

**State of Kansas Employees Health Care Commission
April 24, 2020**

CALL TO ORDER

The State of Kansas Employees Health Care Commission (HCC) meeting was called to order on April 24, 2020 at 1:36pm. The meeting was conducted virtually using GoTo Webinar following publication to the State of Kansas's Public Square web portal.

The following persons were present: Chair DeAngela Burns-Wallace, Ed.D; Commissioners Steve Dechant; Ximena Garcia, M.D.; Heather Young; Vicki Schmidt.

Mike Michael, SEHP director, from the Kansas Department of Health and Environment (KDHE) Division of Health Care Finance (HCF); John Yearly, DofA Chief Counsel, Natalie Yoza, EAC Chair; Ken Viera, Segal Consulting; Patrick Klein, Segal Consulting; and Gina Sander, Segal Consulting were also in attendance.

ACTION ITEMS

1. Approval of the Minutes from February 24, 2020

There was a motion to approve the minutes from the February 24, 2020 meeting by Commissioner Steve Dechant.

Commissioner Ximena Garcia declared a second.

The motion passed without opposition.

2. Consideration of the Voluntary Insurance Plans RFP Award

Mike Michael, director of the SEHP, presented on RFP efforts regarding the Voluntary Insurance Plans. Gina Sander, Sr. Consultant from Segal Consulting presented on the RFP process and proposals from three finalists (*Please reference attached memo from the SEHP staff and presentation from Segal Consulting*)

SEHP staff recommend awarding a three-year contract to The Hartford.

Questions:

Commissioner Schmidt: Question regarding the qualifiers on page two of evaluation criteria but information wasn't included in the memo or presentation from Segal. Specifically: claims process, accessibility, ability to work with Health Plan.

Commissioner Schmidt recommended that SEHP and Segal reach out to the Insurance Department regarding any complaints from each of the proposals. She is disappointed that the Insurance Department wasn't consulted.

Commissioner Schmidt asked what the SEHP used the implementation credit for?
These costs are used for communication, IT work, record maintenance and retention, etc.

Commissioner Schmidt asked why there wasn't an opportunity for the Commission to ask questions of the various bidders.

Chair Burns-Wallace followed up on the RFP process and detailed how the negotiation committee for RFPs operates. Suggested that if the Commission would like additional insight to the RFP process, then a presentation regarding the process could be arranged.

Commissioner Dechant mentioned that the RFP memo given every quarter would be appropriate notice should any commissioner have questions for SEHP staff.

Commissioner Dechant asked about the differences between MetLife's current and updated plans. Updated plans removed age restrictions and updated other plan offerings slightly.

Commissioner Dechant asked Commissioner Schmidt if she had followed up with her staff regarding any complaints of these three companies.

Commissioner Schmidt had not checked with her staff. But suggested this be included as part of the RFP process as well as checking with plan members on their impression of current vendors.

Commissioner Dechant made a motion to approve a three-year contract to The Hartford for Voluntary Group Benefit Plans.

Commissioner Garcia declared a second.

The motion passed without opposition.

3. Consideration of the Transparency Tools RFP Award

Mike Michael, director of the SEHP, presented on RFP efforts regarding Transparency Tools. *(Please reference attached memo from the SEHP staff)*

SEHP staff recommend awarding a three-year contract for Transparency Tools to Rx Savings Solutions.

Questions:

Commissioner Schmidt asked how those savings are calculated. If they are calculated by actual claims data or by recommendations.

The savings are verified by actual claims data.

How do we determine the split between the plan savings vs member savings?

Savings are calculated through actual claims data, comparing original vs. actual cost.

Who negotiates the additional savings?

Rx Solutions brings the issue to SEHP so that they can engage the PBM.

When CVS calculates their savings to the State, can we verify how they calculate those? If it is because of RxSolutions work or CVS saving funds.

Commissioner Schmidt asked for answers to the following questions be put on record at the next meeting regarding Rx Solutions.

1. Does Rx Savings Solutions have any affiliation with any insurance companies?
2. How about any affiliation with pharmacies?
3. Did they support or oppose the PBM proposed legislation this year?

