



AGENDA

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

**February 5, 2016
10:00 a.m.**

EBD Board Room – 501 Building, Suite 500

- I. Call to Order Jeff Altemus, Chairman***
- II. Introduction of New Sub-committee Members..... Jeff Altemus, Chairman***
- III. Approval of August 7, 2015 Minutes..... Jeff Altemus, Chairman***
- IV. ASE/PSE 2015 Plan Year FinancialsMarla Wallace, EBD Chief Fiscal Officer***
- V. Wage Works FSA/HSA Presentation..... Amanda Ramirez, Implementation Manager, Elizabeth Tullos, Relationship Consultant***
- VI. HSA Funding for ASE Overview/PSE Opportunity Lori Eden, EBD Deputy Director***
- VII. Director’s Report..... Janis Harrison, EBD Interim Director***

Upcoming Meetings

March 4, 2016

***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
Benefits Sub-Committee
Minutes
February 5, 2016**

The Benefits Sub-Committee of the State and Public School Life and Health Insurance Board (hereinafter called the Committee) met on February 5, 2016 at 10:00 a.m. in the EBD Board Room, 501 Woodlane, Suite 500, Little Rock, Arkansas.

Members Present

Susan Gardner
Dan Honey
Shelby McCook
Jeff Altemus
Carla Haugen
Claudia Moran
Becky Walker
Ronnie Kissire

Members Absent

Janis Harrison, Interim Director, Employee Benefits Division (EBD)

Others Present

Dwight Davis, David Keisner, Sherry Bryant, Geri Bemberg, UAMS; Janna Keathley, Stella Greene, Marla Wallace, Ethel Whittaker, Lori Eden, Eric Gallo EBD; Kristi Jackson, Jennifer Vaughn, Com Psych; Raina Porchay, Catamaran; Mark Watts, ASEA; Wayne Whitley, Ronda Walthall, AHTD; Sylvia Landers, Minnesota Life, Andy Davis, Arkansas Democrat Gazette; Arlene Chan-Mouton, ACHI; Takisha Sanders, Jessica Atkins, M. Carlson, Health Advantage; Karyn Langley, Qualchoice; Treg Long, ACS; Kim Henderson, ADFA; Dr. Nash, Health Advantage; Amanda Ramirez, Liz Tullos, Wage Works; Leah Ramirez, ACHI

CALL TO ORDER

The meeting was called to order by Jeff Altemus, Chairman

APPROVAL OF MINUTES

A request was made by Altemus to approve the minutes from August 7, 2015. Walker made the motion to approve. Honey seconded. All were in favor.

INTRODUCTION OF NEW COMMITTEE MEMBERS: *by Jeff Altemus, Chairman*

Altemus introduced two new Sub-committee members; Ronnie Kissire, Superintendent at Ouachita School District and Susan Gardner, State Employee at Arkansas Development Finance Authority.

ASE/PSE FINANCIALS: *by, Marla Wallace, EBD Fiscal Officer*

Wallace reported financials for November and December 2015. For November PSE four (4) weeks of medical and pharmacy claims were paid. The FICA savings for the month is \$463,000. There was a net loss of \$821,000 for the month. The year-to-date gain is \$43.5 million. In addition, there was \$20 million received from the Department of Education. This money is earmarked for Plan Year 2016. The Transition Reinsurance Fee for July – December is \$1.2 million. The year-to-date is \$2.8 million. The net assets are \$34 million.

For PSE the month of December five (5) weeks of medical and pharmacy claims were paid. The fifth week of claims was \$4.5 million. Due to the fifth week of claims the net loss for the month was \$4.9 million. The year-to-date gain is \$38.6 million. The FICA savings for the month was \$464,000. PSE received the facilities funding money from the Department of Education (A.C.A. § 6-20-2503) in the amount of \$18.1 million. This money is earmarked for Plan Year 2016. The net assets are \$28.9 million.

For ASE the month of November four (4) weeks of medical and pharmacy claims were paid. The net gain for the month is \$490,000. The year-to-date gain is \$29.8 million. The Transition Reinsurance Fee for July – December was \$885,000, making the total paid for 2015 \$2,005,433. The net assets are \$30 million.

For ASE the month of December five (5) weeks of medical and pharmacy claims were paid. Due to the fifth week of claims the net loss for the month was \$2.3 million. The year-to-date gain is \$27.4 million. The net assets are \$28 million.

The financial report as presented is attached to the minutes.

WAGE WORKS FSA/HSA: *by Amanda Ramirez, Implementation Manager,
Liz Tullos, Relationship Consultant*

Ramirez provided an overview of the services being offered to ASE & PSE Employees. The following topics were discussed:

- Wage Works Services Offered to ASE & PSE Employees
- Flexible Spending Account (ASE only)
- Flexible Spending Account Enrollment
- Health Savings Account (ASE & PSE)
- HSA Transfer of Assets

The services offered for State Employees:

- (1) Health Care FSA
- (2) Dependent Care FSA
- (3) Health Savings Account

Public School Employees:

- (1) Health Savings Account

The Flexible Spending Account is offered to Arkansas State Employees only. There are two accounts available; the Health Care FSA and the Dependent Care FSA. There are limitations on the annual contributions allowed. There has been an increase in participation in the FSA for the state employees.

