Kansas

State Employees Health Care Commission

August 23, 2021

Meeting Materials

STATE OF KANSAS - STATE EMPLOYEES HEALTH CARE COMMISSION

AGENDA

August 23, 2021 - 1:30 PM

KPERS Board Room, 611 S. Kansas Ave., Topeka, KS

Please register for the HCC Meeting at:
https://register.gotowebinar.com/register/1208769414733808143

Welcome and Introductions by Chair Burns-Wallace

1. **Approval of Minutes** - Secretary Burns-Wallace
   - **a.** June 18, 2021 **[Action Item]**
   - **b.** July 23, 2021 **[Action Item]**

Reports:

2. **Employee Advisory Committee Update** – Hannah Rich, EAC Vice President
3. **SEHP Director Report** – Janet Stanek, SEHP Director
4. **Finance Report** – Segal Consulting

New Business:

5. **Contract Recommendations** – Janet Stanek, SEHP
   - **a.** Medicare Advantage Contract Recommendation **[Action Item]**
   - **b.** Medicare Supplement Contract Recommendation **[Action Item]**
   - **c.** Actuarial Contract Recommendation **[Action Item]**
   - **d.** Health Center Recommendation—Marathon Health **[Action Item]**

Old Business:

6. **Follow-up Items from 7/23/21 Meeting** *(Previously Reported to Commissioners via email)*
7. **Bid Protest Status** – Secretary Burns-Wallace
8. **Procurement Process Discussion** – Secretary Burns-Wallace
9. **Upcoming Meetings**
   - **a.** Public Hearing on Proposed Rule & Regulation Change 9/9/21
   - **b.** Wellness Program Closed Strategy Meeting - Reschedule
   - **c.** October Meeting – Date TBD
     - i. HB 2218 discussion
10. **Adjournment**

Appendix:

- **a.** RFP Reference Checks
  - i. Actuarial Vendors
  - ii. Medicare Advantage Vendors
  - iii. Medicare Supplemental Vendors
- **b.** Segal follow-up from 07/23 meeting
- **c.** Marathon Health Letter

Agenda Item #1

STATE OF KANSAS - STATE EMPLOYEES HEALTH CARE COMMISSION

MEETING MINUTES - DRAFT

JUNE 18, 2021, 12:30 PM

KPERS Board Room: 611 S. Kansas Ave., Topeka, KS 66603
Please register for the HCC Meeting at: https://register.gotowebinar.com/register/547718832957115150

The Kansas - State Employees Health Care Commission (HCC) meeting was called to order on Friday, June 18, 2021 at 12:33 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
- Dr. Vermelle Brown-Ghoston

The following staff were present:

- Janet Stanek, SEHP Director
- Mike Michael, SEHP Deputy Director
- John Yeary, Department of Administration Chief Counsel
- Patrick Klein, Segal Consulting (virtually)
- Courtney Fitzgerald, SEHP
- Pete Nagurny, SEHP

Welcome & Introductions – Secretary 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 of the additional board members that will be joining the group as of July 1 as part of the HB 2218 passage: Senator Carolyn McGinn and Representative Brenda Landwehr.

1. **Approval of Minutes - Secretary Burns-Wallace**
    a. April 27, 2021 **[Action Item]**

    Commissioner Steve Dechant made a motion for approval.

    Commissioner Jose Castillo declared a second.

    All in favor, none against. Motion Passed.

    b. May 21, 2021 **[Action Item]**

Commissioner Steve Dechant made a motion for approval.

Commissioner Dr. Brown-Ghoston declared a second.

All in favor, none against. Motion Passed.

Reports:

2. Financial Report - Segal Consulting

Patrick Klein from Segal Consulting presented the Financial Report. See attachment.

Discussion:

Commissioner Schmidt - Can you clarify the difference between the reserve balance actual on page 1 vs the projected reserve balance? It looks like we will have a significantly higher balance than the projection.

Patrick Klein – It is in-part due to the seasonal fluctuation of claims.

Commissioner Schmidt – On page 5, employees are on the calendar year, where the employer's budget cycle is on the fiscal year (July 1-June 30).

Patrick Klein – all reports provided are in Plan Year which is equal to calendar year.

Secretary Burns-Wallace – we always look at things in terms of the plan/calendar year and coordinate appropriately with the Division of the Budget so they can adjust accordingly and accommodate when variations occur.

New Business:

3. Plan Year 2022 Design [Action Item] – Secretary Burns-Wallace

Secretary Burns-Wallace thanked commissioners for their input and participation throughout the preparation process and the previous modeling meeting in May. Would like to start things off with the following scenario based on feedback from the EAC, commissioner interests and research over this past year: reduce copay plan A from $40 to $30, reduce OOP for all plans, reduce coinsurance on preferred drugs in Rxplan on all plans. Looking at 4.3% ER and EE 2.5%, EE+ Children 2.5%, EE+ SP 1.5%, EE+ Fam 1.5%. This reduces the ending balance from current projections but maintains proximity to the target reserve recommendations.

Commissioner Schmidt – feels that she can't proceed until the commission has a consensus of what the target reserve should be. There is a $12 million difference between the current target reserve percentage of 13% and the 10% referenced the HB2218 language.

Department of Administration Legal Counsel John Yeary read the language of HB2218.

Commissioner Schmidt – understands that the language is just a report but feels there is legislative intent and suggested the commission should wait to make any decisions until the two new members are part of the commission as of July 1. Is not

going to support a plan where our state employees are going to take home less money in light of the lack of cost-of-living increases and rising inflation.

Commissioner Dechant – Would like for commissioners to consider the consequences of lowering the reserves too much as we push the need for increases required to maintain plan solvency into the future.

Commissioner Schmidt – would like to remember that a year ago we modeled a 5.5% increase, which we didn't do, and our ending balance still increased.

Secretary Burns-Wallace – The model shows us how we can use the reserve balance to smooth things over the years instead of trying to make corrections in a single year.

Commissioner Schmidt – Looking back at the proposed changes on the table it is important to look at the employee and the employer contribution. For every 1% of employer contribution increase, it costs the state approximately $3 million. The recommendation is to increase the state contribution to the plan.

Secretary Burns-Wallace – when we look at the history of the plan, the HCC has pushed more in for the state, and we may have room for that this year, but she would like to see that the state contribution increase is higher than any change to the employee contribution. This initial model has a higher employer increase and takes into account the EAC's recognition of small increases over time instead of drastic fluctuations as have happened in the past.

Commissioner Schmidt – Recommended model: Reduce out of pocket maximum for Plan A and C, decrease employee contributions by 2%, increase empoyer contributions by 3%.

Secretary Burns-Wallace – this shows us how we could dip into our reserve balance. The projection shows an operational loss.

Commissioner Dechant – We don't want to discount the impact of COVID. We can't look at the future and think that things will continue to as they did this year. Commissioner Dechant expressed that we are still too close to COVID impacts to make a balance reduction this aggressive.

Secretary Burns-Wallace – Would like to add the following: copay decrease for Plan A

Commissioner Dechant – Would like to see the employee % at 0 instead of -2%.

Dr. Brown-Ghoston – Would like to see the Plan A deductible reduced in addition.

Commissioner Dechant – Would like to still express concern about dipping into the reserves and kicking the higher % increase down the road. Doesn't want to come to a point where we have to either decrease benefits or have an increase to employee and employer contributions.

Commissioner Schmidt – From 2016-2018 the state raised costs 102%. Would like to decrease employee + spouse by 2% and employee + family tiers by 2%.

Commissioner Schmidt – Made a motion for the following changes:

- ***increase employer contribution by 5%***
- ***keep employee only contribution flat***
- ***decrease employee + spouse by 2%***
- ***leave employee + children flat***
- ***decrease employee + family contribution by 2%***
- ***decrease the non-Medicare retiree + spouse by 2%***
- ***decrease the non-Medicare retiree + family by 2%***
- ***leave the non-Medicare retiree and non-Medicare retiree + children flat***
- ***Plan A***
  - ***reduce deductible to $900/$1,800***
  - ***reduce primary copay from $40-$30***
  - ***reduce out of pocket maximum to $5,250 single and $10,500 family***
  - ***reduce coinsurance on preferred drugs from 40% to 35%***
  - ***reduce the coinsurance on non-preferred brand drugs from 65% to 60%***
- ***Plan C***
  - ***decrease out of pocket maximum to $4,500/$9,000***
  - ***reduce coinsurance on preferred drugs from 40% to 35%***
  - ***reduce the coinsurance on non-preferred brand drugs from 65% to 60%***
- ***Plan J***
  - ***reduce coinsurance on preferred drugs from 40% to 35%***
  - ***reduce the coinsurance on non-preferred brand drugs from 65% to 60%***
- ***Plan N***
  - ***reduce coinsurance on preferred drugs from 40% to 35%***
  - ***reduce the coinsurance on non-preferred brand drugs from 65% to 60%***
- ***Eliminate Plan Q.***

Dr. Brown-Ghoston declared a second.

Discussion:

Commissioner Dechant – expressed his discomfort with the future % increases that will be required across the out years to maintain plan solvency.

Secretary Burns-Wallace – As we continue, would like the commission to begin working toward a smoothing of rates. Initial feeling would like to leave employee tier flat but could work with the current recommendation.

Commissioner Dechant – reflecting on the past when the commission had to make the 16% increase on employee rates: It was difficult and over the past couple years our decisions to help right the boat brings apprehension and doesn't feel that we have a well thought out future goals and guidepost for where we are going. Would like to have an affirmed proactive plan for the future of the SEHP. Feelsthat we are knee-jerking in some cases

Dr. Brown-Ghoston – It is a valid point that the commission should know the end goal. Likes the goal of reducing economic impact of state families and developing a plan moving forward.

Secretary Burns-Wallace – her goal is to get better every year. Feels that the commission is better informed than a year past but there is more work as we move forward.

Vote:

- ***Castillo, yes***
- ***Schmidt, yes***
- ***Brown-Ghoston, yes***
- ***Dechant, yes***
- ***Burns-Wallace, yes***

Motion passed.

4. Contract Recommendations – Janet Stanek, SEHP

a. Vision **[Action Item]**

Janet Stanek presented the Vision contract recommendation for approval. See attachments.

Discussion:

Commissioner Schmidt inquired if there had been any discussion with the Kansas Optometric Association. Ms. Stanek noted that she had met with the Executive Director to answer questions about how the RFP process works.

Steve Dechant made a motion to approve a 3-year contract for Vision services to Avesis as recommended by staff.

Commissioner Castillo declared a second.

Vote:

- ***Castillo – Yes***
- ***Burns-Wallace – Yes***
- ***Brown-Ghoston – Yes***
- ***Dechant – Yes***
- ***Schmidt – No, see explanation below.***

Commissioner Schmidt Explanation – "I vote no on the motion to award the vision contract. Each year, the SEHP expends nearly $500,000 on medical claims, contractors, and other expenses of the plan. As members of the HCC, we have a duty to ensure that the members of the plan receive good value for the tremendous amounts of tax dollars and employee contributions that are contributed toward their health care. Good value is not always the lowest price. Instead, many factors should guide our selections of vendors. We should consider such things as cost, access to providers, quality of care, and the benefits that are actually

offered to the plan members, their spouses, and dependents. To ensure we select the plan that is in the best interest of the plan, the commissioners should have input into the choice of benefit design and should be afforded the opportunity to ask bidders questions of their proposals. By statute, the HCC is exempt from some of the state's procurement statutes and the process used by the Department of Administration. The HCC has the authority and the ability to set its procurement process in such a way that the issues I've outlined are addressed. I look forward to that day. But because the process of awarding this contract was flawed, I vote no."

Motion passed.

b. **HRA/HSA [Action Item]**

Janet Stanek presented the HRA/HSA contract recommendation for approval. See attachments.

Steve Dechant made a motion to award the 3-year HRA/HSA contract to MetLife as recommended by staff.

Commissioner Castillo made a second.

Commissioner Schmidt – is not familiar with the practice of giving preferential treatment given to KS companies over out of state companies. Is there a standard?

Secretary Burns-Wallace – no, there is no standard, but it can be an element that is taken into consideration.

Vote:

- ***Castillo – Yes***
- ***Dechant – Yes***
- ***Brown-Ghoston – Yes***
- ***Burns-Wallace***
- ***Schmidt – No, see explanation***

Commissioner Schmidt explanation: "I vote no on the motion to award the HRA/HSA contract. Each year, the SEHP expends nearly $500,000 on medical claims, contractors, and other expenses of the plan. As members of the HCC, we have a duty to ensure that the members of the plan receive good value for the tremendous amounts of tax dollars and employee contributions that are contributed toward their health care. Good value is not always the lowest price. Instead, many factors should guide our selections of vendors. We should consider such things as cost, access to providers, quality of care, and the benefits that are actually offered to the plan members, their spouses, and dependents. To ensure we select the plan that is in the best interest of the plan, the commissioners should have input into the choice of benefit design and should be afforded the opportunity to ask bidders questions of their proposals. By statute, the HCC is exempt from some of the state's procurement statutes and the process used by the Department of Administration. The HCC has the authority and the ability to set its

procurement process in such a way that the issues I've outlined are addressed. I look forward to that day. But because the process of awarding this contract was flawed, I vote no."

Motion Passed.

5. **COVID-19 Vaccine Incentive, HealthQuest Credits [Action Item]**
   Janet Stanek provided a recommendation regarding an incentive for the COVID-19 vaccine incentive. See attachment.

   Commissioner Schmidt made a motion to approve the HealthQuest COVID-19 vaccine incentive as recommended.

   Commissioner Dechant made a second.

   Commissioner Dechant would like to propose an amendment to the motion for 6 credits instead of 3 as recommended due to the significance the vaccine has on the state and/or country.

   Vote on amendment – 3 No, 2 Yes amendment fails.

   Vote on original motion: All in favor, none against.

   Motion Passed.

6. **Procurement Process & Statutes**

Secretary Burns-Wallace reviewed the current procurement statutes (see attached). The HCC does have an available exemption from the required state process. Currently, the HCC follows closely to the required state process and only varies slightly by leveraging outside expertise and hosting the majority of the RFP process with internal staff rather than procurement staff; however, they work in partnership.

There is one element that is in statute that we may want to consider would be theability to have a closed meeting for the purpose of negotiations or contracts.

Commissioner Schmidt – appreciates the opportunity to address the HCC procurement process.

No opportunity to ask questions of bidders
Does not see RFP when it is sent to bid, only allowed to offer comments/edits prior to publication.

Requests that the procurement process be outlined and allow the HCC to hold a vote of affirmation of that process.

Secretary Burns-Wallace – thinks that it is a good recommendation to formalize and document the process as well as use this to educate our new members that are coming onto the commission.

Commissioner Dechant – Believes that the commission needs to have a level of reliance upon staff to be the experts and conduct the legwork regarding the research required. Also believes that the process protects the commissioners from any view of improper conduct. Also feels that the closer that we stay to the state process provides a level of liability protection.

Commissioner Schmidt – believes the fiduciary responsibility lies with the HCC, not the staff. Believes that commissioners should be able to ask questions of bidders prior to staff recommendations. Believes that commissioners should get to review the final RFP prior to publication. Believes her staff should be able to review and offer commentary.

Commissioner Dechant – accepts the fiduciary responsibility as a commissioner but expects that staff takes that responsibility seriously as well when they bring those recommendations to the commission. Agrees it would be good to formally outline and affirm the process.

7. Microsoft Teams Demo

Courtney Fitzgerald provided a quick tutorial of Teams, what would be available to commissioners and how they can log in. Secretary Burns-Wallace discussed posting various HCC-related documents for easier access by the Commissioners. See attachment.

8. Other Business

Secretary Burns-Wallace – the HCC will need to schedule a deep dive meeting regarding the wellness program. We will also need to award an actuarial contract prior to September as well. We may also want to look at the frequency and length of these meetings.

Commissioner Schmidt – We will also need to address the Marathon contract.

Schedule a July meeting.

Commissioner Dechant – would like to come back to the HB2218 language to have a board agreement or understanding of the implication

Secretary Burns-Wallace – we will look to add that to the September meeting.

Old Business:

9. Follow-up Items from 05/21 Meeting *(Previously Reported to Commissioners via email)*

Commissioner Schmidt – would like to clarify what type of agreement goes on between the vendor and SEHP in regard to the amount of money that is owed (i.e. negotiation etc.). Would like to know the amount of money the auditors said was due on the PBM audit and what the actual amount agreed to was.

Janet Stanek – There's a lot of work that takes place between the time the audit report is received and when the formal payment agreement is received and noted she did not have the audit report in front of her.