4. What is their position on PBM oversight?
5. Are they a member of the Pharmaceutical Care Management Association, the entity engaged in litigation in Oklahoma and Arkansas?

Commissioner Dechant asked about the savings to the Health Plan.
The number in the memo is a gross savings.

Commissioner Schmidt made a motion to award a three-year contract to RxSavings for Transparency Tools.

Commissioner Young declared a second.

The motion passed without opposition.

4. Consideration of the Medicare Sr. Plans Year 2021 Rates

Mike Michael, director of the SEHP, presented on the Medicare Sr. Plan rates for PY2021. (Please reference attached memo from the SEHP staff)

SEHP staff recommend approval of the PY 2021 premiums for all five Kansas Senior Plans.

Questions:

Commissioner Dechant asked if Plans C and C Select will remain available?

They will remain available to those that are currently grandfathered in. All new members would have to select Plans G, G Select or N.

Will we likely see a significant increase when this contract goes to bid in 2022?

It is possible when this is up for bid. We will have to see where the data falls in the future.

Commissioner Dechant made a motion to approve the PY 2021 rates for all five Senior Plans.

Commissioner Garcia declared a second.

The motion passed without opposition.

REPORTS

5. Employee Advisory Committee Report

Natalie Yoza, president of the EAC presented an update.

Thanked the Commission for the work being done.

Thanked the Commission for making the meeting available online.

The next meeting will be May 7 and will be conducted virtually. Their topic will be focused on recommendations for PY2021. They will publish information regarding how members can join or submit information ahead of that meeting.

Primary concerns are surrounding member ability to meet the Health Quest Points requirement in order to get premium discounts.

6. Contracts Report for Pending RFPs

Mike Michael reviewed the status of various contracts regarding the SEHP (see associated memo).

Questions:

Chair Burns-Wallace asked that SEHP provide a presentation at a later meeting regarding the RFP process.

Mike Michael asked that commissioners send him and specific questions regarding the process or specific RFPs to him and he will do his best to provide information while meeting state procurement guidelines.

Commissioner Schmidt expressed that it is necessary to get feedback from employees regarding current vendors/plans and incorporate that into SEHP memos.

SEHP will formalize this process and include in future memos.

Commissioner Garcia asked if there is a way to submit questions in advance so that the vendors can answer directly instead of having Mike answering these questions?

Chair Burns-Wallace explained the procurement guidelines and submissions and how we may be able to involve commissioners in the process and keep the RFPs moving timely.

SEHP staff will formalize the process for involving commissioners in the process.

Commissioner Schmidt asked if there a reason for not involving commission members on the negotiating committees?

Chair Burns-Wallace will look into the ability for this to occur.

7. Finance Report – Segal

Ken Viera and Patrick Klein from Segal Consulting reviewed the quarterly plan financials.

Ken Viera and Patrick Klein from Segal Consulting presented a benchmark report comparing Kansas' offerings to other state plans in the region (Please reference benchmark report attached).

Questions:

Commissioner Dechant asked if the premium costs cover the expenses accurately (see slides #5 and #6).

Patrick from Segal will follow up.

OLD BUSINESS

8. 2021 Plan Year Models

Chair Burns-Wallace would like SEHP to model the following:

- Hold flat employee contributions for PY2021 and keep employer contribution the same – what is the impact?
- Can we remove third tier of deductible from Plan A
- Various options for deductibles
- Various Max Out-of-Pocket options

What other things do commissioners want to see:

- Commissioner Schmidt would like to remove third tier deductible from Plan A
- Commissioner Schmidt would like to hold flat employee contributions
- Commissioner Garcia supports the above
- Commissioner Young would like to remove third tier deductible from Plan A
- Commissioner Dechant would like to see various deductible options for Plan C – benchmark report showed it was significantly higher than all others
- Commissioner Dechant would like to look at a modest increase to employee contribution single coverage (1-2% increase) and a decrease or 0% increase to family tiers – employee contribution. He feels like the employee contribution to the family plans is still too high.
- Commissioner Young, Schmidt and Dechant would like to see a decrease in family contribution and hold steady the single plans.
- Commissioner Dechant would like Segal to explain to the commission on how any decreases to employee contributions could be made up by other areas of the plan.
- Commissioner Dechant would like to know if the employee coverage rate remains the same through the tiers (employee, employee+spouse, employee+children, employee+family) Does the employee contribution % remain the same throughout the options? Commissioner will follow up with Mike one to one.

