios they only changed by the total premiums. Non-Medicare Retirees on Gold added 21%, Silver 9% & Bronze 35%, but the amount is less than the Gold Plan. Medicare Eligible only had a 7% increase for both scenarios.

For ASE with No New Reserves Allocated there will be \$22 Million additional employee premiums needed. The State & Reserve Allocation would pay 75% for employee only, 50% for Spouses, & 54% for children. Reserve allocation of \$10 Million would allow for \$5 Million additional funding for 2014 which will decrease the rates from 28% to 17%. There was no allocation for Retirees.

Discussion was had about changing the Silver Plan as a second HSA qualified option. The Committee inquired if they are able to pick and choose what they may like as some members would like to see no deductible remain on Gold with possible change to co-pays.

There was discussion regarding parity as directed by the Arkansas Code Section 21-5-401. Walker reports parity is not fair because the funding is not the same for PSE as ASE.

Walker reports having the option for a cost comparison before going to the physician or hospital is essential to the member.

Altemus discussed comparing our plan to other states plans. Alexander reported he had completed such survey and found our plan is much richer than those compared to. Director Lee will present a report for the next meeting.

The Committee decided it would be necessary to schedule an additional meeting in June for further discussion. They will continue reviewing various options and the rate impact at that time.

Harrison made a motion to meet June 24, 2013. Alexander seconded. All were in favor.

**DIRECTOR'S REPORT** *by Jason Lee, Executive Director*

Lee reports it is time for the election of the Chair and Vice-Chair. With the approval of the Committee this can be moved to the June 24<sup>th</sup> meeting.

Wooley made a motion to approve election of new officers at the June 24<sup>th</sup> meeting. Alexander seconded. All were in favor.

Harrison made a motion to adjourn. Wooley seconded. All were in favor.

**Meeting adjourned.**

### Health Plan Comparison to ARBenefits 2013 Plan Design

	ARBenefits	Louisiana	Louisiana	Mississippi	Oklahoma	Missouri	U.C.A.	U of A
	Gold	HMO	PPO	Select	High & USA	PPO 300	Balanced	Classic
Deductible - Individual	\$0	\$0	\$500	\$1,000	\$500	\$300	\$1,000	\$750
Max. Out of Pocket (Deductible + Co-Insurance)	\$1,500	\$1,000	\$10,000 per person	\$2,500	\$2,800	\$1,200	\$3,000	\$2,000
Deductible - Family	\$0	\$0	\$500 max 3		\$1,500	\$600	\$2,000	\$1,500
Max. Out of Pocket (Deductible + Co-Insurance)	\$3,000	\$3,000	\$10,000 per person		\$8,400	\$2,400	\$6,000	\$4,000
Co-insurance Rate	80% / 20%	80% / 20%	90% / 10%	80% / 20%	80% / 20%	90% / 10%	80% / 20%	80% / 20%
Physician Office Visit - Primary Care	\$25	\$15	Deductible	Deductible	\$30	\$25	\$20	\$25
Physician Office Visit - Specialist	\$35	\$25	Deductible	Deductible	\$50	\$40	\$35	\$40
Rx - Tier 1	\$10	\$50	\$50	\$12	\$10	\$8	\$10	\$10
Rx - Tier 2	\$30	\$65	\$65	\$40	\$15 - \$30	\$35	\$35	\$35
Rx - Tier 3	\$60	\$65	\$65	\$65	\$30 - \$60	\$100	\$50	\$70
Rx - Speciality	\$60	\$65	\$65	\$65	\$60 or \$120	\$100		
Hospital / Facility - In-Patient - Co-Pay	\$250	\$100 per day - 3 day max				\$0		\$300
Hospital / Facility - In-Patient - Co-Insurance	80% / 20%	0%				90% / 10%		80% / 20%
Hospital / Facility - Out-Patient - Co-Pay	\$100	\$100						\$150
Hospital / Facility - Out-Patient - Co-Insurance	80% / 20%	0%				90% / 10%		80% / 20%
Emergency Room Visit	\$100	\$100				\$200	\$100	\$150
Emergency Transportation - Ambulance	100% / 0%	\$50						\$100
High Tech Radiology - Co-Pay	\$250							
High Tech Radiology - Co-Insurance	80% / 20%					90% / 10%		80% / 20%
Rehab / Therapy - Out-Patient - PT / OT / Speech	80% / 20%	\$15					\$20	80% / 20%
Skilled Nursing - Co-Pay	\$250	\$100 per day - 3 day max						
Skilled Nursing - Co-Insurance	80% / 20%							
Rate - Base - Employee	\$ 441.26	\$ 544.12	\$ 575.92	\$ 394.00	\$ 463.99			\$ 328.22
Rate - Base - Family	\$ 1,282.16	\$ 1,218.68	\$ 1,290.16	\$ 1,041.00	\$ 1,509.40			\$ 1,039.23
Rate - Net - Employee	\$ 95.78	\$ 136.02	\$ 143.98	\$ 38.00		\$ 110.00	\$ 51.00	\$ 63.59
Rate - Net - Family	\$ 419.62	\$ 473.30	\$ 501.10	\$ 685.00		\$ 459.00	\$ 432.98	\$ 191.76