Secretary Burns-Wallace – please provide a comparison from the audit report and the actual payment agreement.

10. Rule and Regulation Change Update – Janet Stanek, SEHP Director

Department of Administration Counsel John Yeary – provided an explanation as to why the public hearing originally scheduled for June 17 to be moved. Under KOMA, even if a meeting has an alternative media component, there is a designated location where the public can come if they choose to do so, inorder to listen and/or participate in the public meeting/hearing.

With the Emergency Order and the AG's temporary regulations in place, the requirement to have a designated location for the public to come was not needed as long as other means were made available to the public for their participation.

When this Notice of Public Hearing was submitted in March 2021 to have the 60-day notice advertised in the Kansas Register as required by statute, the meeting was scheduled to be done totally via Zoom. A public location was not needed and was not designated. At the time of advertising, there was no indication the Emergency Order and temporary regulations would end prior to the date set for the public hearing.

However, the Emergency Order expired June 15, 2021. The AG's comments on June 15th indicated the temporary regulations promulgated by the AG for KOMA due to the Emergency Order would no longer be in operation. This created the question of the need for a location for the public to come and participate.

KSA 77-421 (a) (1) (E) indicates a location would need to be set forth in the 60-day notice, when establishing a public hearing for the proposed regulations. Individuals are to be given an opportunity to present their views on the proposed regulations under the process. We could not at this late date designate a location for the public as it needed to be in the 60-day notice advertised in the Kansas Register back on April 8, 2021.

11. Adjournment – 3:51 pm

STATE OF KANSAS - STATE EMPLOYEES HEALTH CARE COMMISSION

MEETING MINUTES - DRAFT

JULY 23, 2021, 1:30 PM

The Kansas - State Employees Health Care Commission (HCC) meeting was called to order on Friday, July 23, 2021, at 1:33 pm. The meeting was conducted in a hybrid offering both an in person location at the Landon State Office Building, Room 509, in Topeka, KS and a virtual web 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 commission members were present:

- Chair DeAngela Burns-Wallace
- Commissioner Jose Castillo
- Commissioner Vicki Schmidt
- Commissioner Brenda Landwehr
- Commissioner Carolyn McGinn

The following members were absent:

- Commissioner Steve Dechant
- Representative of the Public, seat currently vacant

The following staff were present:

- Janet Stanek, SEHP Director
- Mike Michael, SEHP Deputy Director
- Paul Roberts, SEHP
- Tanner Asbury, Department of Administration Legal Counsel
- Patrick Klein, Segal Consulting (virtual)
- Ken Vieira, Segal Consulting (virtual)
- Courtney Fitzgerald, SEHP
- Pete Nagurny, SEHP
- Jennifer Flory, SEHP
- Laurie Knowlton, SEHP

Welcome and Introductions by Chair Burns-Wallace

Chair Burns-Wallace welcomed the commission and called the meeting to order. She also notified the commission that Commissioner Brown-Ghoston has resigned her position as she is moving out of state. She also welcomed two new members to the HCC: Senator Carolyn McGinn and Representative Brenda Landwehr.

Commissioner Landwehr introduced herself to the group.

Commissioner McGinn introduced herself to the group.

Commissioner Schmidt requested for the chair to continue streaming the meetings and look into streaming video of the meetings as well.

SEHP staff will work with KPERS staff to see what is possible.

1. **Approval of Minutes** - Secretary Burns-Wallace
    a. June 18, 2021 **[Action Item]**

Commissioner Schmidt expressed concern regarding the content of the minutes and requested that additional people review and edit minutes prior to the meetings.

Commissioner Schmidt made a motion to approve the minutes as redlined.

Commissioner Castillo declared a second.

Commissioner Schmidt withdrew her motion to allow the commission additional time to review the edits.

Commissioner Castillo withdrew his second.

The agenda item was carried over to the August 23 agenda.

Old Business:

2. **Follow-up Items from 6/18/21 Meeting** *(Previously Reported to Commissioners via email)*

No additional questions or comments regarding follow-ups.

Chair Burns-Wallace noted that Department of Administration Legal is working with the HCC to document the procurement process that will be sent to commissioners in advance of the next meeting.

Commissioner Schmidt inquired as to a document she received regarding a protest to a contract awarded by the HCC. She expressed disappointment as to why a copy of the documents weren't shared with the commissioners.

Chair Burns-Wallace noted that SEHP and Department of Administration legal counsel are following the state's process for a bid protest.

Commissioner Schmidt requested that the Commission be notified when things like this protest, lawsuits, etc. come up, and be informed about what action(s) are being taken in response.

> Janet Stanek requested clarification on the requested process as staff are currently working with legal counsel and gathering information on the recent bid protest so that they can determine the impact to the SEHP and HCC and provide a more comprehensive response.

Chair Burns-Wallace noted that the legal team is also including the current bid protest process in the draft procurement process document for the commission's review in the coming weeks.

Reports:

3. **SEHP Director Report** – Janet Stanek, SEHP Director

Janet Stanek gave an update on the activities of the SEHP which can be found in the attached document.

Chair Burns-Wallace notified the commission of plans for the Public Hearing related to same day coverage scheduled for 09/09/21. She will be present with Janet Stanek. Commissioners are welcome to attend, but their attendance is not required. Commissioners may also attend virtually if they would like.

Commissioner Schmidt requested that SEHP share any public comments submitted with the commissioners prior to the hearing. She also inquired if there will still be a waiting period for qualifying events?

> Janet Stanek noted that the new regulation would not impact the current timeframe for qualifying events and would only provide for benefit coverage on the employee's start date.

Chair Burns-Wallace noted that the commission could do something with the qualifying event timeline if they wished, but this would require a separate regulation and new process.

Chair Burns-Wallace noted that the HealthQuest Credits allocated to members for reporting their COVID vaccine is a great encouragement to continue with the vaccine.

Senator McGinn inquired as to what prevents the SEHP from requiring proof of vaccination?

> Chair Burns-Wallace explained that it is not that anything is preventing the SEHP as much as trying to continue encouraging the vaccine without creating barriers to the rewards. There are some providers that weren't providing the vaccine cards. If commissioners would like to add further requirements in the future, then that can be done as the current reward is only for 2021.

Commissioner Landwehr mentioned that some employers are not yet mandating the COVID vaccine due to the emergency use designation it currently has.

New Business:

4. **Contract Recommendations** – Janet Stanek, SEHP

    a. **Actuarial Contract Recommendation [Action Item]**

Janet Stanek presented a summary of the contract and staff's recommendation.

Commissioner Schmidt had a question as to the RFP dates on page 32. When were the Q&A submitted to bidders and returned to staff?

> Janet Stanek noted that she doesn't have the specific timeline today but could provide that information.

Commissioner Schmidt would like to know the people present at all of the meetings with the bidders and staff members involved.

> Janet Stanek requested the opportunity to look through records and provide an accurate list to commissioners.

Commissioner Schmidt inquired as to what type of legislative support is provided by Segal.

Janet Stanek provided examples of the legislative support provided by Segal, including the interpretation and guidance regarding federal regulations related to COVID and other new coverage requirements, and assisting in responding/reporting to the Kansas state legislature on PANS and PANDAS.

Commissioner Schmidt asked if the fees included in the presentation are the actual bids or a summary.

Janet Stanek said that the included figures are the actual bids along with estimates for special projects.

Commissioner Schmidt asked if the pricing was negotiated best and final or the original submissions.

Janet Stanek deferred to Jennifer Flory.

Jennifer Flory noted that the figures included best and final offers submitted by bidders following all meetings.

Commissioner Schmidt asked if costs for Segal are almost doubling from $22,000 to $41,000 per month and expressed concern that staff is recommending the highest bidder. She expressed her need to have additional information to award a contract, including a copy of the questions and answers submitted by bidders and information regarding any negotiation meetings that took place.

Chair Burns-Wallace noted that the commission and staff are currently working through the process of documenting and taking in commission feedback of the procurement process. It will be a discussion item at the August 23 meeting.

Commissioner Schmidt expressed concern that staff does not have the fiduciary responsibility that the commission has and that she does not have the information necessary to make a decision.

Commissioner Landwehr asked for clarification as to the legislative support and the mental health parity report mentioned in the presentation.

Janet Stanek explained that Seal provides context and industry expertise regarding federal laws and regulations, including explanations of what other entities are doing, what communications are required and what plans may be needed for implementation of new laws or regulations. The mental health parity report is something that will be required for 2022. It is not a requirement of the state legislature.

Commissioner Landwehr asked for clarification as to the special projects and if they are all stemming from state legislative requirements.

Janet Stanek clarified that the projects aren't just from state legislative requirements but also from requests made by the commission like the state health plan comparison that was requested by the HCC last year.

Commissioner McGinn requested additional information regarding the increase and what additional services would the plan receive for the higher cost.

> Janet Stanek noted that this is the first bid of this contract in six years, and that there is likely an inflationary factor. Items were included in the bid that were not itemized in the previous contract. Janet deferred to Jennifer Flory for more information.
>
> Jennifer Flory noted that RFP services, mental health parity, evaluation of the Marathon Clinic, a wellness program analysis, state/state comparison ongoing annual report, pharmacy bid contract evaluation and market check were all services that were added to this bid that would have been separately quoted by the vendor previously.

Commissioner McGinn noted that she is not familiar with staff and asked if Segal usually attends meetings.

> Chair Burns-Wallace noted that yes, prior to COVID, Segal reps attended meetings in-person. They are currently on the line virtually. She also expressed the positive changes she has seen in terms of responsiveness of Segal to the commission over the last year.

Commissioner McGinn asked if it is possible to submit questions and receive answers from staff within two weeks and vote at the next meeting.

Commissioner Schmidt noted that there are problems with the process of awarding contracts.

> Chair Burns-Wallace noted that the procurement process and the involvement of the commission is an item that the HCC has committed to addressing. She noted that commissioners could submit questions to Janet to follow up with the commission prior to August 23.

Commissioner Schmidt expressed concern that the questions may not be to bidders but rather to staff and that the commission doesn't have the ability for direct discussions. She also noted that that no one on HCC had an opportunity to be involved in the design of the RFP.

> Janet Stanek noted that commissioners had been provided the opportunity to review the RFP, including the questions that bidders would be required to answer prior to its publication. She noted that once bids are received, there are multiple meetings and back and forth that takes place between bidders and SEHP staff.

The item was tabled until the August 23 meeting.

b. Health Center Recommendation—Marathon Health [Action Item]

Janet Stanek reviewed the presentation and staff recommendation. She noted that this item was deferred from the 2/23/21 HCC meeting. See attached documentation.

Commissioner Landwehr inquired as to the funding source of the Health Center.

Janet Stanek clarified that the idea for the Health Center started as a legislative bill that died, turned into a proviso, and was ultimately assigned to the HCC to implement. The cost is funded entirely by the SEHP.

Commissioner Landwehr expressed concern regarding the initial promotion and the geographic restrictions that were placed on the outreach.

Chair Burns-Wallace noted that the current situation was started as a pilot program.

Commissioner McGinn expressed concern with the initial state goals vs what the current situation is. She noted that she was involved in the initial conversation on the legislative side of things and that the intent was to have a walk-in clinic.

Janet clarified the metrics regarding the metric that tracks the elapsed time between when a member calls and when their actual appointment takes place. Often times, Marathon can get members in the same day when they call but the patient requests to schedule for a different date. She also explained the constraints COVID placed on things as well Marathon requiring precautionary phone screening prior to a visit.

Commissioner McGinn asked if the plan could host a health fair while legislature is in session. She also mentioned that she would like to see the 30-mile communication guideline eliminated.

Commissioner Schmidt stated that she would like to see a third recommendation of eliminating the service entirely. She expressed concerns with the calculated cost in relation to the number of patients. She stated that the HCC would be better off allowing members to go to a walk-in clinic of their choice for the current cost of Marathon. She referenced the current set of performance guarantees, meeting 9 of 18 of them. She also expressed concerns regarding the two-month difference in the health center contract vs the space lease. She also requested information regarding the bullet point that stated the Secretary of Administration met with the legislative committee regarding why the initial bid fell out of IFB (invitation for bid).

Chair Burns-Wallace noted that she is in a different place regarding an onsite clinic. She stated that she believes the ROI and opportunity to expand communication and the services currently offered is still there. She stated that she would like to see what submissions come about in an RFP. She stated that she believes that an employee clinic is a strong benefit to state employees.

Chair Burns-Wallace noted that the clinic stemmed from needs of members and that she believes that holding an RFP provides an additional opportunity to ensure that the current needs match the services offered as things have changed significantly in four years. She noted that the heart of the issue has not gone away. She also expressed that the pilot program provided valuable information that will allow for an improved RFP.

Commissioner Landwehr would like to know what the contract cost is paying for, what is included in telehealth. She would also like to see current materials and if

the plan calls out the benefits of the health center. She requested the drop dead date for the commission to make a determination of the contract.

> Chair Burns-Wallace sated that if the commission holds a formal vote to eliminate the contract completely, then the SEHP would just allow the current contract to expire. If the HCC does want to maintain an onsite clinic, members would either have a gap in service or the HCC would need to extend Marathon's contract to allow for an RFP and a potential transition to take place.

Commissioner Landwehr requested that staff lay out the various scenarios with timeframe and expenses.

Commissioner McGinn inquired as to what happens if the HCC doesn't have a decision in terms of the facility lease and current clinical staff.

> Janet Stanek explained that the clinic would run the risk of current clinic staff leaving and causing a gap in service.

Technical difficulties occurred around 3:40 pm. The commission recessed, publishing a new link to all registered attendees, SEHP website and public square. Meeting resumed at 3:56 pm.

Commissioner Schmidt inquired if there is a copay for members using telehealth services through BCBSKS and Aetna.

> Paul Roberts explained that members of Plan A have a $10 fee and Plans C, J, N and Q fees start at $49. Should those same members use telehealth through the HealthQuest Health Center, Plan A members would pay nothing, and Plan C, J, N and Q members would only pay $40 until their deductible has been met, then they would pay nothing.

Commissioner Castillo stated that the current costs calculated on a per patient seen basis is not good but that the value to members is important. He would like to see a balance.

Commissioner McGinn asked if it is possible to see a list of what services are being provided? She would like to use that information to help better understand what services we should offer moving forward.

Commissioner Landwehr stated that now is the perfect opportunity for Marathon to step up and show what they can provide.

Commissioner Schmidt would like to hear what the EAC's opinion may be related to this issue.

Chair Burns-Wallace would like to ensure the topic is presented to the EAC as a comprehensive package, including the benefits as well as the cost, not just the costs.

Commissioner Schmidt would like to know how many unique patients are being treated for the behavioral health appointments and can it be specified as to what

is included in the behavioral health category. She would like to know if the Health Center refers out.

> Jennifer Flory noted that the Health Center refers out to appropriate clinical professionals when necessary, including referring to the EAP. Members are provided 8 sessions per issue free of charge through the EAP. The EAP also refers out to the Health Center.

Commissioner McGinn asked if a member could go every week to the counselor if they wanted?

> Jennifer Flory noted that Plan A members are allowed to do that with no costs, other plans have a $40 fee until their deductible has been met. The counselor would make any appropriate referrals should it be necessary.
>
> Janet Stanek noted that the services included are provided in Marathon's model and came from the negotiation of the original contract. If the HCC would want to provide different services, that could be done through a new RFP process.

Commissioner Landwehr noted that there are other service models out there and the current scope may not be enough. She thinks that there is a need and was involved in the initial concept and just thinks the current model has been shortchanged.

Commissioner McGinn clarified that she checked with Legislative Research and noted the referenced conversations between the Department of Administration Secretary and the Legislature happened in conference committee and predominately on the House side of things.

Commissioner Schmidt requested that the new commissioners be provided with all of the information regarding Health Center expenses like the cost of prescriptions and vaccinations.

Commissioner Landwehr noted that she would like to see all of the expenses and associated costs that the plan and the vendor are responsible for.

Senator McGinn would like to discuss options for how the HCC could make the cost equitable to members across the state.

The item was tabled until the August 23 meeting.

5. Other Business

a. Upcoming Meetings:

i. HCC Meeting 8/23/21
The commission requested that the meeting start time be moved to 1:30pm.

ii. Public Hearing on Proposed Rule & Regulation Change 9/9/21

iii. Wellness Program Closed Meeting 9/10/21

Commissioner Schmidt stated that she has been contacted regarding the plan's rule for bariatric surgery for those under 18. She would like the staff to research and present to the commission at the next meeting.

> Secretary Burns-Wallace noted that staff have already been researching this topic based on a similar inquiry.

