

STATE OF KANSAS - STATE EMPLOYEES HEALTH CARE COMMISSION

AGENDA

April 27, 2021 – 1:00 PM

Please register for the HCC Meeting at:

<https://register.gotowebinar.com/register/8968850901577138192>

The Kansas - State Employees Health Care Commission (HCC) meeting was called to order on Tuesday, April 27, 2021 at 1:03 pm. The meeting was conducted in a hybrid model with commissioners and SEHP staff in person at the KPERS Board Room, in Topeka, KS with a virtual video broadcast available to the public using GoTo Webinar following publication to the State of Kansas's Public Square web portal and SEHP website.

The following members were present:

- Chair DeAngela Burns-Wallace
- Commissioner Steve Dechant
- Commissioner Jose Castillo
- Commissioner Vicki Schmidt

The following staff were present:

- Janet Stanek, SEHP Director
- Mike Michael, SEHP Deputy Director
- Paul Roberts, SEHP Sr. Manager
- John Yearly, DofA Chief Counsel
- Ken Vieira, Segal Consulting (virtually)
- Patrick Klein, Segal Consulting (virtually)
- Courtney Fitzgerald, SEHP
- Pete Nagurny, SEHP

Welcome and Introductions by Chair Burns-Wallace

Secretary Burns-Wallace welcomed the commissioners and those listening in. She reminded all commissioners to please identify themselves when speaking for those listening on the phone.

Secretary Burns-Wallace notified the Commission that the governor has appointed Dr. Vermelle Brown-Ghoston as the representative of the general public to the HCC. She is a dentist in Topeka and owns her own practice.

1. Approval of Minutes - Secretary Burns-Wallace

a. February 24, 2021 [Action Item]

- 1st Commissioner Schmidt
- 2nd Dechant
- Page 7 under LTC insurance... doesn't want to lose track of that for future sessions.
- All in favor, none against

b. March 1, 2021 [Action Item]

- 1st Commissioner Dechant
- 2nd Schmidt
- All in favor, none Against

- c. **March 10, 2021 [Action Item]**
 - 1st Commissioner Schmidt
 - 2nd Castillo
 - All in favor, none against

Old Business:

2. Follow-up Items from 02/24 Meeting *(Previously Reported to Commissioners via email)*

No questions or follow-ups from 02/24/21

3. COVID Vaccine Update – Secretary Burns-Wallace

Secretary Burns-Wallace provided an update on vaccine access. KDHE's website to locate locations and qualifications for vaccines. All employees are now able to get the vaccine should they wish. They have had access for at least 3 weeks now.

KDHE has also opened things up to employees and those in their households.

The way vaccines are administered now makes it difficult to track and incentivize from a wellness perspective.

Commissioner Dechant – Do we have any sense to the percent of employees that have received the vaccine?

Secretary Burns-Wallace - We can say that those that wanted them were able to get them. We have been sensitive to the privacy aspect, but we believe it to be above 50%

Commissioner Dechant – Mentioned people receiving the card as proof of vaccination but understands the legal and liability standpoint. Feels that it would be a good thing to incentivize.

Commissioner Schmidt – Noted that the SEHP currently incentivizes the flu shot.

Secretary Burns-Wallace – Once the vaccine receives full approval, not just emergency use authorization and starts being administered through locations using medical records claims systems, it will be much easier to incentivize the vaccine.

John Yeary, General Counsel – there are some EEOC requirements with wellness programs and requirements for things we are able to incentivize and things we aren't. They have not yet issued clarity or guidance toward this topic.

Commissioner Schmidt – Expressed her understanding that the information was going into the KDHE vaccine system.

Secretary Burns-Wallace – Noted that she is not sure about KDHE's records, but things aren't being tracked the same way as other vaccines at this point in terms of medical claims through insurers for us to be able to track and reward.

We are working with KDHE to ensure vaccines are continuously available, that they won't have a hard cutoff date.

Commissioner Dechant – Plans to raise this at every meeting. Would like us to dive into those concerns mentioned so we can make our own decisions.

4. COVID-19 Update – Paul Roberts, SEHP

Paul Roberts provided an update. See attached materials.

No Questions

5. Update - Rule and Regulation change – Janet Stanek, SEHP Director

Janet Stanek provided an update. See attached materials.

Commissioner Schmidt – Would like to clarify the timing. The HCC could call a special meeting to address this. Staff will need to be mindful of the publication date as R&Rs become effective 15 days following publication.

Secretary Burns-Wallace – Appreciates the team getting in front of things. The DofA legal team is working with SEHP staff so that we don't publish any changes prior to administrative procedure being confirmed and staff trained.

Commissioner Schmidt – Would like to attend the JCR&R committee meeting. **Please share the information with commissioners.**

Reports:

6. Employee Advisory Committee Report – Natalie Yoza, EAC President

Natalie Yoza provided an update on two items.

