

Employee Advisory Committee Meeting Minutes

March 31st, 2021

REMOTE

Attending (by web call): Alexandra Blasi, Barbara Barto, Brant Barber, Courtney Marsh, Hannah Rich, Jacob McLin, Jennifer Dalton, Keith Fitzsimmons, Kristy Rizek, Laura Hoppas, Marjorie Knoll, Mike Mercer, Natalie Yoza, Pam Buckhalter, Roberta Robinson

Absent: Drue Campbell, Kris Grinter, Luke McClurg, Maria Beebe, Steve Grieb, Warren Wiebe

Other attendees: Janet Stanek, Director of the State Employee Health Plan; Mike Michaels, Deputy Director of the State Employee Health Plan; Courtney Fitzgerald, SEHP Marketing Director

Agenda:

HB 2218

- K.S.A 75-6502 Amendments to the employee and retiree member qualifications – passed
- Statutes added:
http://kslegislature.com/li/b2021_22/measures/documents/supp_note_hb2218_01_0000.pdf
- It adds 2 members of the Kansas Legislature to the Commission, increasing the size of the HCC from 5 to 7 members;
- It requires that the HCC Chair position rotate annually from the Secretary of the Department of Administration and Insurance Commissioner; and
- It caps the reserve balance to over 10% of expected plan expenses for the next plan year, and requires that the Commission provide recommendations for reducing the reserves by minimizing increases to employee contributions or cost sharing requirements

Janet Stanek:

- The State Employee Health Plan expressed a neutral position on the amendments added to the bill.
- Stated that the reserve balance moves every month depending on claims activity and incurred but not reported claims.
- The Health Care Commission decision is voted on in June but the Annual Report to the Legislature is typically submitted in December. There is likely a difference in reserve balance with 6 months lag. There is also a current increase in reserve balance due to decrease in claims with pandemic.
- Hannah Bates asked whether it is “advisable to make plan reserve decisions based on a single year’s claim status?” Janet responded that the Plan’s “actuarial service will tell you three to five years is typical. They’ll also tell you that some places go one year, but their advice was three years, five at most to us.”

EAC Member Discussion

- Jacob McLinn commented that he liked the new provision that switched the HCC Chairperson from even to odd years because it kept it fresh and prevented one person's ideology from trying to run the commission.
- Kristy Rizek expressed concern about the amendment that switched the Chairperson because it would lead to a loss of continuity of leadership.
- Barbara Barto expressed concerns about going from the ten-year actuarial model to the five and then to a one-year model. She wondered if using a one-year model we cause the employees' contributions to go up and down annually.
- Hannah Rich also expressed reservations about using a one-year model because employees need their health insurance contributions to be a consistent figure that they can budget for every year.
- Brant Barber voiced concern about expanding the HCC to seven members because it was a way to interject politics into healthcare.
 - Kristy Rizek and Mike Mercer agreed.
- Natalie Yoza sought to entertain a motion "to continue supporting HB2218 as amended by the Senate with the qualification that the EAC would prefer to see the additions related to the reserve balance removed, maintaining HCC discretion over how those reserve balances will be calculated."
 - Hannah Rich seconded the motion.
 - EAC voice vote: motion passed. Mike Mercer voted no.