Commissioner Schmidt noted that she has received concerns from members that their current eyecare providers aren't interested in contracting with Avēsis and requested an update of provider recruitment at the next meeting, particularly because of the performance guarantees tied to this aspect of their contract.

Commissioner Landwehr would like to be sure she receives meeting materials in advance of the meeting since she is new.

> Janet Stanek mentioned that all members will receive materials a minimum of a week in advance, most will be coming prior to that, including the procurement process as well as Marathon information.

6. Adjournment

The meeting adjourned at 4:37 pm.

Appendix:

a. RFP Reference Checks (Actuarial Vendors)

Note: Items highlighted in blue are items that request staff follow-up

Agenda Item #2

Agenda Item #3

Kansas
Department of Administration
State Employee Health Plan

SEHP Director Report

HCC Meeting

August 23, 2021

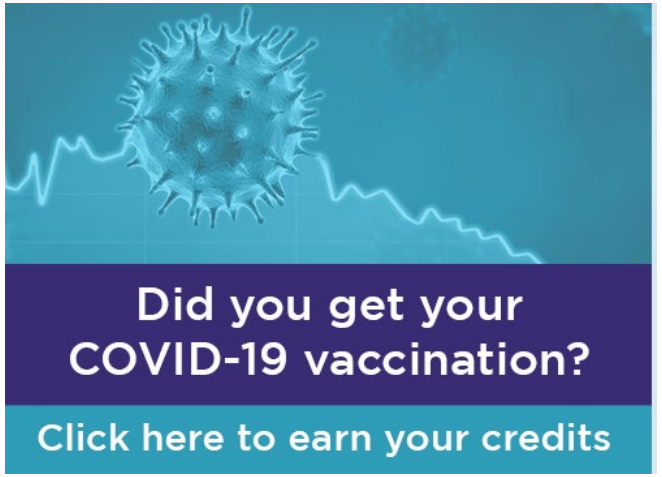
Key Activities

- New Commissioner Orientation
- Medicare Advantage and Medicare Supplemental Contract Negotiations
- Open Enrollment Materials & Meeting Schedule Development
- Wellness Program Research
- Customer Service:
  - SEHP/SSIF Website Redesign
  - Open Enrollment Guide Restructure (Collaboration with HR Leaders)
- KDHE/Marathon Collaboration
  - Flu Shot Clinics
  - COVID Vaccine Administration
- Audit Activity
- No Surprise Act Preparation

COVID Vaccine Incentive

HealthQuest Credits

- 10,664 members credited as of 8/13/21
  - 9,167 (37%) registered employees
  - 1,497 (33%) registered spouses



- Total HQ Membership = 28,357 (23,995 employees – 4,362 spouses)
- Total Employees & Spouses eligible for the HealthQuest program = 51,338
- Since June 18, there have been 310 newly activated HealthQuest members who have received their credits (259 employees; 51 spouses)

SEHP Audits In Progress

Aetna

- Reviewing audit findings with Sagebrush.

Delta Dental

- Initial report review underway.

Dependent Eligibility Verification

- Meeting with Sagebrush being scheduled to review their findings

CVS/Caremark

- Initial data dump from Caremark was received by Sagebrush. The onsite review of the manufacturer rebates agreements is scheduled.

BCBSKS

- Sagebrush is finishing up the first draft of their report.

Premium Reconciliation

- Anticipating draft report by early September

No Surprise Act

Effective 1/1/2022

Federal Legislation – Effective 1/1/22

- Establishes protections against surprise billing by out-of-network providers and requires that participant cost sharing for emergency services be limited to the amount they would pay if care had been rendered by a network provider.

Updates

- Various components of the SEHP Plan Document will need to be updated to meet the requirements of the bill.

Guidance

- The SEHP remains in close contact with Segal and our insurers on this matter and the changes that impact administration of the plan and member benefits.

Communications

- A communication plan for HR leaders and members will be developed.

Segal Market Check: *Pharmacy Benefit Manager*

Segal conducted a Mid Contract Market Check.

- Pricing Terms in the current contract are compared to pricing being offered to PBM contract bidders today. A pricing renegotiation is done based on findings.

2021 Savings

- From 9/1/21 - 12/31/22 (remainder of the contract) the SEHP will save $11.3 million, an increase of more than $4 million from the last market check review and modification.

Key findings:

- Guaranteed rebates are dramatically improved (13-15% better).
- Discounts on generic and preferred name brand drugs are deeper.
- “New to Market” drug discount is restored at the Average Wholesale Price (AWP) -15% (originally only guaranteed for the first contract year)
- The rebates that have been earned by our members and the SEHP have exceeded the guarantees for 2020 and Q1 2021 set in the contract.

Agenda Item #4

August 16, 2021

Ms. Janet Stanek
Director – State Employee Health Benefit Plan
Kansas Department of Health and Environment
Room 900-N
Landon State Office Building
Topeka, Kansas 66612

Re: Projection Summary – August 2021

Dear Ms. Stanek:

Segal Consulting ("Segal") was selected to be the Consultant and Actuary for the State Employees Health Benefit Program ("Program"). For each projection update, Segal provides a thorough analysis of the Program's financial position, including a detailed 4-year projection. This letter provides a summary of the financial updates with data through July of 2021 and key assumptions included in the projections.

Experience: January 2021 to July 2021

For the update, Segal collected the actual experience and compared it to what was projected in our initial budget. Because the projection is developed monthly, we are able to summarize the emerging experience and analyze the gain/(loss). For this update, the Program had a **YTD loss of $2.0M** for Calendar Year 2021. An uptick in the emerging claims (medical & Rx) for June & July contributed to the loss. Thru July, the Rx claims show the largest deviation – a loss of $3.3M.

January 2021 to July 2021 – YTD Financials (in Millions)				
	Budgeted	**Actual**	**Gain/(Loss) $**	**Gain/(Loss) %**
Program Revenue	$285.8	$287.0	$1.2	0.4%
Medical self-insured claims*	$183.1	$184.5	$(1.4)	(0.8)%
Rx self-insured claims	$40.5	$43.8	$(3.3)	(8.1)%
Dental self-insured claims	$17.0	$15.9	$1.1	6.5%
ASO/Premium	$24.2	$24.5	$(0.3)	(1.2)%
Contract fees	$8.9	$8.0	$0.9	10.1%
Program Expenses	$273.6	$276.7	$(3.1)	(1.1)%
Net Income/(Loss)	$12.3	$10.3		
Reserve Balance	$81.3	$79.3	$(2.0)	(2.5)%
* Includes Self-Insured Claims, Health Savings and Health Reimbursement Contributions				
** Total may not fully reconcile due to some intermediate values shown rounded to 1 decimal.				

Enrollment

The YTD enrollment declined 0.7%. The following table summarizes the projected vs. actual enrollment through July. The reduced headcount does have a direct correlation to revenue and expenses; however the net impact is negligible.

Enrollment Monthly Avg.	Projected	Actual	Change in #	Change in %
Active & COBRA	37,345	37,132	(213)	(0.6)%
Non-Medicare Retiree	405	387	(18)	(4.4)%
Medicare Members	8,709	8,631	(78)	(0.9)%
Total	46,459	46,150	(309)	(0.7)%

* Totals may not fully reconcile due to some intermediate values shown rounded to the digit.

The following table shows a snapshot of the month July 2021 enrollment. This serves as the basis for future enrollment assumptions.

Contracts (July-2021)				
	Active	COBRA	Non-Medicare Retiree	Medicare Retiree
Medical				
Plan A	16,412	188	127	
Plan C	15,731	167	206	
Plan J	678	3	4	
Plan N	2,951	27	22	
Plan Q	467	2	23	
Medicare Advantage				
Aetna				818
Plan C/C Select				7,176
Plan G/G Select				394
Plan N				210
Medical Total	36,239	387	382	8,598
Contracts (July-2021)				
	Active	COBRA	Non-Medicare Retiree	Medicare Retiree
Dental Total	35,887	354	610	8,094
Vision Total	30,368	307	602	4,950

Multi-Year Projection Summary

The following table summarizes the projected revenue, expense and employer/employee funding for the Program. Each update will project the year we are in, now CY 2021, and four (4) additional calendar years.

Financial Projections (in Millions) – as of July 31, 2021						
	CY 2020	**CY 2021**	**CY 2022**	**CY 2023**	**CY 2024**	**CY 2025**
Program Revenue	$482.6	$481.1	$492.4	$523.7	$561.6	$602.2
*Medical self-insured claims**	$300.9	$325.0	$334.6	$352.4	$370.2	$389.0
Rx self-Insured claims	$75.8	$81.3	$81.9	$89.0	$96.6	$104.8
Dental self-Insured claims	$22.8	$27.7	$28.4	$29.3	$30.2	$31.1
ASO/Premium	$41.8	$41.5	$42.6	$44.4	$46.4	$48.4
Contract Fees	$13.8	$13.7	$14.0	$14.2	$14.4	$14.6
Program Expenses	$455.1	$489.1	$501.5	$529.3	$557.7	$587.8
Net Income/(Loss)	$27.5	$(8.0)	$(9.1)	$(5.6)	$3.9	$14.3
Reserve Balance	$69.0	$61.0	$51.9	$46.3	$50.2	$64.5
* Includes Self-Insured Claims, Health Savings and Health Reimbursement Contributions						
** Total may not fully reconcile due to some intermediate values shown rounded to 1 decimal.						

The emerging experience slightly changed the per capita amounts used as the basis of the projection as shown below:

Medical – increase
Pharmacy – increase
Dental – decrease

The combined impact is minimal. Segal projects CY 2021 to end with a **reserve balance of $61.0M**, $3.6M lower than the $64.6M initial budget estimate. Furthermore, the future projected reserve balances remained comparable to those in the May report.

The plan design and funding changes approved at the June HCC meeting are incorporated in the projections above.

The 2020 experience for medical and dental claims were significantly impacted by Covid-19. We continue adjusting the baseline claims data accordingly to prevent skewing of the future projections above. Another adjustment to the future projection is reducing CY 2021 and CY 2022 pharmacy self-insured claims to reflect the latest RFP savings shown in the assumption section.

One other assumption is the number of weekly claims payments for a given year. Most often there are 52 payments for medical and dental, however CY 2021 has 53 payments. This is reflected in the table above.

Funding and Reserves

The program has two reserves that in aggregate represent the Target Reserve Balance. The IBNR is calculated by applying 7.5% to the self-insured claims. An IBNR reserve is money set aside for the liability of outstanding self-insured claims yet to be paid. Claims fluctuation reserve is calculated by applying 5.5% to the self-insured claims. Self-Insured claims are volatile in nature so this reserve helps to provide stability against adverse claims experience. This helps give the client flexibility when making decisions regarding funding increases. Both reserves and their proportions relative to claims are common among Segal's client base.

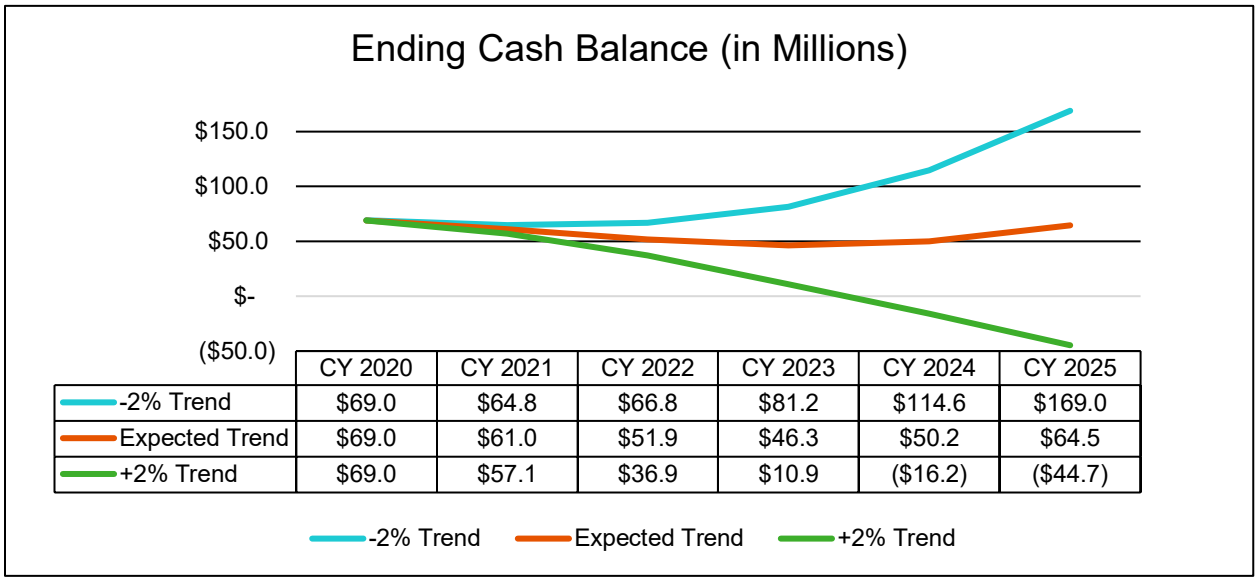
The future funding increases are shown below. Under the current financial conditions and with various benefit changes adopted in June HCC meeting, an annual increase of 7.5% is needed to maintain the Target Reserve. The funding for the program is provided by the employee and employer. The employee funding is effective January 1st each year and the employer funding is effective July 1st each year. Thus, the 7.5% increase shown in 2025 represents the employer contribution between 7/1/2025-6/30/2026, while the employee funding would be 1/1/2025-12/31/2025.

See the table below for the Target Reserve Balance and funding amounts:

Medical & Rx Benefit Funding in CY 2021-2025 (in Millions)					
	2021	2022	2023	2024	2025
Total Medical, Rx and Dental self-insured claims	$404.7	$416.5	$442.2	$468.5	$496.4
IBNR Claim Reserve (7.5% of self-insured claims)	$30.4	$31.2	$33.2	$35.1	$37.2
Claim Fluctuation Reserve (5.5% of self-insured claims)	$22.3	$22.9	$24.3	$25.8	$27.3
Total Target Reserves	$52.6	$54.1	$57.5	$60.9	$64.5
Reserve Balance	$61.0	$51.9	$46.3	$50.2	$64.5
Fund Balance vs. Target Surplus/(Shortfall)	$8.4	$(2.2)	$(11.2)	$(10.7)	$0
Funding Rate Increase					
Employer	3.0%	5.0%	7.5%	7.5%	7.5%
Employee*	0.0%	0.0%	7.5%	7.5%	7.5%
* Spouse tier and retiree funding is -2.0% for 2021 and spouse tier is -2% for 2022					

Sensitivity Analysis

Trend is one of the most important assumptions in the projection. The following table illustrates the impact on the funds Cash Balance if trend (Medical, Pharmacy, and Dental) is 2% higher or lower than assumed:



	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025
-2% Trend	$69.0	$64.8	$66.8	$81.2	$114.6	$169.0
Expected Trend	$69.0	$61.0	$51.9	$46.3	$50.2	$64.5
+2% Trend	$69.0	$57.1	$36.9	$10.9	($16.2)	($44.7)

This analysis illustrates the importance of having a reserve. If trend is 2% higher than the assumptions from 2021-2025, the cash balance will decrease to -$44.7M at the end of CY 2025, assuming the current proposed funding increases of 7.5% remain intact. In order to make up this shortfall, a funding increase of approximately 22.1% in 2026 and 2027 is necessary. This increase will allow the Reserve Balance to grow and meet the target reserve at the end of CY 2027.

Alternatively, a lower trend of 2% would provide a significant surplus and would allow lower future rate increases to balance to the target reserve.

Key Assumptions & Methodology

Claim Trends

Trend assumptions are utilized to project the annual increase in per member costs. We develop these by integrating the Program's historical performance with Segal's Annual Trend Survey. They are updated annually and reviewed with the Program. Current trend assumptions are as follows:

- Medical Self-Insured Claims: 5.5% for all years
- Pharmacy Self-Insured Claims: 8.5% for all years
- Dental Self-Insured Claims: 3.0% for all years

- Medicare Advantage Premium: Renewal for 2021 and 6.0% trend for all future years

COVID-19 Impact

The COVID-19 pandemic caused members to delay or avoid medical and dental care. This impact was initially exhibited in March-May incurred claims, and more recently in November. Adjustments were applied to the baseline Medical and Dental claims in order to normalize the baseline experience used to project future claims.

Enrollment

From current levels, no overall population growth and no plan migration are assumed.