The next meeting of the EAC will be May 12. Aug 19 and Nov. 10 are also scheduled.

The EAC worked this year to update KSA 75-6502 that sets the membership of the HCC. They looked to open up the opportunity to serve to both classified and unclassified employees. Those changes were passed by legislature and signed into law last week by Gov. Kelly. There were additional changes, expanding the HCC from 5 to 7 members, adding 2 members of legislature, one from the House Appropriations committee and one from the Senate Ways & Means committee. An additional reporting element was also added regarding the reserve balance.

Hannah Rich, EAC VP joined the call to discuss the EAC survey subcommittee priorities. A subcommittee was formed and has met biweekly for the past couple months. The top items showing from the data to be the most impactful include: Out of Pocket Maximum, deductibles, and premiums.

She also noted challenges with increasing health care costs and no corresponding cost of living increases for employees in 2020 or 2021. It adds burdens to employees.

The subcommittee will continue to meet biweekly to discuss any additional elements that can be addressed through communications or programmatic implementation rather than plan design.

Commissioner Burns-Wallace – thanked Hannah and Natalie. Mentioned the HCC’s public modeling session on May 21.

Commissioner Schmidt – Noted that with the OOP max, the high OOP amounts create more anxiety for employees, even though a small amount of members actually hit that figure annually.

Hannah – Correct. The high numbers just create artificial anxiety knowing that they can’t afford that amount should something happen. The EAC recognizes that this could be an adjustment with positive perception that may be less financially impactful.

Janet Stanek – Yes, we are looking into this and have done analysis as to how many members actually hit this amount.

Commissioner Dechant – Any changes in one element cause changes to others.

Natalie Yoza – EAC has looked to approach things different this year and provide feedback to the HCC so that commissioners can take those into consideration as the modeling takes place.

7. Marathon Health Presentation

Secretary Burns-Wallace - Marathon Health is our implementation partner for the employee clinic. Jeff Wells MD, CEO is with us today.

Jeff Wells MD, Marathon CEO – Provided information on his background. He noted that Kansas is important to Marathon Health with 40 employees in the state, 8 at the HQ Health Center in Topeka.

From a member point of view, there are three differentiators – 1. Convenient access to care; 2. Building trusted relationships with healthcare team; 3. Affordability

Partnership began May of 2019. We saw a good growth with an impact from COVID. Would like to focus on the future and how to drive engagement for those most vulnerable in our system, especially those lacking a primary healthcare home.

Commissioner Schmidt – Has a number of questions. It has been difficult to get information.

Curious to the number of unique patients?
Why is Marathon just now talking about telehealth?

Janet Stanek – Marathon Health has been operating telehealth appointments throughout the COVID timeframe. The expansion we discussed was to market telehealth appointments to employees statewide, not just the live/work within 30 miles as was originally established.

Dr. Wells – the team shifted in March of 2020 to conduct much more business virtually. Looked to increase engagement for the investment.

Commissioner Schmidt – want to clarify who is eligible to use the clinic.

Janet Stanek – Any employee on the SEHP can use the clinic. We just only promote/market to those that live/work within 30 miles. We have a process in place to verify coverage.

Commissioner Schmidt – This is the first time she has heard this information.

Secretary Burns-Wallace – as we look at how the agreement was created, we need to recognize that this may not match up to what we want it to be or use it as today. We have no records of anyone ever being turned away for service. When this was designed, there was nothing designed to take into account all employees statewide. This is the learning we are getting today... that things are maybe too narrow to how we want to use it today.

Janet Stanek – this was originally created as a pilot program and we began to discuss how things are to be moving forward.

Commissioner Schmidt – no member of this commission except for Mr. Dechant were around and none of us at the table now were a part of the RFP process to this clinic. Indicates the importance of the HCC's involvement in crafting RFPs.

Dr. Wells – is eager to partner and build out the things being discussed today. Noted that they welcome some of these things and are actively looking to expand the reach and availability of the service.

Commissioner Schmidt – 55% of appointments are indicated as same day. Feels that that number is low and would like to see that number higher. Hoped that this facility could reduce absenteeism with employees.

Dr. Wells – to clarify, when we surveyed members, 93% responded they were able to make the appointment in 2 days (today or tomorrow). There may be other things that impact this figure. Not everyone wants to be seen today, many want to schedule a physical or a quarterly test.

Commissioner Dechant – could you discuss engaged members?

Dr. Wells – we analyze the total claims cost of members over time and look at data of who falls into a higher risk category like diagnosis or medications. Those total costs are tracked year over year and cross reference this data with those actually using the Marathon Center and look at the total costs. Those that engage with the center have 14% lower costs on a per member per month basis than those that haven't used the center. To date, the sample size is small and would need a larger sample over a longer timeframe to rule out any anomalies. There is also a lag with the time claims come in following the time a service is rendered. It may be premature, but it is a positive indicator.