The Health Savings Account is offered to both ASE/PSE employees. PSE districts have the option to migrate to WageWorks or remain with the current vendor. Currently, 219 of 270 schools have made the transition. There are 1,190 ASE participants and 11,408 PSE participants enrolled. In addition, the State provides a monthly contribution to the ASE.

The HSA transfer process of assets from Datapath to WageWorks is in progress.

February 7, 2016 is the deadline to complete the online transfer form or mail transfer forms. Datapath debit cards will be deactivated on February 10, 2016, and the transfer of assets process will begin. The funds should reflect in the participants' accounts February 18, 2016.

There are many concerns with the enrollment forms and the attention to detail exemplified when the forms are received along with the ongoing set-up process. There are also concerns with the amount of time allocated for the changes.

Altemus requested a follow up report regarding the forms correction of action at the March 4th meeting.

Altemus suggested Datapath run a report that outlines the bulk transfer. Altemus would like to know the percentage of the accounts that were included in the bulk transfer.

Kissire requested WageWorks review their link for a more user friendly communication system. Ramirez reported the development team provides new releases on a monthly basis. However, Ramirez will notify the development team of the concerns. In addition, today's feedback will be reviewed by their team.

HSA FUNDING OVERVIEW: *by Lori Eden, EBD Deputy Director*

Eden reported on the possibility of funding the Public School Employees Health Saving Accounts. The cost to fund a PSE contribution could be as much as \$11 million for the current enrollment using a contribution of \$25.00 for individual and \$50.00 for family. As PSE members have already made their elections, it would be difficult to fund the accounts. Making the change in 2017 will give more consideration to the number of members who may migrate to and from the plan. In 2015 the cost to fund the contributions for the Arkansas State Employees Health Savings Accounts was \$919,000.

GENERAL CONCERNS:

McCook has concerns with the Summary Plan Document that reads; if a Retiree becomes Medicare eligible they must notify EBD sixty (60) days prior to the eligibility date. McCook reported this time frame is not flexible.

Harrison reported the Summary Plan Document will be reviewed for possible changes.

EBD DIRECTOR'S REPORT: *by Janis Harrison, EBD Interim Director*

Harrison reported the 1095-C forms have been provided to the members and the 1094-C reports directly to the Internal Revenue Service.

Haugen reported the Director's position has been advertised and will remain advertised until February 12, 2016. Currently there have been fifty (50) applications received with only four (4) meeting the minimum qualifications.

Harrison reported the contract with DataPath has been extended for three (3) months. There is a new pharmacy benefits contract with MedImpact effective June 1, 2016. The contract with Catamaran has been extended for six (6) months to ensure proper processing of the end of contract, or run-out, claims. The Case Management contract with American Health Holding has been approved for one (1) additional year. The contract with Cheiron officially ends June 30, 2016.

However, in an effort to properly prepare an RFP and select a vendor, the contract was extended for one (1) year.

MEETING ADJOURNED



State of Arkansas Subcommittee Meeting

Amanda Ramirez and Elizabeth Tullos

February 5, 2016

Meeting Objectives and Agenda

- Meeting Objectives
 - Provide overview of WageWorks services being offered to ASE & PSE Employees
- Agenda
 - WageWorks Services Offered to ASE & PSE Employees
 - Flexible Spending Account (ASE only)
 - Flexible Spending Account Enrollment
 - Health Savings Account (ASE & PSE)
 - HSA Transfer of Assets
 - WageWorks Contact Information

WageWorks Services Offered

- Arkansas State Employees
 - Health Care FSA
 - Dependent Care FSA
 - Health Savings Account
- Public School Employees
 - Health Savings Account

Flexible Spending Account (ASE only)

- Health Care FSA
 - \$2,550 maximum annual election amount
 - \$500 carryover being offered to the next plan year
 - Health Care Card is being offered
 - Automatic Health Plan Claims is set to ON automatically
 - This is turned OFF when a participant activates their health care card
- Dependent Care FSA
 - \$5,000 maximum annual election amount

Flexible Spending Account Enrollment

- 2015
 - Health Care FSA
 - Full Purpose FSA - 2,724
 - HSA- Compatible FSA - 25
 - Dependent Care FSA – 176
- 2016
 - Health Care FSA
 - Full Purpose FSA - 2,941
 - HSA- Compatible FSA - 50
 - Dependent Care FSA – 190

Health Savings Account (ASE & PSE)

- Offered to both Arkansas State Employees and Public School Employees whose School District decided to switch to WageWorks.
- The State provides a Monthly Employer Contribution to the Arkansas State Employees
 - \$25 Single Coverage
 - \$50 Single + One Coverage
 - \$50 Family Coverage
- 219 Public School Districts decided to switch from Datapath to WageWorks.