Baseline Self-Insured Claims Cost

Baseline claims rates for both medical and pharmacy follow a similar methodology, summarized below:

- Medical claims cost is developed based on expected cost per member per month (PMPM), and accounts for some months having 5 payment weeks rather than 4. The cost is developed based on medical claims paid in the experience period and 2-month lagged enrollment data. The PMPM is adjusted to reflect historical plan changes, enrollment migration, and any known experience since the end of the data period.
- Pharmacy claims cost is developed based on expected cost per member per month (PMPM). The cost is developed based on pharmacy claims paid in the experience period with 1-month lagged enrollment data. The PMPM is adjusted to reflect historical plan changes, enrollment migration, and any known experience since the end of the data period.
- Dental claims cost is developed based on expected cost per member per month (PMPM), and accounts for some months having 5 payment weeks rather than 4. The cost is developed based on medical claims paid during the experience period with 2-month lagged enrollment data. The PMPM is adjusted to reflect historical plan changes, and any known experience since the end of the data period.
- Both Medical and Rx costs are subdivided by each plan (Plan A, C, J, N and Q) and by group (Active and Non-Medicare Retiree).

Baseline claims costs are then trended and multiplied by expected enrollments and particulars for each month, populating the cash flow projection.

Prepayments

Certain university members prepay their June-Aug benefit in March-May. The prepayment of $2M per month were estimated based on prepay participants.

Adjustments from RFPs

Rx claims for 2021/2022 is adjusted to account for the expected savings of $14M/$19M yielding from improved contracts terms presented during RFP.

Funding Rates

The funding rates and member contributions for 2022 were approved by the HCC in June 2021. Future funding are set at the rate that Reserve Balance is equal to the Target Reserve at the end of 2025.

Program Actuarial Values

The Actuarial Value of the plans are used to subdivide Medical and Pharmacy cost into Plan A, C, J, N and Q. Actuarial Value of the plans were updated using the latest Optum Pricing Model and are shown in the following table.

Plan Values (without HSA/HRA funding)					
	Plan A	Plan C	Plan J	Plan N	Plan Q
2021 Plan Actuarial Value	78.2%	73.4%	78.7%	68.6%	73.5%
2022 Plan Actuarial Value	80.0%	74.7%	79.0%	68.7%	73.7%

Contract Fees

The Program provided fees for each contract fees that are consistent with their budgets. Segal received contract fees Calendar Year 2021 from the Program. Per contract costs were developed and are assumed to increase 2% annually.

Segal fees are paid from a separate fund that is used to pay for administrative costs not included in our projection.

ASO Fees

The Program provided per contract BCBS, Aetna, and Delta ASO fees and per prescription Caremark ASO fees for year 2021. Caremark per prescription fees were converted to per contract fees. Per contract fees are assumed to increase 2% annually.

PCORI

ACA Reinsurance is provided by the Program. The annual fee is a nominal amount and is included with the “Contract Fees”

Wellness Participation

- HSA/HRA Rewards: 50% for 2021-2025.
- Premium Discount: 65% for 2021 and 50% for 2022-2025

Other Assumptions

There are a few other assumptions that have less impact on the plan financials that are detailed below for completeness:

- Investment Earnings are estimated at 0.05% of the annual cash balance
- Coverage Tier Factor: Factors are reviewed periodically. Current factors were developed based on 2016-2017 experience.
  - Medical Plan A: 1.00/2.11/1.57/3.15 for Employee Only/Employee + Spouse/Employee + Child(ren)/Employee + Family
  - Medical Plan C-Q: 1.00/2.11/1.57/3.15 for Employee Only/Employee + Spouse/Employee + Child(ren)/Employee + Family
  - Dental: 1.00/2.10/2.44/3. 58 for Employee Only/Employee + Spouse/Employee + Child(ren)/Employee + Family
- Reserve Percentage:
  - IBNR Self-Insured Claims Reserve is 7.5% of Medical, Rx and Dental claims
  - Self-Insured Claims Fluctuation Reserve is 5.5% of Medical, Rx and Dental claims

Certification

The projections in this report are estimates of future costs and are based on unaudited information available to Segal consulting at the time the projections were made. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, changes in group demographics, overall inflation rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period is extended.

By signing below, I certify that I am a qualified actuary by education and experience to evaluate health reserves and funding practices. I am a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries and certify that all analysis was conducted in accordance with all applicable Actuarial Standards of Practice. All sections of this report are considered an integral part of the actuarial opinion.

Kenneth C. Vieira, FSA, FCA, MAAA
Senior Vice President

Patrick Klein, FSA, MAAA
Vice President

Kansas State Employees Health Care Commission
Mutli Year Projection
Assumption Summary

Trend Assumptions	2020	2021	2022	2023	2024	2025
Interest Rate on Fund Balance	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Admin/Contract Fee Trend/Vision Trend	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Medical claim trend rate	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Prescription drug claim trend rate	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
Dental claim trend rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Medicare Advantage trend rate	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Funding Rate Assumptions						
Medical						
Employer % Change (eff. July 1)				☑	☑	☑
Employee	4.5%	3.0%	5.0%	7.5%	7.5%	7.5%
Employee + Spouse	4.5%	3.0%	5.0%	7.5%	7.5%	7.5%
Employee + Child(ren)	4.5%	3.0%	5.0%	7.5%	7.5%	7.5%
Employee + Family	4.5%	3.0%	5.0%	7.5%	7.5%	7.5%
Employee % Change (fee. Jan 1)				☑	☑	☑
Employee	0.0%	0.0%	0.0%	7.5%	7.5%	7.5%
Employee + Spouse	-6.0%	-2.0%	-2.0%	7.5%	7.5%	7.5%
Employee + Child(ren)	0.0%	0.0%	0.0%	7.5%	7.5%	7.5%
Employee + Family	-6.0%	-2.0%	-2.0%	7.5%	7.5%	7.5%
Non-Medicare Retiree Contrib % Change (eff. Jan 1)						
Employee	-6.0%	-2.0%	0.0%	7.5%	7.5%	7.5%
Employee + Spouse	-6.0%	-2.0%	-2.0%	7.5%	7.5%	7.5%
Employee + Child(ren)	-6.0%	-2.0%	0.0%	7.5%	7.5%	7.5%
Employee + Family	-6.0%	-2.0%	-2.0%	7.5%	7.5%	7.5%
Dental						
Employer % increase (eff. July 1)	3.2%	3.3%	3.3%	3.3%	3.3%	3.3%
Employee tier contribution % (eff. Jan 1)	3.2%	3.3%	3.3%	3.3%	3.3%	3.3%
Dependent tier contribution % (eff. Jan 1)	3.2%	3.3%	3.3%	3.3%	3.3%	3.3%
Wellness Assumptions						
Earned HSA/HRA Contribution ($500/$1,000)	65%	50%	50%	50%	50%	50%
Wellness Contribution Credit $40 per month	50%	65%	50%	50%	50%	50%
Current Reserve Targets						
IBNR Claim Reserve (% of claims)	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Claim Fluctuation Reserve (% of claims)	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%

Kansas State Employees Health Care Commission
Data Through July 2021
Multi Year Projection

	2021 Actual/Projected	2022 Projected	2023 Projected	2024 Projected	2025 Projected
Revenue					
State ER	$ 305,049,783	$ 313,977,438	$ 333,450,763	$ 358,038,527	$ 384,447,037
State EE	$ 74,168,875	$ 74,158,083	$ 79,714,851	$ 85,670,507	$ 92,054,365
Non-State ER	$ 49,781,269	$ 52,424,816	$ 55,662,532	$ 59,740,494	$ 64,118,610
Non-State EE	$ 11,152,155	$ 10,689,209	$ 11,488,788	$ 12,346,041	$ 13,265,214
Direct Bill	$ 32,836,414	$ 33,549,582	$ 35,492,979	$ 37,553,480	$ 39,738,324
COBRA	$ 4,057,890	$ 3,993,863	$ 4,278,664	$ 4,584,320	$ 4,912,377
Voluntary Benefit	$ 3,793,194	$ 3,600,000	$ 3,600,000	$ 3,600,000	$ 3,600,000
Interest/Other	$ 252,669	$ 31,625	$ 27,088	$ 24,307	$ 26,244
Total	$ 481,092,249	$ 492,424,615	$ 523,715,665	$ 561,557,675	$ 602,162,170
Expenses					
Medical Claims	$ 295,720,237	$ 306,152,896	$ 323,934,465	$ 341,750,860	$ 360,547,158
Rx Claims	$ 81,280,400	$ 81,905,190	$ 89,000,892	$ 96,565,968	$ 104,774,075
Dental Claims	$ 27,688,273	$ 28,435,433	$ 29,288,496	$ 30,167,150	$ 31,072,165
Health Savings ER	$ 29,276,121	$ 28,419,817	$ 28,419,817	$ 28,419,817	$ 28,419,817
ASO/Premium	$ 41,479,277	$ 42,590,660	$ 44,426,953	$ 46,359,041	$ 48,392,384
Voluntary Benefit	$ 3,793,194	$ 3,600,000	$ 3,600,000	$ 3,600,000	$ 3,600,000
Onsite Clinic (Marathon)	$ 2,126,775	$ 2,448,000	$ 2,496,960	$ 2,546,899	$ 2,597,837
Other Contract Fee/Flex	$ 7,608,145	$ 7,776,480	$ 7,932,010	$ 8,090,650	$ 8,252,463
PCORI	$ 164,593	$ 170,633	$ 176,896	$ 183,388	$ 190,118
Total	$ 489,137,016	$ 501,499,109	$ 529,276,488	$ 557,683,774	$ 587,846,017
Net Cash Flow	$ (8,044,766)	$ (9,074,494)	$ (5,560,823)	$ 3,873,902	$ 14,316,153
Beginning Balance	$ 69,021,170	$ 60,976,404	$ 51,901,910	$ 46,341,088	$ 50,214,989
Ending Balance	**$ 60,976,404**	**$ 51,901,910**	**$ 46,341,088**	**$ 50,214,989**	**$ 64,531,142**
Target Reserve	**$ 52,609,558.43**	**$ 54,144,157**	**$ 57,489,101**	**$ 60,902,917**	**$ 64,531,142**
Fund Balance vs. Target Surplus/(Shortfall)	**$ 8,366,845**	**$ (2,242,247)**	**$ (11,148,013)**	**$ (10,687,928)**	**$ (0)**
Enrollment (Subscriber)					
Active	36,537	36,239	36,239	36,239	36,239
COBRA	384	387	387	387	387
Non-Medicare Retiree	385	382	382	382	382
Medicare Retiree	8,617	8,598	8,598	8,598	8,598
Total	45,923	45,606	45,606	45,606	45,606
Revenue PEPM	$ 873	$ 900	$ 957	$ 1,026	$ 1,100
Expenses PEPM	$ 888	$ 916	$ 967	$ 1,019	$ 1,074

Kansas State Employees Health Care Commission
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Budget vs. Actual

	Jan-2021			Feb-2021			Mar-2021		
	Initial Budget	Actual	$ Difference	Initial Budget	Actual	$ Difference	Initial Budget	Actual	$ Difference
Revenue									
State ER	28,744,403	28,733,664	(10,739)	23,647,629	23,714,813	67,184	25,601,915	25,617,711	15,796
State EE	6,157,161	6,328,100	170,938	6,157,161	6,325,625	168,464	6,758,056	6,927,834	169,777
Non-State ER	4,147,621	4,076,201	(71,420)	4,147,621	3,988,817	(158,804)	4,147,621	4,040,496	(107,125)
Non-State EE	883,154	969,645	86,491	883,154	992,863	109,709	883,154	961,759	78,605
Direct Bill	2,718,167	2,533,497	(184,670)	2,718,167	3,304,012	585,845	2,718,167	2,750,806	32,639
COBRA	299,802	564,425	264,623	299,802	291,966	(7,835)	299,802	310,332	10,530
Voluntary Benefit	300,000	318,396	18,396	300,000	329,161	29,161	300,000	349,147	49,147
Interest/Other	2,876	163,637	160,761	2,876	25,785	22,909	2,876	14,617	11,741
Total	**43,253,184**	**43,687,565**	**434,381**	**38,156,410**	**38,973,043**	**816,633**	**40,711,591**	**40,972,701**	**261,110**
Expenses									
Medical Claims	28,224,565	29,725,597	1,501,031	20,045,819	19,518,449	(527,371)	18,718,241	18,680,292	(37,949)
Rx Claims	6,483,960	6,678,443	194,483	5,706,022	5,698,280	(7,742)	5,164,462	5,901,241	736,779
Dental Claims	2,711,699	2,546,137	(165,562)	2,173,541	2,055,366	(118,175)	2,185,707	1,995,447	(190,260)
Health Savings ER	5,248,454	5,229,271	(19,183)	890,107	817,955	(72,152)	918,508	808,873	(109,636)
ASO/Premium	3,460,586	3,366,860	(93,726)	3,460,586	3,546,961	86,375	3,460,586	3,469,248	8,662
Voluntary Benefit	300,000	318,396	18,396	300,000	329,161	29,161	300,000	349,147	49,147
Onsite Clinic (Marathon)	200,000	181,300	(18,700)	200,000	18,995	(181,005)	200,000	180,159	(19,841)
Other Contract Fee/Flex	443,667	358,847	(84,819)	443,667	784,231	340,564	1,828,169	559,691	(1,268,478)
PCORI	-	-	-	-	-	-	-	-	-
Total	**47,072,931**	**48,404,853**	**1,331,921**	**33,219,742**	**32,769,398**	**(450,344)**	**32,775,674**	**31,944,098**	**(831,576)**
Net Cash Flow	**(3,819,747)**	**(4,717,288)**	**(897,541)**	**4,936,667**	**6,203,645**	**1,266,977**	**7,935,916**	**9,028,603**	**1,092,687**
Beginning Balance	69,021,173	69,021,173	-	65,201,426	64,303,885	(897,541)	70,138,093	70,507,530	369,437
Ending Balance	65,201,426	64,303,885	(897,541)	70,138,093	70,507,530	369,437	78,074,010	79,536,133	1,462,124
Enrollment (Subscriber)									
Active	37,002	37,002	-	37,002	36,901	(101)	37,002	36,898	(104)
COBRA	343	343	-	343	379	36	343	390	47
Non-Medicare Retiree	405	405	-	405	402	(3)	405	395	(10)
Medicare Retiree	8,709	8,709	-	8,709	8,667	(42)	8,709	8,638	(71)
Total	46,459	46,459	-	46,459	46,349	(110)	46,459	46,321	(138)
Revenue PEPM	931	940	9	821	841	20	876	885	8
Expenses PEPM	1,013	1,042	29	715	707	(8)	705	690	(16)

* Segal fees are paid out of a separate fund and total $159,600 through July. Note this fund is used to pay for adminstrive costs not included in our projection.

