



AGENDA

State and Public School Life and Health Insurance Board Special Board Meeting

December 21, 2016

1:00 p.m.

EBD Board Room – 501 Building, Suite 500

- I. *Call to OrderCarla Haugen, Chairman*
- II. *Fees..... Chris Howlett, EBD Executive Director*
- III. *Director's Report..... Chris Howlett, EBD Executive Director*

Upcoming Meetings

January 17, 2017, February 21, 2017, March 21, 2017, April 18, 2017

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 Meeting
Special Board Meeting Minutes
December 21, 2016**

The 167th meeting of the State and Public School Life and Health Insurance Board (hereinafter called the Board), met on December 21, 2016, at 1:00 p.m. in the EBD Board Room, 501 Woodlane, Suite 500, Little Rock, AR 72201.

MEMBERS PRESENT

Carla Haugen -Chair
Angela Avery - phone
Katrina Burnett
Dr. John Kirtley
Lori Freno-Engman
Janis Harrison - phone
Renee Mallory
Dr. Tony Thurman
Shelby McCook
Dr. Joseph Thompson

MEMBERS ABSENT

Dan Honey – Vice-Chair
Robert Boyd
Dr. Andrew Kumpuris

Chris Howlett, EBD Executive Director, Employee Benefits Division

OTHERS PRESENT:

Ethel Whittaker, Gretchen Baggett, Ellen Justus, Terri Freeman, Drew Higginbotham, Marla Wallace, Cecilia Walker, Stella Greene, EBD; Kristi Jackson, Jennifer Vaughn, ComPsych; Tracy Gaddie, ABCBS; Sylvia Landers, Minnesota Life; Jackie Baker, Harmony Daniels, ASP; Mark Adkinson, Allcare; Ronda Walthall, AR Highway & Transportation Dept; Karyn Langley, Qual Choice; Andy Davis, John Sykes, Arkansas Democrat-Gazette; Susan Walker, DataPath; Jason Jersey, DataPath; Jacob Lively, WLJ; Bill Clary, H&H; David Kizzia, AEA; Randy Loggins, Elizabeth Whittington, ACHI

CALL TO ORDER:

Meeting was called to order by Carla Haugen, Chair

Fees: *by: Chris Howlett, EBD Executive Director*

Howlett reported the meeting was called based on the previous motion by Dr. Joseph Thompson, approved by the committee and the Board, requesting an Attorney General's opinion that would take no less than three (3) months.

Howlett requested if it serves the Board the committee will need to modify the motion regarding the Attorney General's opinion.

Dr. Thompson motioned to rescind the previous request for an actual Attorney General's opinion, but instead an opinion from the Attorney General's Office. Mallory seconded; all were in favor.

Motion approved.

McCook inquired would the opinion from the AG's office be in writing?

Faulkner, an attorney representing the Attorney General's Office stated the office generally does not provide litigation advice in writing.

McCook is concerned whether the Board has the authority to resolve the issue.

Harrison reported previously when she was the interim director for EBD, which it was the decision of the DFA Director, and Janis Harrison to communicate with the members if they were charged the additional fees the plan would pay the fees. Harrison reported the issue is with BNY Mellon, and the plan should not pay the fees.

McCook reported the Attorney General should file a lawsuit against WageWorks and BNY Mellon.

Faulkner agrees with DFA Counsel that there is potential litigation, but outcomes are hard to predict. Faulkner provided the following options:

- Take no action
- Don't pay the fees and recommend litigation
- Pay the fees and recommend litigation
- Pay the fees, no litigation, and move forward with the new vendor

McCook motioned to support the members by paying the fees with the available funds and inquire of the A.G. Office to litigate and redeem the funds due to misleading information in the contract. Thurman seconded;

Dr. Thompson motioned to amend the previous motion to be more specific and related to the termination of this case.

Dr. Thompson offered an additional amendment that DFA would pursue litigation to redeem the expenses. McCook agreed to add both amendments to the previous motion.

Freno-Engman is concerned that too many questions are not answered regarding litigation. Freno-Engman recommended to pay the fees, and get future advice from the Director.

McCook withdrew his previous motion.

Harrison inquired of Faulkner if the plan absorbs the fees and then litigates, in what position would that leave the division?

Dr. Thompson motioned that the Board and EBD, under protest pay the fees to protect our members from an undisclosed expense, with strong recommendation to DFA leadership to pursue litigation of transfer fees paid and associated with that. Renee seconded; all were in favor except Harrison who abstained.

Motion approved.

Dr. Thompson motioned to direct EBD leadership to have in writing with all sub-contractors that there will be no fees. Thurman seconded; all were in favor.

Motion approved.

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

There was no further discussion.

Mallory motioned to adjourn. Burnett seconded; all were in favor.

Meeting adjourn.