

STATE AND PUBLIC SCHOOL
LIFE AND HEALTH INSURANCE BOARD
BENEFITS SUB-COMMITTEE
MINUTES
May 20, 2003

The Benefits Sub-Committee of the State and Public School Life and Health Insurance Board (hereinafter called the Committee) met on Tuesday, May 20, at 1:30 p.m., in the 1st Floor Conference Room of the Department of Finance & Administration Building, 1509 West 7th Street, Little Rock, Arkansas.

Sub-Committee Members Present

Bobbie Davis
Janie Roach
Marc Watts
Jackie Holloway
Janis Harrison
Sharon Dickerson
Paul Grier
Janie White
Ashli Davis

Members Absent

Others Present

Peggy D'Agostino, Employee Benefits Div.; Kathy Diggs, Julie Marshal and Eddie Freyer, US Able Life; Trestle Tree; John McCuin, and Arlin Tell, SDSA; Rob Thorpe, Roy Lamm and Francis Browning QualChoice; Ron DeBerry, ABCBS; John Bauerlein, Milliman; Jeff Altemus, Marion School District; Michael Wolff, United Health Care.

1) Call to Order

Davis called the meeting to order.

(2) Approval of Minutes.

There was a correction made to minutes of April 11, 2003, Ashli Davis was removed from the absent list and placed on the present list.

Watts made motion to approve minutes with correction.

Harrison seconded.

Motion carried.

(3) Differences in ASE & PSE Plan Design

These are a disparity between the school and state benefits and the Board requested the Committee to look at what could be done to remedy the situation.

Dickerson said there were several things that were different between the State and School Plans. On State Plan Infertility treatment was not covered, on the School Plan it was covered on the PPO plan, State did not cover Dependent Pregnancy, School did, on the State Plan there was no preexisting conditions applied, on the School side HA and BCBS preexisting condition did apply, and on the State Side Dental and Vision was covered, but not on the School side.

Dickerson recommend taking out the pre-existing conditions from the PSE because the school teachers for the most part were employed elsewhere with insurance and would not be a large issue. She asked DeBerry about how much it would affect the cost.

DeBerry said that it would vary by the year depending upon how many new people joined the plan.

Bauerlein had not looked at whether that would increase the rates or not. He did not think it would be a significant cost increase. It depended on the turnover of employees.

Davis said there was not a lot of turnover in the school employees.

Dickerson said she would not recommend adding vision and dental to the school plan since the benefit had only been removed in 2001.

Dickerson recommended removing the infertility treatments from the PSE plan. She said that she did not have a recommendation on Dependent Pregnancy. She also recommended a \$10,000.00 travel and lodging allowance for Transplant patients. She recommended that the prosthesis be moved to the medical rather than on the durable medical equipment with a maximum of \$15,000.00.

Davis said that she had a call that expressed concern over taking out the infertility benefit and the dependent pregnancy benefit.

After a discussion Roach made a motion to leave the infertility benefit on the school plan under the PPO.

Watts seconded.

Motion Approved.

There was discussion concerning Dependency pregnancy on the School Plan.

Watts made motion to keep the dependency pregnancy as is in the School Plan.

Harrison seconded.

Motion approved.

There was discussion concerning the removal of the pre existing conditions. Bauerlein said that he might need to add \$0.75 to the rates if pre existing conditions were removed from the school plan.

Watts made motion to keep pre existing conditions in the school plan as is.

Roach seconded.

Motion approved.

There was discussion over the dental/vision portion of the school plan and whether it should be added back.

Watts made motion to keep the school plan the same as it is.

Harrison seconded.

Motion approved.

There was discussion over the Lodging/Travel Allowance for Transplant patients being made \$10,000.00.

Harrison made motion to adopt the \$10,000.00 lodging/travel allowance for Transplant patients on the school plan.

Holloway seconded.

Motion approved.

There was discussion concerning moving Prosthesis from the Durable Medical Side to the Medical Side of the Plan and changing the limit to \$15,000.00 a year for both State and School.

Grier made motion to move the Prosthesis to the medical side and raise the limit annually to \$15,000.00 and it would apply to both State and School.

Watts seconded the motion.

The motion was approved with an effective date of 10-1-03.

Dickerson explained that with the new law there would have to be changes to the composition of the Board and the Committees. She said that the staff of EBD would no longer be serving on the Committees but would be serving in an advisory capacity. She introduced Jeff Altemus of Marion School District and Becky Walker who she had asked to serve on the committee to fill the slots mandated by the Legislation. She asked for the Committee to approve these serve on this committee.

A motion was made and seconded for Jeff Altemus and Becky Walker to serve on the Benefits subcommittee.

Motion approved.

(4) Rates

Bauerlein presented the rates for the Public School Employees. He explained the Premium rate increases and the underwriting analysis. He briefly went over the premium rates for 2003-2004.

After a brief discussion Roach made motion to approve the PSE rates as stated on exhibit 4 for the

year 2003-2004.

Watts seconded.

Motion approved.

5. Defined Contributions – Select Data Service

There was a presentation by Select Data Service Administrators on Defined Contributions.

6. Defined Contributions – QualChoice.

There was a presentation by Mr. Francis Browning of QualChoice on Defined Contributions.

Meeting Adjourned.