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Budget vs. Actual

	Apr-2021			May-2021			Jun-2021		
	Initial Budget	Actual	$ Difference	Initial Budget	Actual	$ Difference	Initial Budget	Actual	$ Difference
Revenue									
State ER	30,698,689	30,667,989	(30,700)	25,601,915	25,561,270	(40,645)	21,693,343	21,546,172	(147,172)
State EE	6,758,056	6,915,377	157,320	6,758,056	7,049,437	291,381	5,556,266	5,640,965	84,699
Non-State ER	4,147,621	4,072,145	(75,477)	4,147,621	4,042,777	(104,844)	4,147,621	4,062,458	(85,163)
Non-State EE	883,154	969,650	86,496	883,154	976,785	93,631	883,154	963,858	80,704
Direct Bill	2,718,167	2,744,757	26,590	2,718,167	2,725,067	6,900	2,718,167	2,708,520	(9,647)
COBRA	299,802	298,143	(1,659)	299,802	308,260	8,459	299,802	298,911	(891)
Voluntary Benefit	300,000	349,341	49,341	300,000	183,463	(116,537)	300,000	324,588	24,588
Interest/Other	2,876	9,451	6,575	2,876	7,275	4,399	2,876	12,448	9,572
Total	**45,808,365**	**46,026,852**	**218,487**	**40,711,591**	**40,854,335**	**142,744**	**35,601,229**	**35,557,919**	**(43,310)**
Expenses									
Medical Claims	27,788,717	26,327,720	(1,460,997)	19,544,439	19,651,794	107,355	19,705,573	20,989,414	1,283,841
Rx Claims	5,564,076	7,061,874	1,497,798	5,965,453	5,498,609	(466,844)	5,711,374	6,571,089	859,715
Dental Claims	2,738,872	2,625,735	(113,137)	2,196,501	2,083,765	(112,736)	2,201,919	2,084,833	(117,086)
Health Savings ER	5,930,079	6,171,461	241,382	833,305	1,325,855	492,549	804,904	716,341	(88,563)
ASO/Premium	3,460,586	3,496,322	35,736	3,460,586	3,480,825	20,239	3,460,586	3,534,034	73,447
Voluntary Benefit	300,000	349,341	49,341	300,000	183,463	(116,537)	300,000	324,588	24,588
Onsite Clinic (Marathon)	200,000	180,606	(19,394)	200,000	189,668	(10,332)	200,000	186,529	(13,471)
Other Contract Fee/Flex	891,410	1,640,308	748,898	443,667	847,403	403,736	711,468	413,813	(297,656)
PCORI	-	-	-	-	-	-	-	-	-
Total	**46,873,740**	**47,853,367**	**979,627**	**32,943,951**	**33,261,381**	**317,430**	**33,095,825**	**34,820,639**	**1,724,815**
Net Cash Flow	**(1,065,375)**	**(1,826,515)**	**(761,140)**	**7,767,639**	**7,592,953**	**(174,686)**	**2,505,404**	**737,280**	**(1,768,125)**
Beginning Balance	78,074,010	79,536,133	1,462,124	77,008,635	77,709,618	700,983	84,776,274	85,302,571	526,297
Ending Balance	77,008,635	77,709,618	700,983	84,776,274	85,302,571	526,297	87,281,679	86,039,851	(1,241,827)
Enrollment (Subscriber)									
Active	37,002	36,884	(118)	37,002	36,762	(240)	37,002	36,562	(440)
COBRA	343	387	44	343	394	51	343	395	52
Non-Medicare Retiree	405	386	(19)	405	375	(30)	405	363	(42)
Medicare Retiree	8,709	8,617	(92)	8,709	8,596	(113)	8,709	8,592	(117)
Total	46,459	46,274	(185)	46,459	46,127	(332)	46,459	45,912	(547)
Revenue PEPM	986	995	9	876	886	9	766	774	8
Expenses PEPM	1,009	1,034	25	709	721	12	712	758	46

Kansas State Employees Health Care Commission
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Budget vs. Actual

	Jul-2021			Aug-2021			Sep-2021		
	Initial Budget	Actual	$ Difference	Initial Budget	Budget	$ Difference	Initial Budget	Budget	$ Difference
Revenue									
State ER	27,559,809	26,850,343	(709,466)	22,463,035	21,899,594	(563,440)	24,417,320	23,868,442	(548,879)
State EE	5,556,266	5,450,190	(106,076)	5,556,266	5,437,147	(119,119)	6,157,161	6,023,550	(133,611)
Non-State ER	4,274,872	4,186,588	(88,283)	4,274,872	4,262,357	(12,514)	4,274,872	4,262,357	(12,514)
Non-State EE	883,154	951,715	68,561	883,154	873,176	(9,978)	883,154	873,176	(9,978)
Direct Bill	2,718,167	2,725,491	7,324	2,718,167	2,668,853	(49,314)	2,718,167	2,668,853	(49,314)
COBRA	299,802	315,900	16,098	299,802	333,991	34,189	299,802	333,991	34,189
Voluntary Benefit	300,000	439,098	139,098	300,000	300,000	-	300,000	300,000	-
Interest/Other	2,876	5,077	2,201	2,876	2,876	-	2,876	2,876	-
Total	**41,594,945**	**40,924,402**	**(670,543)**	**36,498,171**	**35,777,995**	**(720,177)**	**39,053,352**	**38,333,244**	**(720,108)**
Expenses									
Medical Claims	28,583,731	28,759,223	175,493	23,386,807	23,235,598	(151,209)	24,620,717	24,271,461	(349,256)
Rx Claims	5,862,660	6,386,441	523,781	6,698,304	6,663,488	(34,816)	7,425,480	7,386,884	(38,595)
Dental Claims	2,759,186	2,499,847	(259,339)	2,212,793	2,144,568	(68,225)	2,218,250	2,136,805	(81,445)
Health Savings ER	5,816,475	5,798,870	(17,605)	691,300	679,051	(12,249)	662,899	651,271	(11,628)
ASO/Premium	3,460,586	3,565,821	105,235	3,460,586	3,403,841	(56,745)	3,460,586	3,403,841	(56,745)
Voluntary Benefit	300,000	439,098	139,098	300,000	300,000	-	300,000	300,000	-
Onsite Clinic (Marathon)	200,000	189,518	(10,482)	200,000	200,000	-	200,000	200,000	-
Other Contract Fee/Flex	443,667	585,566	141,900	443,667	443,667	-	443,667	443,667	-
PCORI	163,699	164,593	894	-	-	-	-	-	-
Total	**47,590,004**	**48,388,978**	**798,974**	**37,393,457**	**37,070,213**	**(323,243)**	**39,331,599**	**38,793,929**	**(537,669)**
Net Cash Flow	**(5,995,059)**	**(7,464,576)**	**(1,469,517)**	**(895,285)**	**(1,292,219)**	**(396,933)**	**(278,247)**	**(460,685)**	**(182,438)**
Beginning Balance	87,281,679	86,039,851	(1,241,827)	81,286,620	78,575,275	(2,711,345)	80,391,335	77,283,057	(3,108,278)
Ending Balance	81,286,620	78,575,275	(2,711,345)	80,391,335	77,283,057	(3,108,278)	80,113,088	76,822,372	(3,290,716)
Enrollment (Subscriber)									
Active	37,002	36,239	(763)	37,002	36,239	(763)	37,002	36,239	(763)
COBRA	343	387	44	343	387	44	343	387	44
Non-Medicare Retiree	405	382	(23)	405	382	(23)	405	382	(23)
Medicare Retiree	8,709	8,598	(111)	8,709	8,598	(111)	8,709	8,598	(111)
Total	46,459	45,606	(853)	46,459	45,606	(853)	46,459	45,606	(853)
Revenue PEPM	895	897	2	786	785	(1)	841	841	(0)
Expenses PEPM	1,024	1,061	37	805	813	8	847	851	4

Kansas State Employees Health Care Commission
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Budget vs. Actual

	Oct-2021			Nov-2021			Dec-2021		
	Initial Budget	Budget	$ Difference	Initial Budget	Budget	$ Difference	Initial Budget	Budget	$ Difference
Revenue									
State ER	29,514,094	28,852,902	(661,192)	24,417,320	23,868,442	(548,879)	24,417,320	23,868,442	(548,879)
State EE	6,157,161	6,023,550	(133,611)	6,157,161	6,023,550	(133,611)	6,157,161	6,023,550	(133,611)
Non-State ER	4,274,872	4,262,357	(12,514)	4,274,872	4,262,357	(12,514)	4,274,872	4,262,357	(12,514)
Non-State EE	883,154	873,176	(9,978)	883,154	873,176	(9,978)	883,154	873,176	(9,978)
Direct Bill	2,718,167	2,668,853	(49,314)	2,718,167	2,668,853	(49,314)	2,718,167	2,668,853	(49,314)
COBRA	299,802	333,991	34,189	299,802	333,991	34,189	299,802	333,991	34,189
Voluntary Benefit	300,000	300,000	-	300,000	300,000	-	300,000	300,000	-
Interest/Other	2,876	2,876	-	2,876	2,876	-	2,876	2,876	-
Total	**44,150,126**	**43,317,705**	**(832,421)**	**39,053,352**	**38,333,244**	**(720,108)**	**39,053,352**	**38,333,244**	**(720,108)**
Expenses									
Medical Claims	29,726,628	29,305,266	(421,362)	25,602,480	25,240,705	(361,774)	30,446,575	30,014,718	(431,857)
Rx Claims	7,514,833	7,475,773	(39,060)	8,020,730	7,979,040	(41,689)	8,020,927	7,979,237	(41,690)
Dental Claims	2,779,652	2,677,594	(102,058)	2,229,206	2,147,358	(81,847)	2,793,379	2,690,818	(102,562)
Health Savings ER	5,731,272	5,607,951	(123,321)	719,701	706,831	(12,870)	776,503	762,392	(14,111)
ASO/Premium	3,460,586	3,403,841	(56,745)	3,460,586	3,403,841	(56,745)	3,460,586	3,403,841	(56,745)
Voluntary Benefit	300,000	300,000	-	300,000	300,000	-	300,000	300,000	-
Onsite Clinic (Marathon)	200,000	200,000	-	200,000	200,000	-	200,000	200,000	-
Other Contract Fee/Flex	443,667	443,667	-	643,619	643,619	-	443,667	443,667	-
PCORI	-	-	-	-	-	-	-	-	-
Total	**50,156,637**	**49,414,092**	**(742,545)**	**41,176,321**	**40,621,395**	**(554,926)**	**46,441,637**	**45,794,672**	**(646,965)**
Net Cash Flow	**(6,006,511)**	**(6,096,387)**	**(89,876)**	**(2,122,969)**	**(2,288,151)**	**(165,182)**	**(7,388,285)**	**(7,461,428)**	**(73,142)**
Beginning Balance	80,113,088	76,822,372	(3,290,716)	74,106,577	70,725,985	(3,380,592)	71,983,608	68,437,834	(3,545,774)
Ending Balance	74,106,577	70,725,985	(3,380,592)	71,983,608	68,437,834	(3,545,774)	64,595,323	60,976,407	(3,618,916)
Enrollment (Subscriber)									
Active	37,002	36,239	(763)	37,002	36,239	(763)	37,002	36,239	(763)
COBRA	343	387	44	343	387	44	343	387	44
Non-Medicare Retiree	405	382	(23)	405	382	(23)	405	382	(23)
Medicare Retiree	8,709	8,598	(111)	8,709	8,598	(111)	8,709	8,598	(111)
Total	46,459	45,606	(853)	46,459	45,606	(853)	46,459	45,606	(853)
Revenue PEPM	950	950	(0)	841	841	(0)	841	841	(0)
Expenses PEPM	1,080	1,083	4	886	891	4	1,000	1,004	5

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Budget vs. Actual

	Jan-2021 - Jul-2021			Jan-Dec 2021			
	Initial Budget	Actual	$ Difference	Initial Budget	Actual/Budget	$ Difference	% Difference
Revenue							
State ER	183,547,703	182,691,962	(855,741)	308,776,794	305,049,783	(3,727,011)	-1.2%
State EE	43,701,025	44,637,527	936,503	73,885,936	74,168,875	282,938	0.4%
Non-State ER	29,160,598	28,469,482	(691,116)	50,534,957	49,781,269	(753,688)	-1.5%
Non-State EE	6,182,077	6,786,274	604,198	10,597,846	11,152,155	554,309	5.2%
Direct Bill	19,027,169	19,492,151	464,982	32,618,005	32,836,414	218,410	0.7%
COBRA	2,098,611	2,387,936	289,325	3,597,619	4,057,890	460,271	12.8%
Voluntary Benefit	2,100,000	2,293,194	193,194	3,600,000	3,793,194	193,194	5.4%
Interest/Other	20,131	238,289	218,158	34,511	252,669	218,158	632.1%
Total	**285,837,314**	**286,996,816**	**1,159,502**	**483,645,668**	**481,092,249**	**(2,553,418)**	**-0.5%**
Expenses							
Medical Claims	162,611,085	163,652,489	1,041,404	296,394,291	295,720,237	(674,054)	-0.2%
Rx Claims	40,458,006	43,795,978	3,337,971	78,138,280	81,280,400	3,142,120	4.0%
Dental Claims	16,967,426	15,891,130	(1,076,296)	29,200,706	27,688,273	(1,512,433)	-5.2%
Health Savings ER	20,441,833	20,868,625	426,792	29,023,508	29,276,121	252,613	0.9%
ASO/Premium	24,224,103	24,460,071	235,968	41,527,033	41,479,277	(47,756)	-0.1%
Voluntary Benefit	2,100,000	2,293,194	193,194	3,600,000	3,793,194	193,194	5.4%
Onsite Clinic (Marathon)	1,400,000	1,126,775	(273,225)	2,400,000	2,126,775	(273,225)	-11.4%
Other Contract Fee/Flex	5,205,714	4,443,583	(762,132)	7,624,000	7,608,145	(15,855)	-0.2%
PCORI	163,699	164,593	894	163,699	164,593	894	0.5%
Total	**273,571,867**	**276,696,437**	**3,124,570**	**488,071,518**	**489,137,016**	**1,065,498**	**0.2%**
Net Cash Flow	**12,265,447**	**10,300,379**	**(1,965,068)**	**(4,425,850)**	**(8,044,766)**	**(3,618,916)**	**81.8%**
Beginning Balance	69,021,173	69,021,173	-	69,021,173	69,021,173	-	0.0%
Ending Balance	81,286,620	79,321,552	(1,965,068)	64,595,323	60,976,407	(3,618,916)	-5.6%
Enrollment (Subscriber)							
Active	37,002	36,750	(252)	37,002	36,537	(465)	-1.3%
COBRA	343	382	39	343	384	41	12.0%
Non-Medicare Retiree	405	387	(18)	405	385	(20)	-5.0%
Medicare Retiree	8,709	8,631	(78)	8,709	8,617	(92)	-1.1%
Total	46,459	46,150	(309)	46,459	45,923	(536)	-1.2%
Revenue PEPM	879	888	9	868	873	5	0.6%
Expenses PEPM	841	857	15	875	888	12	1.4%

Kansas State Employees Health Care Commission
Data Through May 2021
Projected 2022 Contribution Rates

	Plan A	Plan C	Plan J	Plan N	Plan Q	Dental
State Active Employers (Including HSA/HRA Amount) - Effective 7/1/2022						
Full Time						
Employee	$ 661.10	$ 661.10	$ 661.10	$ 661.10	$ 661.10	$ 24.18
Employee + Spouse	$ 968.64	$ 968.64	$ 968.64	$ 968.64	$ 968.64	$ 40.52
Employee + Child(ren)	$ 968.64	$ 968.64	$ 968.64	$ 968.64	$ 968.64	$ 40.52
Employee + Family	$ 968.64	$ 968.64	$ 968.64	$ 968.64	$ 968.64	$ 40.52
Part-Time						
Employee	$ 529.08	$ 529.08	$ 529.08	$ 529.08	$ 529.08	$ 14.06
Employee + Spouse	$ 770.80	$ 770.80	$ 770.80	$ 770.80	$ 770.80	$ 28.32
Employee + Child(ren)	$ 770.80	$ 770.80	$ 770.80	$ 770.80	$ 770.80	$ 28.32
Employee + Family	$ 770.80	$ 770.80	$ 770.80	$ 770.80	$ 770.80	$ 28.32
HealthyKids Full-time						
Child(ren)	$ 1,029.72	$ 1,029.72	$ 1,029.72	$ 1,029.72	$ 1,029.72	$ 40.52
Family	$ 1,029.72	$ 1,029.72	$ 1,029.72	$ 1,029.72	$ 1,029.72	$ 40.52
HealthyKids Part-time						
Child(ren)	$ 821.52	$ 821.52	$ 821.52	$ 821.52	$ 821.52	$ 28.32
Family	$ 821.52	$ 821.52	$ 821.52	$ 821.52	$ 821.52	$ 28.32
State Active Employees						
Full Time						
Employee	$ 79.80	$ 70.40	$ 105.12	$ 46.50	$ 52.70	$ 13.38
Employee + Spouse	$ 474.54	$ 247.38	$ 306.76	$ 168.60	$ 189.14	$ 32.68
Employee + Child(ren)	$ 253.12	$ 130.04	$ 182.54	$ 87.84	$ 97.82	$ 28.82
Employee + Family	$ 830.80	$ 416.66	$ 525.58	$ 300.34	$ 357.70	$ 48.18
Part-Time						
Employee	$ 231.36	$ 105.24	$ 131.20	$ 69.52	$ 78.78	$ 24.14
Employee + Spouse	$ 707.92	$ 316.40	$ 359.52	$ 215.66	$ 241.92	$ 48.48
Employee + Child(ren)	$ 400.44	$ 176.64	$ 217.60	$ 119.30	$ 132.86	$ 43.58
Employee + Family	$ 1,123.34	$ 502.48	$ 599.22	$ 362.16	$ 431.36	$ 68.10
HealthyKids Full-time						
Child(ren)	$ 165.64	$ 98.74	$ 159.04	$ 66.72	$ 74.28	$ 16.80
Family	$ 621.10	$ 381.08	$ 495.04	$ 274.68	$ 327.14	$ 36.10
HealthyKids Part-time						
Child(ren)	$ 165.64	$ 98.74	$ 159.04	$ 66.72	$ 74.28	$ 16.80
Family	$ 621.10	$ 381.08	$ 495.04	$ 274.68	$ 327.14	$ 36.10

Kansas State Employees Health Care Commission
Data Through May 2021
Projected 2022 Contribution Rates