Commissioner Dechant – What are the metrics that we are holding Marathon to achieving?

Janet Stanek – We have a list of performance guarantees that are contractual. Volumes are included as well as clinical measures, ER visit avoidance, hospital admission avoidance and patient satisfaction. Due to claims data lag, PGs are reviewed in a lag and reconciled annually. **We can share with the commission.**

Commissioner Dechant - What was a \$200k claw back regarding?

Holly – Outcomes, patient satisfaction, volumes, staffing, etc. The last annual review was August 2020. The team does give quarterly updates.

Commissioner Dechant – Encounter volume study – might you have March figures?

Janet Stanek – Reports were emailed on Friday

Commissioner Dechant – Can you talk about the efforts done to advertise the facility?

Holly – New members get a packet in the mail, team previously met with HRS in person. Previously attended the state employees' farmers market on Wednesdays (pre COVID). We also do email communications, including newsletters, engagement campaign. Direct outreach phone calls. Recently rolled out a member first email campaign to those that are eligible to use the health center, but you haven't used it yet. Staff also did onsite blood pressure screenings as well as other onsite educational programs.

Janet Stanek – They have also been important to assisting KDHE with COVID testing as well as the wellness program with biometric screenings.

Commissioner Dechant – sounds comprehensive. Realized that he may not have the same information as he is a retiree and not an active employee

Would like to address the return-on-investment conversation. He shares the concern with the number of patients seen per day and per dollar spent. There's a value from the wellness aspect and there still must be some numbers or a way to quantify why things are so low.

Janet Stanek – ROI isn't just numbers. We will need to define what the ROI is that we want to see.

Commissioner Dechant – is not eligible to use the clinic as he is on Medicare supplement. Would like the group to think about this and make a conscious decision by the commission.

Commissioner Schmidt – **Can we better understand how our system is defining N (number of unique patients)**

Janet Stanek – we will provide that to the commission.

Commissioner Schmidt – Shocked to get to the KPERS weight loss program as she doesn't like the Naturally Slim program. Would love to have a program at the Commission of Insurance. Are those options available and why are they not discussed?

Dr. Wells – The benefit of Marathon is their efforts to be accountable. There are areas where they have capacity and would like to expand upon those areas where COVID has impacted and hindered their ability to do the outreach like those programs.

Secretary Burns-Wallace – If anyone has other follow-up questions or would like to know more, please share those with Janet and team. This is a continuing conversation.

8. Financial Report - Segal Consulting

Patrick Klein and Ken Vieira presented the quarterly report. See attached materials.

Commissioner Schmidt – What is Holmes-Murphy?

Segal – Naturally Slim

Provide pharmacy actuals for 2018-2020 calendar year. Share audit report with commission and reconcile numbers. Provide summary of what the audit report is.

Janet Stanek - The audits are part of the SEHP's regularly scheduled audit process through the various benefit programs. These are done annually. Due to a change in staffing, there was a publication delay of the Rx audit for 2018 and 2019.

Commissioner Schmidt – This is the first she has heard of the audits.

Mike Michael – historically, the SEHP provides a summary of the findings and notified when any funds are received by the plan as a result of the audit. The 2018-2019 audit was just completed March 26.

Secretary Burns-Wallace – As we have determined from previous efforts, this commission is a bit more detailed. This is a new day and we can determine what information comes to the HCC and in what form. At times, we are inundated with information and data.

Commissioner Dechant – Would like a summary of audits, wouldn't care to see the audit in it's entirety unless there are significant findings. Not sure where the line needs to be between the amount of information and work of the board vs reliance upon staff. Prefers to rely on staff for accurate summaries and experienced in the field to draw attention to particular items of note.

Commissioner Schmidt – This board has a fiduciary responsibility, and she takes it seriously. This audit for 2018 would have been helpful prior to the contract award in 2019.

Staff to provide an update of annual audits and will provide audit copies and summaries to HCC.

9. SEHP Director Report – Janet Stanek, SEHP Director

Janet provided an update, see attached materials.

New Business:

10. Contract Recommendations – Janet Stanek, SEHP

a. COBRA [Action Item]

Janet Stanek provided a review of the process and recommendation. See attached materials.

Commissioner Dechant moved to follow staff recommendation and award ITedium the 3-year contract for COBRA administration beginning January 1, 2022.

Commissioner Castillo declared a second.

All in favor, none against

b. Dental Benefits [Action Item]

Janet Stanek provided a review of the process and recommendation. See attached materials.

Commissioner Castillo moved to accept staff recommendation to award Delta Dental the 3-year contract for Dental benefits administration beginning January 1, 2022.