Chair Burns-Wallace emphasized the importance of the impact to the plan in the long-term and making up for any decreases in one area with increases in another.

Models will be provided to commissioners within the next 10 days. If commissioners have other items to model, please get them to Mike Michael.

Commissioner Schmidt mentioned the extreme increases in Out-of-Pocket max throughout the history, noting significant increases a couple years ago.

Commissioner Schmidt will reach out to Mike Michael regarding the employer vs. employee contribution's in \$ amounts. Current charts have percentages.

9. State Employee Health Plan Executive Reorganization Order – HCC Chair verbal report

Chair DeAngela Burns-Wallace presented on the Governor's Executive Reorganization Order No. 45. The ERO relocates the SEHP and State Workers Compensation Self-Insurance Fund from KDHE to the Department of Administration.

The ERO was transmitted to the House of Representatives and the Senate on Thursday, January 30, 2020 and was printed in both journals on Thursday, January 30, 2020.

ERO No. 45 was referred to the House General Government Budget committee and the Senate Committee on Ways & Means. Under Senate rules, the committees had 30 calendar days, or until Sunday, March 1 to report its recommendations.

Both the House and Senate Committees reported a recommendation of approval.

The March 30 deadline passed making ERO No. 45 effective July 1, 2020.

10. HealthQuest Program – Metrics/Annual Report

Item deferred to June meeting.

11. New Employee Waiting Period

Mike Michael reviewed the current waiting period. (Please reference attached memo)

Questions:

Commissioner Schmidt strongly supports eliminating the waiting period.

Commissioner Dechant would like to move to a true 30-day waiting period immediately if it doesn't require a KAR change, then support a KAR change to eliminate the waiting period.

Chair Burns-Wallace requested an advance notice to make appropriate administrative/IT changes to systems and policies. July 1 could probably work.

John Yeary said it can take up to six months to change a reg.

Commissioner Schmidt made a motion to go to a true 30-day waiting period on or before July 1, 2020 while simultaneously working on a rule and reg change to eliminate the waiting period.

Commissioner Garcia declared a second.

Motion passed without opposition.

NEW BUSINESS

12. COVID-19 & SEHP

Mike Michael reviewed a memo originally issued on March 13 regarding SEHP response to COVID-19.

- COVID treatment and testing will be covered without a copayment from plan members
- Allowed 90-day Rx to be filled by waiver.
- SEHP partners (Aetna and BCBS) have waived member cost share for telehealth appointments.

There is a request currently with the Governor to extend these items for another 30 days.

Chair Burns Wallace asked for any other new items:

Mike Michael will follow up on the Health Quest Points implications. It has been asked if there will be plan adjustments to the requirements?

Primary care visits have been postponed, dental visits postponed, biometric screenings have been halted, etc.

Commissioner Schmidt would like to see something communicated to employees letting them know that the HCC is looking into the issue and will be adjusting accordingly.

Commissioner Dechant would like SEHP staff put together some suggestions as to how that program can be modified.

Mike Michael has also received questions regarding Dependent Care savings accounts.

Employees can make some adjustments to deductions due to COVID being a qualifying event. SEHP is currently developing an employee communication to let everyone know what their options are.

FUTURE MEETINGS

- **Week of June 8, 2020**
 - **Plans to meet in-person and apply any social distancing guidelines that may be in place at that time.**
 - **Commissioners are ok with Monday, June 8 as the next meeting date.**

ADJOURNMENT

Chair Burns-Wallace asked for any additional topics of discussion, with none raised, the meeting was adjourned at 4:52 pm.