	Plan A	Plan C	Plan J	Plan N	Plan Q	Dental
Non-State Active Employer (Including HSA/HRA Amount) - Effective 7/1/2022						
Full Time						
Employee	$ 788.42	$ 788.42	$ 788.42	$ 788.42	$ 788.42	$ 52.30
Employee + Spouse	$ 1,383.88	$ 1,383.88	$ 1,383.88	$ 1,383.88	$ 1,383.88	$ 89.08
Employee + Child(ren)	$ 1,383.88	$ 1,383.88	$ 1,383.88	$ 1,383.88	$ 1,383.88	$ 89.08
Employee + Family	$ 1,383.88	$ 1,383.88	$ 1,383.88	$ 1,383.88	$ 1,383.88	$ 89.08
Part-Time						
Employee	$ 616.28	$ 616.28	$ 616.28	$ 616.28	$ 616.28	$ 39.56
Employee + Spouse	$ 1,084.34	$ 1,084.34	$ 1,084.34	$ 1,084.34	$ 1,084.34	$ 67.30
Employee + Child(ren)	$ 1,084.34	$ 1,084.34	$ 1,084.34	$ 1,084.34	$ 1,084.34	$ 67.30
Employee + Family	$ 1,084.34	$ 1,084.34	$ 1,084.34	$ 1,084.34	$ 1,084.34	$ 67.30
Non-State Active Employees						
Full Time						
Employee	$ 82.22	$ 70.72	$ 111.92	$ 49.72	$ 55.98	$ 13.44
Employee + Spouse	$ 478.52	$ 262.18	$ 326.98	$ 180.96	$ 201.42	$ 32.78
Employee + Child(ren)	$ 256.56	$ 136.68	$ 194.56	$ 94.16	$ 104.08	$ 28.92
Employee + Family	$ 854.26	$ 451.52	$ 560.44	$ 322.62	$ 381.22	$ 48.26
Part-Time						
Employee	$ 247.70	$ 110.02	$ 139.62	$ 74.34	$ 83.68	$ 24.22
Employee + Spouse	$ 745.06	$ 340.60	$ 383.18	$ 231.46	$ 257.66	$ 48.58
Employee + Child(ren)	$ 418.84	$ 187.72	$ 231.86	$ 127.90	$ 141.38	$ 43.70
Employee + Family	$ 1,189.82	$ 543.04	$ 638.96	$ 389.04	$ 459.72	$ 68.20
State COBRA						
Employee	$ 682.81	$ 566.97	$ 687.38	$ 585.09	$ 621.24	$ 53.34
Employee + Spouse	$ 1,386.19	$ 1,008.70	$ 1,173.40	$ 980.42	$ 1,053.43	$ 89.72
Employee + Child(ren)	$ 1,158.35	$ 862.81	$ 1,065.11	$ 894.14	$ 959.12	$ 85.74
Employee + Family	$ 1,749.58	$ 1,181.37	$ 1,396.59	$ 1,114.78	$ 1,225.36	$ 105.50
Non-State COBRA						
Employee	$ 808.96	$ 690.98	$ 818.01	$ 712.06	$ 760.95	$ 66.06
Employee + Spouse	$ 1,785.55	$ 1,419.12	$ 1,589.34	$ 1,388.33	$ 1,461.27	$ 122.30
Employee + Child(ren)	$ 1,565.23	$ 1,272.95	$ 1,480.74	$ 1,303.96	$ 1,388.45	$ 118.38
Employee + Family	$ 2,168.81	$ 1,612.24	$ 1,827.46	$ 1,532.82	$ 1,644.66	$ 138.10
Non-Medicare Retirees						
Employee	$ 958.60	$ 707.62	$ 782.55	$ 681.82	$ 688.52	$ 39.98
Employee + Spouse	$ 1,957.74	$ 1,494.82	$ 1,585.99	$ 1,389.85	$ 1,417.21	$ 91.00
Employee + Child(ren)	$ 1,714.63	$ 1,290.20	$ 1,375.88	$ 1,235.04	$ 1,248.07	$ 101.18
Employee + Family	$ 2,846.92	$ 2,230.64	$ 2,425.49	$ 2,029.58	$ 2,128.71	$ 162.42
Medicare Retirees						
Individual						$ 39.98

Agenda Item #5

Agenda
Item #5-a

Medicare Advantage Plans

August 23, 2021

Health Care Commission Meeting

Contract Overview

- Medicare Advantage is a type of health insurance plan that provides Medicare benefits through a private-sector health insurer.
- The Medicare beneficiary pays a monthly premium to the insurer (not the plan) and receives coverage for inpatient hospital and outpatient services.
- Typically, the Advantage plan includes prescription drug coverage.
- The SEHP currently has more than 800 members enrolled in a Medicare Advantage Plans.

RFP Dates

June 9, 2021

Provided to the Commissioners for Comments

June 25, 2021

RFP was posted for public bids

July 28, 2021

RFP bidding closed

Bidder & Bid Detail

Two bids were received, and a finalist meeting was held with both companies:

- Aetna (Incumbent)
- Humana

The bids are primarily based on the basic plan with Standard Part D prescription coverage.

- 80% of current members subscribe to this option.

Each bidder has additional offerings (options) members can opt to purchase for an additional expense:

- Enhanced pharmacy benefit coverage
- Transportation
- Meals
- Home Aids

Bid Evaluation

Ability to Administer Medicare Supplement Plans	Authorized to offer Medicare Advantage insurance plans by the Centers for Medicare and Medicaid (CMS) and in compliance with the insurance laws of the State of Kansas	Compliance with HIPAA	Communication Materials for the membership
Minimum of three years experience providing these services	Account management team	Quality customer service for our members	Website access
Claim Administration	Eligibility/Membership file processing	Data and Reporting	Performance Guarantees

Considerations

Level of customer service provided to the members of the health plan and the plan staff

Agreement with all the SEHP contract terms

Network coverage for the members

Multiple plan options for the members to elect coverage

Rate Proposals

Rate Quotes with Standard Part D								
Coverage (Member Only)		2021 Aetna Standard Part D	2022		2023		2024	
Aetna	Humana	Current	Aetna	Humana	Aetna	Humana	Aetna	Humana
Medicare Freedom PPO ESA	Medicare Freedom PPO	$149.82	$114.82	$134.50	$123.82	Not-to-Exceed $150.86	$133.82	tbd
Medicare Liberty PPO ESA	Medicare Liberty PPO	$194.17	$164.01	$171.56	$173.01	Not-to-Exceed $189.58	$183.01	tbd
Medicare Elite PPO ESA	Medicare Elite PPO	$228.16	$203.00	$176.54	$212.00	Not-to-Exceed $194.80	$222.00	tbd
Medicare Elite PPO ESA (Alternative)	n/a	n/a	$223.00	n/a	$232.00	n/a	$242.00	n/a
n/a	PPO – Humana Alternate Plan (Only MAPD Plan Option Offered)	n/a	n/a	$155.76	n/a	Not-to-Exceed $173.27	n/a	Not-to-Exceed $195.15

**Humana will hold the proposed rate(s) unless there are material changes to existing or implementation of new federal regulations or requirements, and/or any unforeseen/unusual circumstances (i.e. pandemic) that would impact Group Medicare

Recommendation

- Aetna is the incumbent and has provided superior customer service to the members and the SEHP for several years related to the Medicare Advantage Plans.
- The member pays 100% of the rate; this is a major consideration for the membership when selecting a vendor.
- Aetna is offering members a choice of three plan options, including a low-cost Medicare Advantage Part D option and a three-year rate guarantee.
- Aetna has also offered an alternative Elite replacement plan with richer benefits and slightly higher costs (see next slide)
- Humana had no rates or guarantee for 2024 (only provided rate calculation methodology)
- Humana preferred to replace three plans and only offer one alternative plan with three years of rate guarantees

Recommendation

- Based on current enrollment and in discussions with Aetna, the SEHP is recommending offering 2 vs. 3 plan designs, Freedom and the Elite Alternative, and eliminating the Liberty Plan
- The Freedom and Elite Alternative Plans would be offered with the included standard Part D (prescription) option
- The SEHP recommends Aetna be awarded the contract for the next 3-year period beginning January 1, 2022.

Plan Comparison

Aetna Elite Plan	Aetna Elite Alternative Plan	Humana PPO Alternate Plan (Sole offering)
$150 deductible	$0 deductible	$0 Deductible
$150 Max Out of Pocket	$0 Max Out of Pocket	$0 co-pay per hospital admission
$0 co-pay for services	$0 co-pay for services	$0 co-pay Skilled Nursing Facility (Days 1-100)
PPO with Extended Service Area	PPO with Extended Service Area	$10 co-pay physician visits
Integrated Rx Coverage	Integrated Rx Coverage: Standard, High, Low Rx	$20 co-pay specialist visits
Meal Home Delivery; $0 co-pay	Meal Home Delivery: $0 co-pay	$0 co-pay outpatient surgical
Transportation: $0 co-pay 24 one-way trips up to 60 miles	Transportation: $0 co-pay 24 one-way trips up to 60 miles	$0 co-pay ambulance
	$0 Routine Podiatry	$75 co-pay Emergency Room
		$1000 (combined) Medical Max out of Pocket—Medicare Covered Service
		Custom Rx(30-day retail supply) $0/$40/$75/$25% from $0 to Initial coverage limit; $0/25%/25%/25% from Initial coverage limit to Catastrophic

Agenda
Item #5-b

Medicare Supplement

August 23, 2021

Health Care Commission Meeting

Contract Overview

Medicare Supplement Insurance helps fill gaps in Original Medicare. Original Medicare (Plan A and B) pays for much, but not all, of the cost for covered health care services and supplies. A Medicare Supplement Insurance policy can help pay some of the remaining health care costs such as:

- Copayments
- Coinsurance
- Deductibles

- Currently more than 7,600 members are enrolled in a Medicare Supplement Plan

RFP Dates

April 30, 2021

Provided to the Commissioners for Comments

June 1, 2021

RFP was posted for public bids

July 12, 2021

RFP bidding closed

Bidders

One bid was received:

- **Blue Cross Blue Shield of Kansas (incumbent)**

A finalist meeting was held with the company.

Bid Evaluation

Ability to Administer Medicare Supplement Plans	Administer the Med. Sup Plans subject to the insurance laws of the State of Kansas	Compliance with HIPAA	Communication Materials for the membership
Minimum of five years continuous experience providing these services	Account management team	Quality customer service for our members	Website access
Claim Administration	Eligibility/Membership file processing	Data and Reporting	Performance Guarantees

Rate Proposal

Blue Cross Blue Shield of Kansas

Coverage			Rate Quotes		
Medicare Supplement Plan	**Coverage Level**	**Current 2021**	**2022**	**2023**	**2024**
Plan C	Member Only	$ 244.17	$ 256.38	*See Note 1*	*See Note 2*
Plan C Select*	Member Only	$ 173.61	$ 182.29	*See Note 1*	*See Note 2*
Plan G	Member Only	$ 224.64	$ 235.87	*See Note 1*	*See Note 2*
Plan G Select*	Member Only	$ 163.59	$ 171.77	*See Note 1*	*See Note 2*
Plan N	Member Only	$ 173.12	$ 181.78	*See Note 1*	*See Note 2*

*With the Select option, members save by agreeing to use a Select network of hospitals for nonemergency services. In an emergency, services are covered at any hospital.

Notes:

1. 2023 rates shall not exceed 6.0% increase over 2022 rates.

2. 2024 rates shall not exceed 6.0% increase over 2023 rates

Considerations

- Provides good customer service to the members and the health plan
- Agrees to all SEHP contract terms
- Excellent network coverage for the members
- Multiple plan options for the members to elect coverage
- Reduced the initial RFP proposed increase from 6% to 5% on the best and final response

Recommendation

- BCBSKS is the incumbent and has provided this benefit for the SEHP for several years
- The member pays 100% of the rate; this is a major consideration for the membership when selecting a vendor
- The SEHP recommends BCBSKS be awarded the contract for the next 3-year period beginning January 1, 2022.

Agenda
Item #5-c

Actuary & Consulting Contract

August 23, 2021

Health Care Commission Meeting

Contract Overview

The Actuary & Consulting contract provides the SEHP with services for:

- **Financial Management**: budget, forecasts, rate setting and reports.
- **Plan Design and Network Management**: advisory services to support design effectiveness, network performance, cost sharing strategies and vendor management.
- **Health Management**: advisory services to support clinical results, health risk factor reduction strategies and medical and pharmaceutical trend management.

RFP Dates

February 17, 2021

Provided to the Commissioners for Comments

March 9, 2021

RFP was posted for public bids

April 15, 2021

RFP bidding closed

Bidders

Four bids were received:

1. Aon Consulting, Inc.
2. Gallagher Benefits Services, Inc.
3. Lewis & Ellis, Inc.
4. The Segal Company (Southeast), Inc. dba Segal

A finalist meeting was held with all four companies along with communications to address various parts of the bid.

Bid Evaluation

- The company can perform the actuarial and consulting requirements for a group the size of Kansas
- Clinical expertise and actuary depth to work on all aspects of the health plan
- Consulting services needed for the various programs administered by the health plan
- Availability of the staff for meetings and to meet project timelines
- Reporting and Research capabilities

Key Services Included

Financial Projections	Funding Options/Plan Cost Modeling	Legislative Support	Actuarial Rate Development
Data Analysis/Trends	Plan Evaluation and Re-Design	Contract Negotiations	Strategic Planning/Migration Strategies
Participation in Meetings	Mental Health Parity Analysis	GASB 45 Reporting (Government Entity Requirement)	CAFR Reporting (Government Entity Requirement)

Actuary & Consulting Contract Cost

Year 1	AON	Gallagher	Lewis & Ellis	Segal
Monthly Fee	29,167	$37,500	$30,000	$41,000
Annual Fee	$374,000	$450,000	$447,000	$492,000
Projected Cost for Special Projects*	$126,225	$126,225	$80,190	$106,920
Projected Cost per year	**$500,225**	**$576,225**	**$527,190**	**$598,920**
Year 2	**AON**	**Gallagher**	**Lewis & Ellis**	**Segal**
Monthly Fee	31,667	$37,500	$30,000	$41,000
Annual Fee	$404,000	$450,000	$447,000	$492,000
Projected Cost for Special Projects*	$126,225	$126,225	$80,190	$106,920
Projected Cost per year	**$530,225**	**$576,225**	**$527,190**	**$598,920**
Year 3	**AON**	**Gallagher**	**Lewis & Ellis**	**Segal**
Monthly Fee	31,667	$37,500	$30,000	$41,000
Annual Fee	$404,000	$450,000	$447,000	$492,000
Projected Cost for Special Projects*	$126,225	$126,225	$80,190	$106,920
Projected Cost per year	**$530,225**	**$576,225**	**$527,190**	**$598,920**
Total 3 Year Contract Cost	**$1,560,675**	**$1,728,675**	**$1,581,570**	**$1,796,760**

*Hourly Rates for Special Projects				
	AON	Gallagher	Lewis & Ellis	Segal
Hourly Rate	$425	$350-$500	$270	$360

Note: Special projects historically have averaged 297 hours per year over the life of the contract

Considerations

- All finalists have a good national reputation with 2 vendors having previous actuarial consulting experience with the SEHP
- 3 out of 4 finalists had governmental actuarial experiences at varying levels with Segal having more experience working with health plans similarly positioned to the SEHP
- 3 of 4 finalists agreed to all the SEHP contract terms with 1 vendor who did not, which could potentially lead to additional issues in the contracting process

Recommendation

- Segal is the incumbent and has provided the actuary & consulting services for the health plan for six years.
- Segal's public sector market team provides health benefit consulting services to more than 250 public sector entities, including 21 states, with more than (5) years of continuous active participation.
- Segal's professional staff includes more 165 credentialed actuaries in 24 offices. The actuarial team assigned to this contract has experience with State level plans in North Carolina, Georgia, Tennessee, New Mexico, Maryland, Illinois, Texas, Wisconsin and others. In addition, they work with many large cities and counties, some of which approach State level participation.
- Segal has a strong analytics platform which has allowed the SEHP to model various plan design/rate/financial options, establish funding options and see near instantaneous turnaround of various reports

Recommendation (continued)

- The SEHP has an excellent working relationship with Segal, particularly in regard to their timeliness and their industry/knowledge base that is readily accessible to the SEHP (ie. benchmarking study, information on legislative matters)
- Segal's month-to-month projections and actuarial analyses have consistently shown a high level of accuracy, and they have demonstrated agility in changing the modeling format to meet the HCC's requirements
- They have strong clinical expertise, consisting of full-time pharmacists, physicians, nurses etc. which has provided the SEHP proven benefits in regard to the PBM, Dental contract, HealthQuest Clinic, HHS audit and the Wellness program.
- With 3 new commissioners joining the HCC, the upcoming Wellness Program RFP and decision on the future direction of the On-Site Clinic, having Segal remain as the Actuary would potentially benefit the HCC and SEHP as they have the immediate history of our plan and programs.
- The SEHP recommends Segal be awarded the contract for the next 3-year period beginning January 1, 2022.

