



AGENDA

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

**July 08, 2016
10:00 a.m.**

EBD Board Room – 501 Building, Suite 500

- I. Call to Order Jeff Altemus, Chairman***
- II. Approval of June 10, & July 1, 2016 Minutes Jeff Altemus, Chairman***
- III. 2017 Rate Discussion John Colberg & Gaelle Gravot, Cheiron, Inc.***
- V. Director's Report..... Chris Howlett, EBD Executive Director***

2016 upcoming meetings:

August 5, October 2, November 4

***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
July 08, 2016**

The Benefits Sub-Committee of the State and Public School Life and Health Insurance Board (hereinafter called the Committee) met on July 08, 2016, at 10:00 a.m. in the EBD Board Room, 501 Woodlane, Suite 500, Little Rock, Arkansas.

Members Present

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

Members Absent

Chris Howlett, Executive Director, Employee Benefits Division (EBD)

Others Present

Geri Bemberg, UAMS; Lori Freno-Engman, Robert Boyd, Board Members; Janna Keathley, Marla Wallace, Ethel Whittaker, Cecilia Walker, Eric Gallo, Lori Eden, Gretchen Baggett, Matt Turner, Carrol Astin, Terri Freeman, EBD; Kristi Jackson, Com Psych; Sylvia Landers, Minnesota Life; Marc Watts, ASEA; Ronda Walthall, Mike Boyd, Wayne Whitley, AHTD; Jessica Atkins, Health Advantage; Karyn Langley, B.J. Himes, QualChoice; Bill Clary, H&H; Liz Tullos, WageWorks; Harmony Daniels, ASP; Stephen Carroll, All Care Specialty; Sara Farris, AG; Andy Davis, Arkansas Democrat-Gazette; David Kizzia, AEA; Elizabeth Whittington, ACHI; Donna Morey, ARTA

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 June 10, 2016, with corrections. McCook made the motion to approve. Kissire seconded; all were in favor.

Minutes Approved.

2017 BENEFITS AND CONTRIBUTION RATES: *by John Colberg, Gaelle Gravot, Cheiron, Inc.*

Colberg reported various options to consider for 2017 rates and benefits. For the employee and retiree contributions, there should be consideration for a 0-10% rate increase. For 2018 and going forward the increase should be considered from the following:

- Alternative Medicare Pharmacy approach
- Additional wellness initiatives
- Additional cost containment measures
- Significant plan design changes
- Risk adjusting PSE rates

The state and district contributions for 2017 will remain the same. Claims and expenses should consider the following adjustments (alternative plan design):

- An increase in the individual and family deductibles for ASE Premium, Classic, and Basic as well as PSE Classic and Basic.
- An increase in the individual and family annual out-of-pocket expense for ASE Premium, Classic, and Basic as well as PSE Classic and Basic.
- No changes to PSE Premium.

About 91% of the group is on the Premium plan.

Honey has concerns if 3% would be a sufficient increase without a change in benefits. Should the rate be increased by at least 4% - 5%?

Kissire stated he feels the rates should not increase 4 - 5%. Kissire would like to request additional funding from the legislators at the 2017 Legislative session.

The committee discussed in detail if there should be an increase in rates, deductibles, or out-of-pocket expenses with no changes to the benefits structure. Some members strongly disagree with an increase in deductibles and out-of-pocket expenses.

After much discussion McCook motioned to recommend to the Board; since the projections indicate that ASE is more critical, a 3% increase in rates will be applied for state employees, and a 2% increase for public school employees with no benefit changes, and work with the Legislators for an increase in funding for ASE and PSE. Haugen seconded.

Discussion:

Altemus reported the Public schools contributed funds to the FICA savings in 2016 that was not previously paid.

Howlett is establishing an avenue for the plan to drive forward. Howlett will provide recommendations in the spring of 2017 for the 2018 plan year. Howlett petitioned the Board to be mindful if there are no changes in the benefits or plan design; the plan cannot be stabilized with utilization on the rise.

Honey would like the rates to stay under 10%. Honey agrees with McCook to not make adjustments to the benefits.

Kissirie is concerned that the benefits structure will need adjusting in 2018.

Altemus repeated the motion to increase the state employee rates by 3%, a 2% increase for public school employees with no changes to the plan design, and to work with the Legislators for an increase in funding for ASE and PSE. All were in favor.

Motion Approved.

EBD DIRECTOR'S REPORT: *by Chris Howlett, EBD Executive Director*

Howlett said several members were having difficulties filling their prescriptions due to a miscommunication with the new vendor MedImpact. MedImpact, the Pharmacy Association provided communication to the pharmacies, and EBD provided communication to the Health Insurance Representatives regarding the issue and the solution.

Howlett also gave an update of the wellness program discount for the past two plan years.

Meeting adjourned