

**State and Public School Life
And Health Insurance Board
Minutes
September 15, 2009**

The 102nd meeting of the State and Public School Life and Health Insurance Board (hereinafter called the Board), met Tuesday, September 15, 2009 at 1:00 p.m. in the EBD Board Room, 501 Woodlane, Suite 500, Little Rock, AR 72201.

MEMBERS PRESENT

Janis Harrison
Renee Mallory
Joe Musgrove/ Proxy
Vance Strange
Dr. Joseph Thompson
Shelby McCook
William Goff
Charlie Campbell / Proxy
Lloyd Black
Robert Watson

MEMBERS ABSENT

Dr. Andrew Kumpuris
Anita Woodall

Jason Lee, Executive Director, Employee Benefits Division.

OTHERS PRESENT:

John Kirtley, AR Board of Pharmacy; Rosalind Minor, AR Ins Department; Dr. William Golden, Medicaid Medical Director; John Herzog, EDS, an HP company; John Colberg, CHEIRON; Leigh Ann Chrouch, Michelle Hazelett, Doug Shackelford, Amy Tustison, Stella Greene, Donna Cook, Paige Harrington, Amy Redd, Tammy McGill, Latryce Taylor, Tracy Collins, Sherry Bryant, Florence Marvin, Pamela Lawrence, Cathy Harris, EBD; Rhonda Hill, ACHI/EBD; Kathy Ryan, Ron Deberry, Barbara Melugin,, ABCBS/Health Advantage; Ronda Walthall, Wayne Whitley, AR Highway & Transportation Dept, Jeff Britt, Pfizer; Karen Henson, Pamela Hickman, AR Game & Fish Commission; Kim Henderson, AR Development Finance Authority; Dwight Davis, Susan Walker, Data Path; Carol White, Pam Wildschuetz, PDB Enterprise; Barry Fielder, Shonda Roche, Informed Rx; Sharon Marcum, LifeSynch; Derrick Smith, Mitchell Williams Law Firm; Roy Lamm, John Foose, Nancy Archer, Qual Choice; Steve Singleton, AR Retired Teacher Association; Peggy Nabors, AR Education Association; Marc Watts, AR State Employee Association; Judy Prewitt, AR State Highway Employee Retirement System; Christi Pittman, Delta Dental; Vicki Fleming, Doris Williams, AR Department of Health

CALL TO ORDER

Meeting was called to order by Janis Harrison, Chairman

APPROVAL OF MINUTES

The request was made by Harrison to approve the August 18, 2009 minutes as amended. Mallory made the motion to approve minutes. Strange seconded. Minutes approved.

H1N1 UPDATE FROM THE HEALTH DEPARTMENT *by Dr. Sandra Snow & Dr. Clint Baker*

Sandra L. Snow, M.D., Medical Director of Communicable Disease/Immunizations Division of Health, Arkansas Department of Health and Human Services has been working on a statewide pandemic influenza plan since 1999 when the Division of Health held its first statewide influenza pandemic meeting.

Dr. Snow commented that essentially the flu is here and it's probably not going away anytime soon. Snow informed the Board children ages 5 to 24 years old have the most cases in Arkansas. The AR Children Hospital is seeing more children in the emergency than usual and other emergency room are busy as well.

Dr. Snow said she does not know when the H1N1 vaccine will be available but the Health Department should receive the seasonal flu vaccines around mid October. The seasonal flu vaccines are already available at most doctor's offices and pharmacies. Snow said the public can refer to the Health Department website for information regarding the difference between the seasonal flu and H1N1 vaccines; and to find information about who is at high risk for the H1N1 vs. those considered to be high risk for the seasonal flu.

Dr. Snow informed the Board the Health Department has priority groups who will receive the H1N1 immunizations first but there will be plenty of vaccines available. Snow said the H1N1 vaccines is a federal vaccine and it will be free to providers. The Health Department is asking providers to volunteer to administer the vaccines and there will also be mass clinics helping as well.

Lee said EBD will have a flu shot clinic for one day on location but they have not been able to coordinate with AR Building Authority as to what day that's going to be. Lee said they've had conversations with the Health Department and are negotiating administration fees. All of the Health Department county offices will be treated as in-network providers so there will be no charge to the member if they get a shot at the health department or at their local physician.

Chairman Harrison opened the discussion to the audience. Dr. Snow and Dr. Baker answered questions from the audience.