Agenda
Item #5-d

Kansas

Health Care Commission

HealthQuest Health Center Recommendation

August 23, 2021

The State's goals related to offering a worksite health center

- Promote a healthy State workforce
- Reduce lost productivity due to health-related absenteeism/presenteeism
- Reduce time spent away from work seeking health care services
- Provide convenient access to care
- Improve access to mental health services
- Help health plan members manage their chronic conditions
- Provide cost effective care to members

History

- Originated by Committee on Appropriations; House Bill 2418
  - An Act concerning health and healthcare; establishing an on-site state employee health clinic; making and concerning appropriations for the fiscal year ending June 30, 2018, for the Department of Administration
  - State General Fund: $2,700,000
  - HB 2418 didn't pass
- A budget proviso was passed for DofA to issue an Invitation for Bid (IFB) for an employee health clinic
  - No bidders met the IFB requirements
- The Secretary of Administration met with the legislative committee and agreed to present the clinic to the HCC for consideration.
- HCC voted to issue a Request for Proposal to implement the employee health center

Analysis Highlights

- Savings analysis for the choice of an off-site clinic versus a site in a state building was presented to the HCC.
- The model assumes eligibility by 8,000 employees and 8,800 spouses/children, for a total of 16,800 eligible members in the Topeka Metro Area. All health plan members are eligible for services at the center.
- Percentages of expected utilization are expected to begin at 50% in Year 1 and increase to 60% by Year 3 for employees, and spouse and children utilization is expected to be 20%.

HCC

- Recognized as an opportunity for the State Employee Health Plan (SEHP) to offer high quality, value-added services
- Projected to reduce medical and drug claim costs
- Eligible Population: All employees, spouses and their dependents age 2+ covered by the SEHP are eligible for services provided by the center.
- Implemented as a pilot related to the HCC recommending to offer additional clinics in communities for SEHP members
- HCC approved Marathon Health as vendor
- SEHP responsible to pay all costs: implementation, buildout, rent (pass through cost)
- Marathon Lease expires 2/28/22 with option for two 3-year renewals with 180-day advance notice; Lease defaults to the SEHP should Marathon exit early

Services to be Provided

- ✓General primary healthcare services
- ✓Limited supply and dispensing of medications (1 script only-no refills)
- ✓On-site laboratory services
- ✓Third-party lab services
- ✓Behavioral health services
- Chiropractic services (to be stood up at a future date)

Published Purpose and Benefits:

- The State of Kansas cares about the wellbeing of their employees.
- The new health center is an additional benefit to help employees access convenient and affordable healthcare.
- When employees have support for their wellbeing, they're better able to live to their healthiest and fullest potential.
- Marathon Health services will be available for employees when they are not well; however, the greater focus will be to engage the population to help them build healthy habits so they can stay healthier longer
- All preventive visits are free regardless of health plan enrollment.
- Healthcare services will be provided at no cost for Plan A members. Medical visits will require a $40 fee for those members covered under Plans C, J, N, and Q until their deductible is met.
- The health center is affordable, convenient, and time-efficient with limited wait times and more time spent with the clinician.
- By focusing on preventive care and helping people manage chronic conditions, the population will become healthier, reducing the company’s overall healthcare costs

HealthQuest Health Center Visits Since Inception

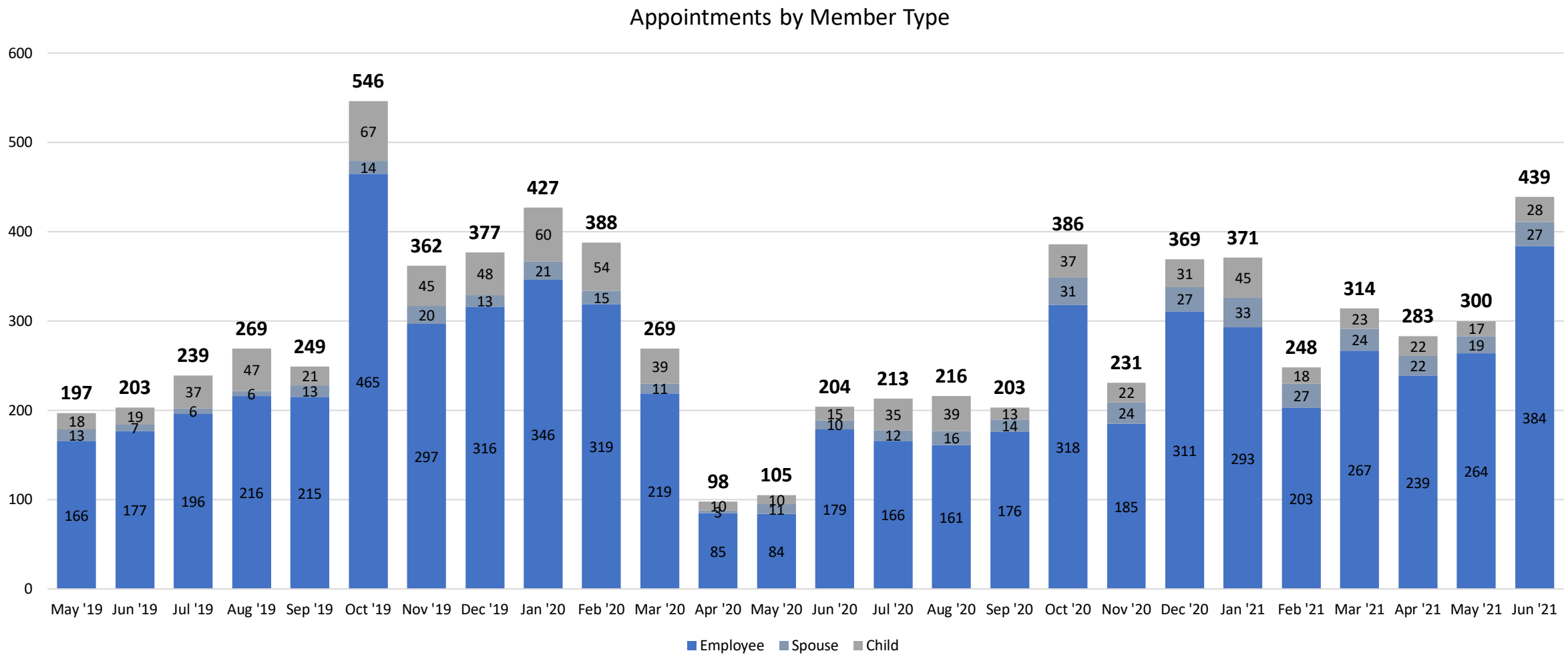
- Since the HealthQuest Health Center opened on May 1, 2019, there have been 7,507 total appointments completed by 2,519 unique patients 6/30/21. Of those 2,519 unique patients they are broken down by the following patient types:
- Employee-1,940 (24% of eligible population)
- Spouse-179 and Dependents-406 = 585 (6.6% of eligible population)

**When the health center was approved by the HCC, the expected utilization (not unique patients) was to begin at 50% Year 1 and increase to 60% by Year 3 for employees (8,000 eligible), and 20% for spouses and children (8800 eligible) There are no historical projections documented on how many unique patient visits there would be. The Center is currently in Year 2.*

*Source: June 2018 HCC Minutes

Visit Volume Trend
May 2019-June 2021

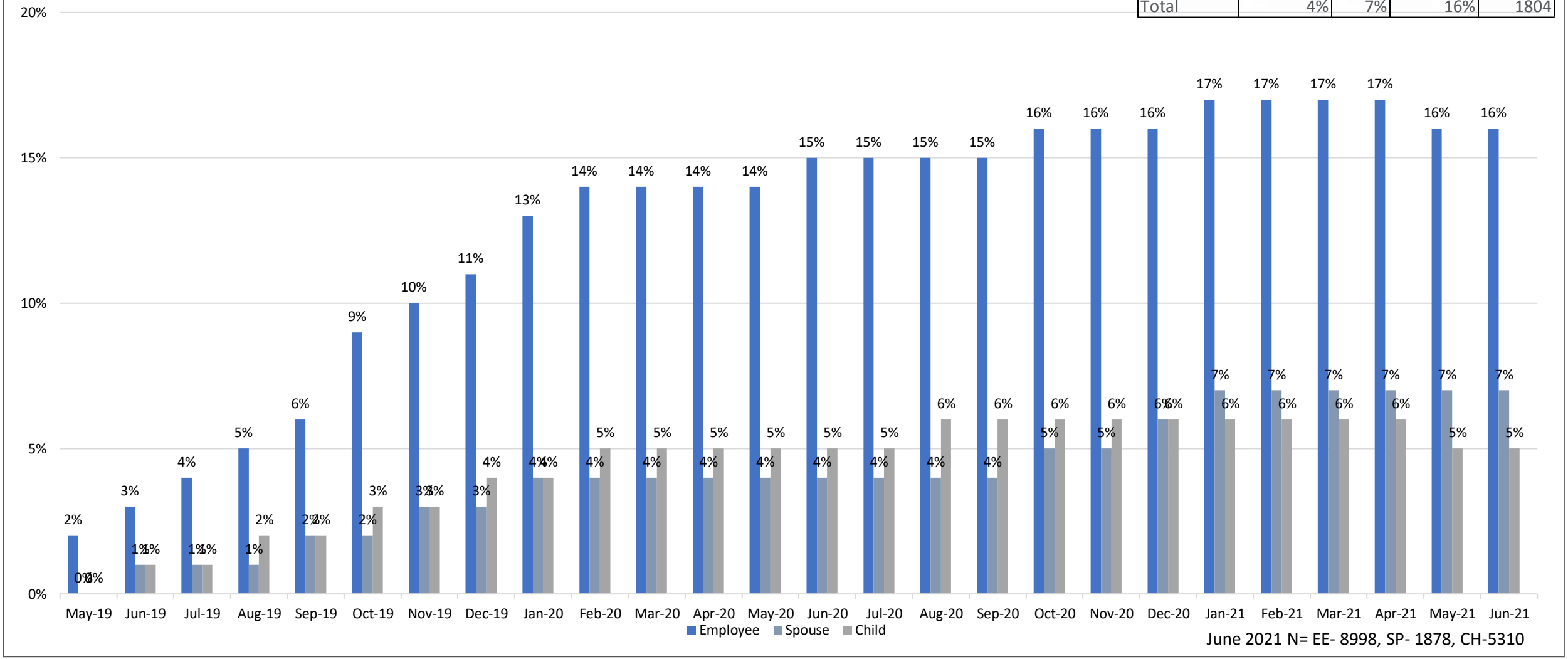
7,507 Total Appointments Since Go-Live



All-Member Engagement Trend
May 2019-June 2021

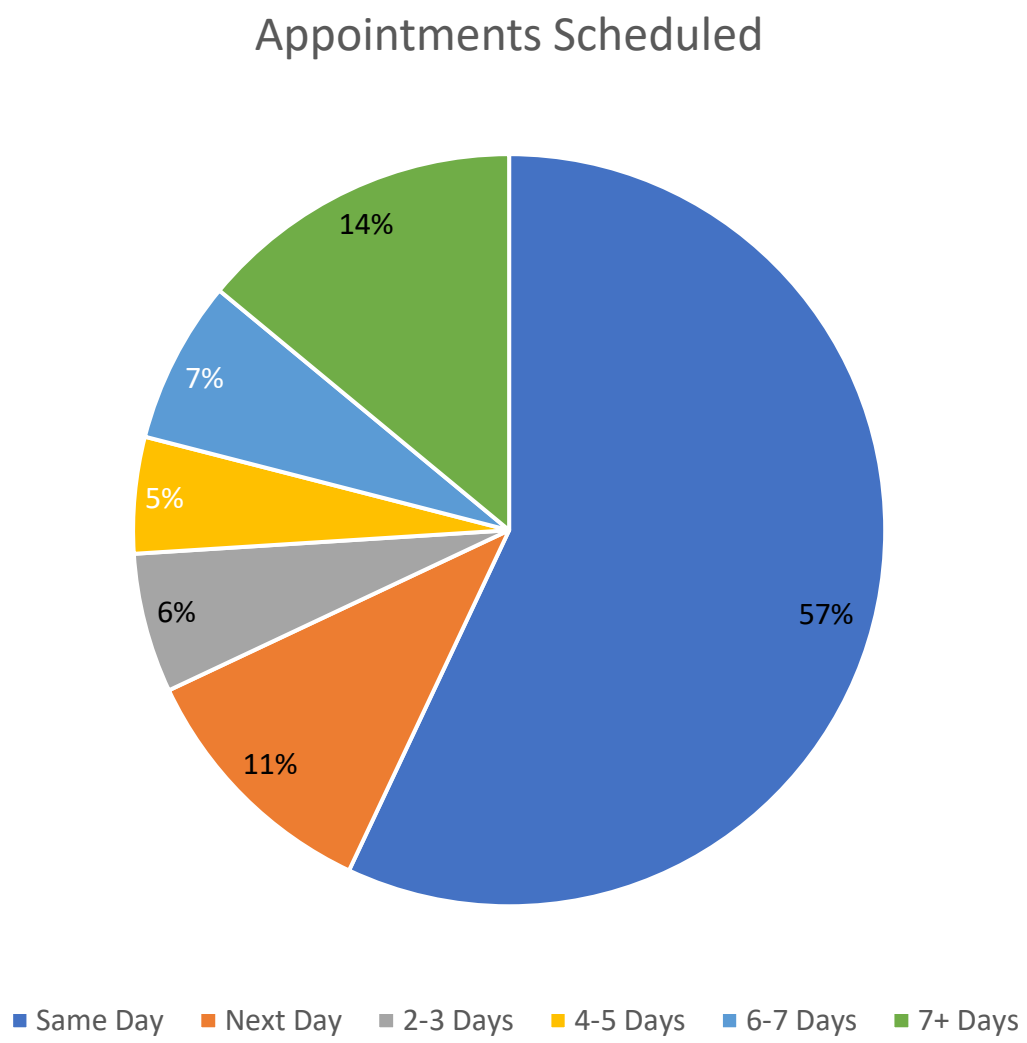
Engagement=appointment within the last 18-months

	Preventive	Acute	Total Utilization Incl. Labs	Total N Utilizing
Employees	6%	10%	23%	1408
Spouses	2%	4%	9%	127
Child	2%	3%	7%	269
Total	4%	7%	16%	1804



HealthQuest Health Center Access

May 2019-June 2020



93% of patients reported being able to **schedule** an appointment within **two days**.*

74% of all appointments were **scheduled** within **three days**

91% of **medical/office** appointments were scheduled **within 48-hours**

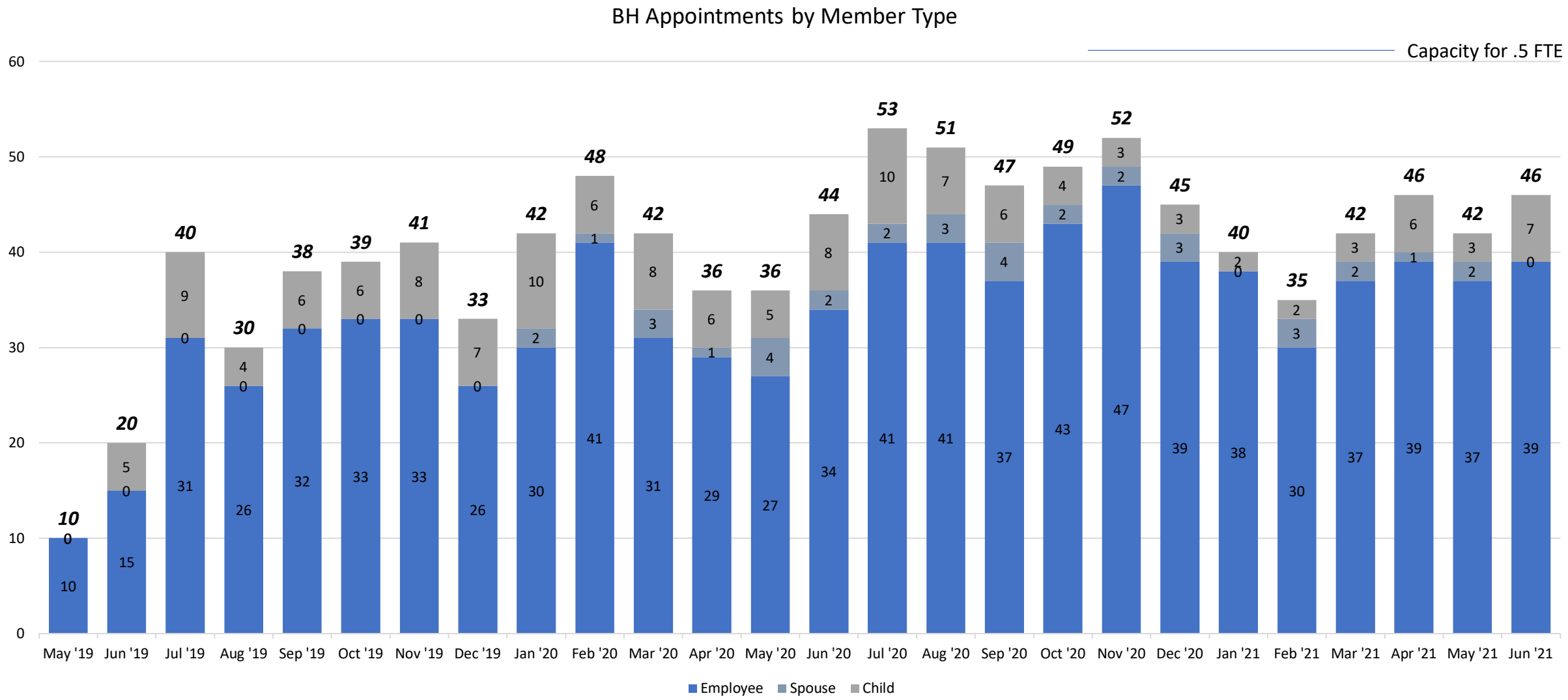
14% of appointments were scheduled +7 days out

58% of those appointments were for bio-metrics, health coaching or behavioral health. Follow-up appointments are often scheduled out in advance. For example, if a patient is being seen regularly by the behavioral health counselor or RN health coach, they might schedule a month's worth of appointments at one time, increasing the percent of appointments scheduled +7 days out.