Commissioner Dechant declared a second.

All in favor, none against.

11. Plan Year 2022 Design Priorities – Secretary Burns-Wallace

Secretary Burns-Wallace - Noted her desire for this annual process to be transparent. The Commission will take this opportunity in a public meeting to discuss the HCC priorities as the commission enters into the plan design process. This conversation will be started today and carry over to the May 21 meeting.

Secretary Burns-Wallace – affordability is really a key focus for the HCC and would like to take into account the EAC's voice regarding the affordability of the plans, including out of pocket maximum, deductibles and premiums. As she mentioned, eliminating drastic changes from year to year. What does affordability mean to our plan or do to address the anxiety employees feel due to the potential.

Commissioner Dechant – wellness emphasis should continue. It may happen in a different way but would like to eliminate any rollercoaster impacts to employees from year to year. Do we want to continue to subsidize the various plans differently or should each plan pay their own weight?

Commissioner Schmidt – did visit with some employees on HSA plans and the concept of moving from Plan A to Plan C. They mentioned that the HSA contributions use to be much larger. Would like to see the history of what the HSA contribution history has been for the SEHP. At what point in history did the plan cap the amount

of dollars one can earn through HealthQuest? Tends to focus more on the cost of Plan A than Plan C. Recognized that the employee cost of living increase of 2.5% that was proposed was held over to omnibus. We need to be aware of that element as we go through the process.

When seeing the language in 2218, she is concerned that the new language of the reserve balance will impact this process. What does that look like and what does the plan actually need to do?

Janet Stanek – We can go through the exercise and see what that would look like as we go through the design exercise.

Commissioner Schmidt – We have had issues in the past coming to agreement on a contract by deadlines. With legislators coming on board by July 1, would it behoove us to wait for them to come on board to make plan design decisions?

Secretary Burns-Wallace – We plan to hold the June meeting as scheduled.

Doesn't feel that there is any leaning to favor membership in one plan over another. She feels it is important we have robust offerings and ensuring each plan type be robust in their offerings. We can take each plan individually and not have to make blanket adjustments to all plans equally. Likes the idea of maximizing the variety and each as strong in its space as it can be.

Commissioner Dechant – Personally, didn't explore all of the advantages of Plan C until someone pointed them out. From a wellness standpoint, if someone is responsible for more costs up front, they are more likely to follow the preventive health recommendations. Plan C encourages those healthy behaviors. Would like to continue encouragement toward that plan so members become better stewards of their health care decisions.

Secretary Burns-Wallace – How do we continue to make the resources and communications available and clear and help state employees make the right decisions for them. Continue to put an emphasis on ensuring our employees are informed and using new and better ways.

12. New Plan Design Program Options for Plan Year 2022

- a. Diabetes Management Program
- b. Heart Health Program
- c. Smoking Cessation Program
- d. Air Ambulance Coverage (voluntary benefit)

Janet Stanek presented various options for exploration. See attached materials.

Paul Roberts - Diabetes management programs include the removal of cost barriers to disease treatment/management. The second part is a proactive and voluntary program with extra benefits/enhancements built in and incentivize those activities. It would also include measurement and reporting on the program ROI.

Commissioner Schmidt – likes the idea of this type of program, especially the monitoring and measurement of the program.

Commissioner Dechant – The diabetes management program seems like a no-brainer, but he restated his support of wellness and management programs. Would we want to do them all at once? Would we be able to measure the true impact since they are all interconnected? Maybe start with diabetes program, check measurements and then look to roll out a secondary program.

Commissioner Schmidt – Would like to look into them further, especially the diabetes management program. Until we know the cost, she would support looking into the diabetes management program further.

Secretary Burns-Wallace – would like to encourage staff to aggressively pursue next steps and RFP a diabetes management program and continue to research the heart health and smoking cessation options.

Commissioner Schmidt – is curious to the smoking cessation options as there are differences under Kansas Medicaid. Is there unlimited tries currently? What does our plan say about the number of tries for smoking cessation? What drugs are available now vs over the counter?

Paul Roberts – nearly all smoking cessation drugs are currently covered by the plan at 100% as required by the ACA. We currently allow up to 3 tries per year.

Janet Stanek – Staff will provide a summary of what is currently offered regarding smoking cessation.

Commissioner Schmidt – is a hard no on air ambulance coverage. The coverage is too specific regarding something you have no control over at the time of the service. The no surprise billing act should impact this type of cost dramatically moving forward.

Secretary Burns-Wallace – can staff provide a summary regarding the no surprise billing act?

Meeting adjourned at 5:10pm.

Appendix:

- a. Plan Year 2021 Contract Expense Projections
- b. Contract Report for Contracts Ending December 31, 2021
- c. Marathon Invoices
- d. RFP Reference Checks (COBRA, Dental)