

**State and Public School Life and Health Insurance
Board
Benefits Sub-Committee
Minutes
January 14, 2010**

The Benefits Sub-Committee of the State and Public School Life and Health Insurance Board (hereinafter called the Committee) met on Thursday, January 14, 2010, at 9:00 a.m. in the EBD Board Room, 501 Woodlane, Suite 500, Little Rock, Arkansas.

Members Present

Jeff Altemus
Gwen Wiggins
Janis Harrison
Becky Walker
Joe Musgrove
Shelby McCook

Members Absent

Lloyd Black

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

Others Present:

George Platt, Leigh Ann Chrouch, Doug Shackelford; Michelle Hazelett, Paige Harrington, Lori Eden, Florence Marvin, Amy Tustison, Amy Redd, Donna Cook, Jane Young, Sherry Bryant, Ellen Justus, Shannon Roberts, Cathy Harris, EBD; Rhonda Hill, AR Centers for Health Improvement & EBD; Barbara Melugin, Ron Deberry, David Bridges, Kathy Ryan, AR BC/BS Health Advantage; Sharon Marcum, LifeSynch; Marc Watts, ASEA; Patricia Brown, PDB Enterprise, Robbie Weaver, AR Children Hospital; Wayne Whitley, Ronda Walthall, AR Highway & Transportation Dept; Kim Henderson, AR Development Finance Authority; Bryan Meldrum, Dwane Tankersley, Novasys; Kathleen Whaley, Larrissa Thompson, AR Department of Human Services

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 August 14, 2009 minutes. Harrison made the motion to approve. McCook seconded. All were in favor. Minutes Approved.

Benefits Strategic Planning Workgroup (BSPW) Report *by George Platt, Chairman*

Platt informed the committee the BSPW met on January 12, 2010.

Platt reported Blue Cross and Blue Shield have eliminated the student verification requirement effective January 1, 2010. Platt said EBD handles the student verification process for the plan. The BSPW made a recommendation to eliminate the process in 2008 because the return on this investment is minimal to the plan; as the dependents involved are generally healthier than the rest of the population.

Platt presented one recommendation for the committee's consideration:

Recommendation: Eliminate the "student" verification process effective April 1, 2010 and go towards the tax dependent definition for coverage.

Platt said one of the components in the current Health Care Reform Bill is the removal of the student verification requirement up to age 26. Platt said the workgroup is not recommending the plan change the cap for the dependent age, but the committee could make the recommendation to the Board if they so choose. Platt said they will still continue the audit verification process on random bases.

A discussion ensued.

McCook explained originally the student verification requirement was through age 27, but they discovered they were not in compliance with the Cafeteria Plan U.S. Treasury regulations. McCook requested the EBD Staff consult with the Cafeteria Plan administrators to find out if is legal for the plan to increase the dependent age limit.

McCook made the motion to eliminate the "student" verification process, effective April 1, 2010, and move towards the tax dependent definition for coverage and increase the dependent coverage to age 26. Harrison seconded. All were in favor. Motion carried.

Financial Status *by Jason Lee, EBD Director*

Lee presented financials for the AR State Employees (ASE) and Public School Employees (PSE) groups for October 1, 2008 through September 30, 2009. Lee said he wanted to provide the committee with an early snapshot of the state and school trust fund before they start reviewing the preliminary 2010-2011 PSE Actives rates in March.

Current Plan Design *by Jason Lee, EBD Director*

Lee provided the committee with the 2010 plan design summary of common services. Lee reported the plan is doing very well and at this time EBD is not recommending any changes.

The committee discussed the MRI copay and the HDPPO plan member costs.

RX Plan Report *by Shonda Rocke*

Rocke presented the committee members with a report on the plan performance overview for Arkansas State & Public School Employees for the 2005 through 2009 plan years.

The report contained information for Trend analysis, Generic Drug Trends, Key Plan Performance Measures, Specialty Drug Spend Summary and more.

Meeting adjourned.