## ARBenefits Health Plan Design Worksheet - 2014 Plan Year

	Current	Proposed	Changes	Current	Proposed	Changes	Current	Proposed	Changes
	Gold	Gold		Silver	Silver		Bronze	Bronze	
Deductible - Individual	\$0	\$0	_____	\$750	\$1,500	_____	\$1,500	\$2,500	_____
Co-Insurance Limit - Individual (after deductible)	\$1,500	\$2,000	_____	\$1,250	\$2,000	_____	\$2,500	\$2,500	_____
Max. Out of Pocket (Deductible + Co-Insurance)	\$1,500	\$2,000	_____	\$2,000	\$3,500	_____	\$4,000	\$5,000	_____
Deductible - Family	\$0	\$0	_____	\$1,500	\$3,000	_____	\$3,000	\$5,000	_____
Co-Insurance Limit - Family (after deductible)	\$3,000	\$4,000	_____	\$2,500	\$4,000	_____	\$5,000	\$5,000	_____
Max. Out of Pocket (Deductible + Co-Insurance)	\$3,000	\$4,000	_____	\$4,000	\$7,000	_____	\$8,000	\$10,000	_____
Co-insurance Rate	80% / 20%	80% / 20%	_____	80% / 20%	80% / 20%	_____	80% / 20%	80% / 20%	_____
Physician Office Visit - Primary Care - Co-Pay	\$25	\$25	_____	\$25	\$35	_____			_____
Physician Office Visit - Specialits - Co-Pay	\$35	\$50	_____	\$50	80% / 20%	_____			_____
Wellness / Preventative Care Services / Immunization	100% / 0%	100% / 0%	100% / 0%	100% / 0%	100% / 0%	100% / 0%	100% / 0%	100% / 0%	100% / 0%
Rx - Tier 1	\$10	\$15	_____	\$10	\$15	_____			_____
Rx - Tier 2	\$30	\$30	_____	\$35	\$35	_____			_____
Rx - Tier 3	\$60	\$60	_____	\$70	\$70	_____			_____
Rx - Speciality	\$60	\$100	_____	\$70	\$100	_____			_____
Rx - OTC	\$10	\$15	_____	\$10	\$15	_____			_____
Hospital / Facility - In-Patient- Co-Pay	\$250	\$0	_____	\$300	\$0	_____			_____
Hospital / Facility - In-Patient - Co-Insurance	80% / 20%	80% / 20%	_____	80% / 20%	80% / 20%	_____			_____
Hospital / Facility - Out-Patient- Co-Pay	\$100	\$0	_____	\$150	\$0	_____			_____
Hospital / Facility - Out-Patient - Co-Insurance	80% / 20%	80% / 20%	_____	80% / 20%	80% / 20%	_____			_____
Lab Services / X-Ray / Diagnostic Eval	80% / 20%	80% / 20%	_____	80% / 20%	80% / 20%	_____			_____
Emergency Room Visit	\$100	\$150	_____	\$150	80% / 20%	_____			_____
Emergency Transprotation - Ambulance	\$0	\$50	_____	\$0	80% / 20%	_____			_____
High Tech Radiology - Co-Pay	\$250	\$150	_____	\$300	\$0	_____			_____
High Tech Radiology - Co-Insurance	80% / 20%		_____	80% / 20%	80% / 20%	_____			_____
Rehab / Therapy - Out-Patient - Physical	80% / 20%	\$50	_____	80% / 20%	80% / 20%	_____			_____
Rehab / Therapy - Out-Patient - Speech	80% / 20%	\$50	_____	80% / 20%	80% / 20%	_____			_____
Rehab / Therapy - Out-Patient - Occupational	80% / 20%	\$50	_____	80% / 20%	80% / 20%	_____			_____
Rehab / Therapy - Out-Patient - Chiropractic	80% / 20%	\$50	_____	80% / 20%	80% / 20%	_____			_____
Skilled Nursing - Co-Pay	\$250	\$30	_____	\$300	\$0	_____			_____
Skilled Nursing - Co-Insurance	80% / 20%		_____	80% / 20%	80% / 20%	_____			_____
Notes		Max 10 days							
Actuarial Value Calculator Score	90.0%	86.7%	?	82.0%	77.4%	?	74.5%	67.6%	?