FINANCIALS *by Leigh Ann Chrouch*

Chrouch presented detailed financial statements for the Arkansas State Employees (ASE) January 1, 2009 through July 31, 2009 and the Public School Employees (PSE)

October 1, 2008 through May 31, 2009. Chrouch also presented the ASE Cafeteria Plan Financial 2009 for January 1, 2009 through July 30, 2009.

Chrouch provided a report of the penalties assessed for state and school agencies for July 2009.

Strange made the motion to accept the financial report. McCook seconded. All were in favor. Motion carried.

PSE OPEN ENROLLMENT WRAP-UP *by Jason Lee, Executive Director-EBD*

Lee said there were 1,128 new primary subscribers in the plan according to the comparison data for March 2009 and October 2009 and there were about 5,000 member transactions during the 2009-2010 PSE open enrollment period.

Lee said they are very proud of the Member Services Department. They received 5,257 incoming phone calls during open enrollment, with a 1% abandoned rate. The average talk and hold times were down from the normal course of the year.

Lee said the school representatives were very accommodating and many of them attended the open enrollment meetings for the school district and they did a very good job in helping to spread the message to the school employees.

Lee reported they previously hosted a one day open enrollment kick off meeting for the 2010 ASE plan year and 150 state representatives attended.

DIRECTOR'S REPORT *by Jason Lee, Executive Director-EBD*

Lee explained that in 2007 there was a change in Arkansas Code § 21-5-401 that changed the word "medical" to "health" as it relates to the Board function to create self-funded health programs. Lee said the Mental Parity Act have caused them to take a look at the mental health benefit they provide under the plan in comparison to the medical benefit. Currently there is a carve-out arrangement for mental health and substance abuse and LifeSynch treats the benefit as an insured product. Lee said they will need to bring the mental health and substance abuse into self-insured arrangement to be more in line with the verbiage that's in the code.

Lee said with the Board permission they will start the ball rolling on a behavioral health carve-out self insured arrangement for the 2011 plan year. Lee said they have full access to claims that have been paid through Life Synch, and CHEIRON will be able to fully evaluate those claims and assign the correct premiums associated with them. Lee said he expects nothing would change for the membership under a new contract

McCook made the motion to authorize and direct the EBD Executive Director to pursue a self-funded mental health service in parity with the plan's medical services. Strange seconded. All were in favor. Motion carried.

Lee informed the Board that to date they have not been able to find any specific dental training certification that separates individuals that are authorized to treat for TMJ vs. those that are not authorize to treat TMJ. Lee said it is their understanding that the clinic can specialize in the treat of TMJ but the dentist themselves could not present themselves as a TMJ specialist.

McCook said he wants member to receive good effective services but he does not want to keep increasing the allowed amount for TMJ without some assurance that the providers know what they are doing. McCook suggested the work group expand their study and check with the University of TN.

Lee informed the Board the work group would continue to do research.

McCook said if there is not a certification process or anything that would guarantee quality care and if they are going to spend money they need to identify some of the providers that advertise for TMJ and contract with them so the plan will have TMJ providers. McCook said people have come to him with their failures about TMJ but no one has told him that someone really helped them.

Lee referenced the Performance Audit Report on the Health and Benefit Plans conducted by Legislative Audit. Arkansas Code Annotated § 21-5-416 mandates the Legislative Joint Auditing Committee conduct a performance audit of the entity administering the claims of the State Employee Health and Life Insurance Program. Claim payments for Arkansas State and Public school employees are administered by the Department of Finance and Administration (DFA) Employee Benefits Division (EBD).

Lee said there was an analysis performed examining their plan vs. Louisiana, Missouri and Oklahoma. The AR employee and family were the least expensive. They also compared the benefit schedules and the results were that AR plan had comparable benefits.

Lee said hopes to have the results of the audit being performed on their behalf for the College of Pharmacy at the next meeting. Lee said it will be a detailed audit report on the pharmacy plan from Oct 2004 thru Dec 2006 and will account for over five million claims totaling just under \$206M dollars. Lee said once the audit is complete they will go out with another public RFP to get the next auditor that will take care of the 2007, 2008 and 2009 plan years and then they we will be on schedule to have an annual audit.

Chairman Harrison commented she was very proud of the results of the performance review audit, and then announced that the next Board meeting is scheduled for October 20, 2009. Meeting adjourned.

Meeting Adjourned.