Health Savings Account (ASE & PSE)

- HSA Enrollment
 - ASE – 1,190 participants
 - PSE - 11,408 participants
- Public School HIR's have individual Employer ID's setup in the WageWorks system.
 - Allows access to their employee information
 - HIR can submit and fund their payroll contributions individually
- A Transfer of Assets from Datapath to WageWorks is in progress.

HSA Transfer of Assets Process

- E-consent link was sent to HSA participants with an email on file. Participants can complete e-consent online.
- If participants did not receive an email, they should complete the paper transfer of assets form and mail it to:

WageWorks, Inc.

Attention: HSA Operations / State of Arkansas

1850 W. Rio Salado Parkway, Suite 101

Tempe, AZ 85281

HSA Transfer of Assets Timeline

- February 7, 2016 – Deadline to complete e-consent online or mail transfer of assets form.
- February 10, 2016 – Datapath debit card will be deactivated and transfer of assets process will begin.
- February 18, 2016 – Funds should reflect in participants new WageWorks/BNY Mellon account.
- If participants don't complete and return the transfer of assets consent within the timeline outlined above, they can complete a transfer of assets form at any time. However, it will be handled individually and can take 4-6 weeks to process.

WageWorks Contact Information

- HIR's have a dedicated email distribution list they can use to contact WageWorks.

StateofArkansas@wageworks.com

- All participants may contact WageWorks customer service at 1-855-428-0446.



Thank you.

**State and Public School Life and Health Insurance Board
Benefits Subcommittee**

February 5, 2016

Director's Report.....Janis Harrison, Interim EBD Director

1. 1094C and 1095C Forms and Reporting:

The Internal Revenue Service (IRS) requires 2 new tax forms be prepared and distributed each year, starting in 2016; provided to the IRS are the 1094C and the 1095C forms, with a copy of the 1095C to the member. These are required as part of the Patient Protection and Affordable Care Act (PPACA), or ACA. The 1094C is titled Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns and the 1095C is titled Employer-Provided Health Insurance Offer and Coverage.

The 1094C form is the transmittal form that will be provided to the IRS, in EBD's case electronically, through the AIR portal. The 1094C is a four part form which contains only employer information.

The filing deadline was originally set for March 31, 2016, but the date has been extended by the IRS to June 30, 2016. EBD continues to work with AASIS and Mainstream Technologies to gather and provide this information.

The 1095C form is used by the IRS to assess an employer's compliance with the requirements of the ACA. This form must be provided to the IRS electronically behind the 1094C transmittal form and will be mailed to the employee by EBD. The 1095C form shows that minimum value coverage was offered to the employee and the cost of that coverage; it also shows whether or not the employee elected coverage, and if coverage was elected, the type of coverage (employee only, employee/spouse, family, etc.)

The delivery to members deadline was originally set for February 1, 2016, but the date has been extended by the IRS to March 31, 2016.

EBD is responsible for printing and delivery of 1095C forms to ASE AASIS actives, ASE/PSE retirees and COBRA members; Highway Department is reporting their active and retiree members, EBD is providing the data for PSE actives' reporting. The expected delivery date is February 1, 2016, and many 1095C forms are already in the mail.

2. EBD Executive Director Position:

Bob Alexander retired January 2, 2016; I was asked to serve as Interim until a new person is identified and brought to the Board for consideration. A hiring freeze approval has been obtained and the position is being advertised on the ARSTATEJOBS website through February 12; the advertisement will run on Wednesdays and Sundays through February 10 and on the State and Local Government Benefits Association (SALGBA) website. Several Board members volunteered to serve on the interview and selection committee.

3. Old/New Vendor Information:

EBD announced in the October 20, 2015 meeting the contract award for the Health Savings Account (HSA) vendor to Wage Works; EBD has obtained a 3 month contract with DataPath to complete the 2015 claims processing and transfer of assets from DataPath's trustee to Wage Works' trustee. Staff is working diligently with both vendors to complete one contract and begin the new contract.

The pharmacy benefits management contract was recently awarded to MedImpact; EBD has obtained a 6 month contract with Catamaran to complete the 2015 claims processing and ensure a smooth transition to the new vendor. Staff has begun working with MedImpact to have them in place by June 1, 2016.

EBD obtained approval to extend the case management contract with American Health Holding, Inc. (AHH) through December 31, 2016.

EBD has requested a 1 year sole source contract with Cheiron, Inc., in order to have sufficient time to prepare the RFP for actuarial consulting services. The 1 year sole source contract is for the period July 1, 2016 through June 30, 2017.

Upcoming Meetings:

Board is Tuesday, February 16, 2016

Benefits is Friday, March 4, 2016

Quality of Care is Tuesday, March 8, 2016

Board is Tuesday, March 15, 2016

DUEC is Monday, April 4, 2016