*Annual health services survey

Behavioral Health Summary
May 2019-June 2021

1,047 Total BH Appointments Since Go-Live



We make understanding your return easy. And you can be sure you're investing in a wellness strategy that actually works.

ROI Analysis Categories

- Supplemental PCP
- Onsite RX for First-fill Limited formulary
- Brand to Generic Conversions
- Labs Redirection
- Specialty Care Referrals
- Chronic Disease Risk Reduction
- ED & Urgent Care Avoidance
- Care Navigation & Referrals
- Inpatient & Outpatient Avoidance

Recommendation

- The term of the contract is from September 1, 2018 to December 31, 2021; however, the implementation/opening of the Center did not take effect until May 2019.
- The Center's ability to market and grow has also been negatively impacted by COVID
- Clinic volumes are steadily trending upward since COVID has started to subside, Clinic hours have been adjusted for early morning and later day appointments, and employees have returned to work on site.

Options

#1

1. **Do not issue an RFP**
2. **Extend the contract an additional year** *(through 12/31/22)**
3. **Issue an RFP Spring of 2022** *(awarded by Sept. 2022)*
4. Annual Cost: $2,329,152

**Consider renegotiating the contract if extended*

#2

1. **Let the contract expire on 12/31/21**
2. **Issue an RFP for a new vendor**
   - *This will result in a gap in service offerings for the members*
   - *This will result in the SEHP assuming and renegotiating the lease for the space;*

3. Cost: $61,510

#3

- *This will result in the SEHP assuming the lease for January and February 2022*

2. Annual Cost: $9,960

Rationale to Extend Marathon Contract

The State's Goals and Originally Published Purposes and Benefits for a Clinic have not changed

The SEHP and Marathon partnership is strong with additional collaborative opportunities identified with KDHE and other state agencies

Member convenience, cost share (minimal or none) and a consistent 95.9% or higher member satisfaction rating with the clinic

Telemedicine opportunity to expand services throughout the State

Agenda Item #6

Kansas
Department of Administration
State Employee Health Plan

HCC Follow-up Q&A

From the July 23, 2021 Meeting

Provide the HCC with a report on the Avēsis Vision Provider network contracting (Schmidt)

- The Recruitment Team has begun their effort and has already secured a few different providers than what are currently in the network today.
- As of 8/2/21, 22 of the top 50 providers on our current network have been secured.
  - Two additional verbal commitments have been received
- Dr. Levy, CEO, had a formal conversation/exchange with the Kansas Optometry Association 7/27/21 and is keeping the line of communication open

Bariatric Surgery---Report on the SEHP's rules (Schmidt)

- Bariatric Surgery covered under SEHP since 2011
- Age Limit of "at least 18 years of age"
- Strict compliance guidelines (pre-surgery and post-surgery)
- Must be done at a Network, Accredited Center of Excellence
  - Additional standards guaranteeing high-volume and high-quality care may also be considered.

SEHP Bariatric Surgery Clinical Requirements

- Presence of morbid obesity persistent for at least one year as Class 3 obesity (BMI 40 kg or greater)
- Presence of morbid obesity persistent for at least one year as Class 2 obesity (BMI of 35-39 kg or greater AND one identifying comorbidity (CAD; Type 2 Diabetes; Obstructive Sleep Apnea), OR Three (3) or more of the following comorbidities: (Hypertension; Low HDL; Elevated LDL; Tobacco use; Impaired glucose tolerance; Family history of cardiovascular disease; age greater than 45 years in men; 55 in women
- BMI greater than 60 for consideration of the duodenal switch/biliopancreatic bypass
- History of failure of one or more medically appropriate or dietary therapies such as diet; increased activity; behavioral reinforcement; or pharmaceutical intervention
- Documentation of medical evaluation of the patient for the condition by a physician other than the operating surgeon and/or associates of the operating surgeon
- Documentation from a Psychologist or Psychiatrist regarding patient's willingness and understanding of procedure, and capacity to comply with pre and post operative treatment plans
- Active participation in an integrated clinical program involving guidance on diet, activity, behavioral and social support prior to, and following surgery

Book of Business – Bariatric Benefits

Blue Cross Blue Shield of Kansas

- 8 Employers provide bariatric benefits (all 18 & over)

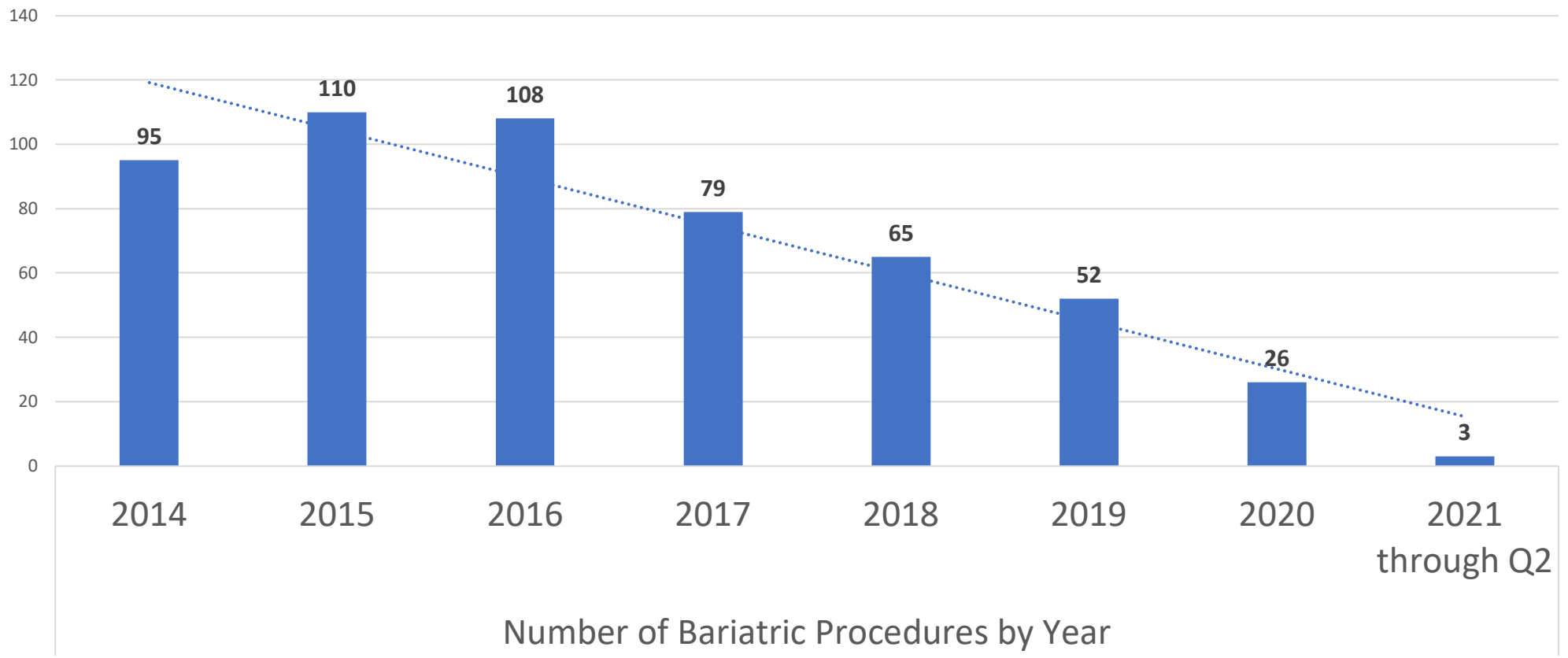
Aetna

- 6 Public employers within provide bariatric benefits (5 of the 6 include benefits for adolescents)

Adolescent Bariatric Surgery

- The SEHP has had two inquiries in the past 6 months requesting appeals for consideration for coverage of adolescent bariatric surgery
- The SEHP had a discussion about a member's case with a multidisciplinary team from Children's Mercy in May 2021
- Currently, the only Center of Excellence for adolescent Bariatric Surgery is Children's National Hospital in Washington, D.C.
- Current Aetna guidelines, including adolescent bariatric surgery stipulate, "for adolescents who have completed bone growth (generally age of 13 in females, age of 15 for males) with presences of obesity with severe comorbidities."
- Statistically, research by Segal projects 7-22 potential members of the SEHP (12-18 years of age) per year, with an average cost per procedure of $34,600, for a total projected potential annual cost to SEHP of $242,000 - $761,000

SEHP Historical Bariatric Procedure Numbers



Marathon Contract

The following items were addressed in detail in the comprehensive HealthQuest Health Center notebook that was delivered to each commissioner at the end of July 2021:

- List of Expenses and responsible party (Landwehr)
- History of Secretary Shipman's discussions with the previous legislature about the Clinic (Schmidt)
- Provide the number of unique patients being treated for behavioral health (Schmidt)
- EAC's opinion about the Health Center (Schmidt & Burns-Wallace)
- List of current services provided by Marathon (McGinn)
- List of what is included in telehealth services (Landwehr)
- Provide current marketing materials (Landwehr)

SEHP Host a Health Fair During Legislative Session (McGinn)

- Planning additional in-person events for 2022
  - Incorporating COVID safety guidelines
  - Will work with Legislative HR Team for best dates (Biometric Event)

  - Open Enrollment events (Benefits Fair) scheduled at State Capitol
    - October 5, 2021, 8 am – 4 pm South Patio (Rotunda if inclement weather)
    - October 20, 2021, 8 am – 4 pm South Patio (Rotunda if inclement weather)
    - 14-17 vendors in attendance and SEHP staff

Actuarial Bid Process

- Compare the current and proposed contract offerings & costs from Segal (Schmidt)
  - This was addressed in the 8/5/21 letter from Ken Vieira at Segal that was forwarded to the HCC members on 8/6/21
- Provide a copy of the Questions and Answers submitted by all bidders, timeline of when these were received, lists of meetings that took place and lists of who was involved in the negotiation meetings (Schmidt) --Next Slide

Actuarial Bid Meetings Involvement

- **COLLECTIVE MANAGEMENT TEAM MEETINGS:**
  - 3/4/21
  - 5/14/21
  - 5/18/21
  - 5/25/21
  - 6/21/21
  - 6/23/21
  - 6/29/21
  - Intermittently discussed at weekly management team meetings.
- **MEETINGS WITH ACTUARIAL FIRMS:**
  - Lewis and Ellis: 5/25/21
  - Segal 5/25/21
  - Aon May 5/24/21; 6/29/21
  - Gallagher 5/24/21
- **STAFF INVOLVED IN THE NEGOTIATION MEETINGS:**
  - Janet Stanek
  - Mike Michael
  - Jennifer Flory
  - Pete Nagurny
  - Delos DeCelle
  - Paul Roberts
  - Tracy Diel
  - Katie Banker

Miscellaneous

- Share public comments regarding the day 1 benefit coverage rule and reg change with commissioners ahead of 9/9/21 (Schmidt)
  - Noted
- Notify commission of any protests and/or lawsuits whenever they occur (Schmidt)
  - Noted
- Work with KPERS regarding live stream video capability for the next meeting (Schmidt)
  - Noted
- Provide procurement process and protest process from legal to the commissioners prior to the 8/23/21 meeting (Burns-Wallace)
  - Sent to commissioners 8/4/21

Agenda Item #7

Agenda Item #8

STATE EMPLOYEE HEALTH PLAN

PROCUREMENT PROCESS DRAFT OUTLINE

1. The SEHP follows the core requirements (principles) utilized by the Office of Procurement and Contracts (OPC). The Bid Guidelines for State Agencies is a document created by OPC, which sets forth the state procurement process and the statutory authority for this process found primarily in KSA 75-3739 – 75-3740 and KSA 75-37,102. However, KSA 75-6504 provides certain contracts entered into by the HCC are not subject to the provisions of KSA 75-3739 – 75-3740. This permits the HCC to utilize its own procurement procedure, while incorporating many of the rules and procedures followed by OPC.

    - Bid Events are publicly posted and published by OPC on behalf of the SEHP/HCC and follows the statutory requirements utilized by OPC found in KSA 75-3739 (b) and KSA 75-37,102 (d).
    - SEHP ensures the bidding process is open and permits fair competition among bidders.
    - All vendors are provided the same opportunity to submit bid responses to the bid event.
    - All bid responses are evaluated to determine best value for the state and SEHP members based upon performance, cost and disruption factors

2. Many SEHP contracts are time dependent on the Open Enrollment process and need to be coordinated with the plan insurance carriers and incorporated into various information system and communication builds ahead of the annual October 1st Open Enrollment start process. The SEHP adheres to a strict timeline in this regard.

3. OPC will determine if a dedicated Procurement Officer is needed to work with the SEHP staff on any aspects related to the bid document, including the initial development of the bid specifications and timeline to be used in the Request for Proposal (RFP) process.

4. The specifications for the bid event will be developed by SEHP program staff, and may include legal counsel, consultants working with SEHP and the OPC as needed Once a draft RFP bid document has been developed, it will be electronically provided to the Health Care Commission (HCC) Commissioners for review and comment ahead of being provided to OPC for posting on the website and publishing. The Commissioners will provide their input to SEHP staff in the time period provided. The time period for review will not be less than one (1) week. This bid document as it is being developed and reviewed is not considered a public document and is not subject to disclosure under KSA 45-221 (a) (27). It should not be shared with anyone who is not affiliated with the SEHP, HCC or OPC.

5. SEHP staff will review the comments received from HCC Commissioners, utilizing the OPC and any consultants who may be involved. Changes will be made where appropriate, or a response provided when required to the respective Commissioner(s).

6. Final specifications and bid documents are sent from the SEHP to OPC as they utilize OPC to post the SEHP bid event. OPC will then prepare the document for posting on the public website

and for publishing. OPC has public posting capabilities through the SMART system consistent with KSA 75-3739 and a bidder registration capability to notify potential bidders of any potential bid event. If SEHP has potential bidders it wants contacted about the bid event, SEHP can provide the contact information to the OPC Procurement Officer, who will contact the potential bidder to make them aware of the bid event and ask them to become a registered bidder in the State's procurement system.

7. The Procurement Officer assigned by OPC for the bid event is responsible for responding to all questions/comments from potential bidders until the bid event closes and all bids received are turned over to the SEHP staff. Amendments to the RFP, if necessary, will be routed through the OPC Procurement Officer for posting in accordance with the rules of the OPC. All questions posed by bidders and answers to questions will come through the OPC Procurement Officer. The OPC Procurement Officer will coordinate responses with the SEHP point of contact. This will ensure all potential bidders receive the same information and will have an equal opportunity to respond to the bid event.

8. The SEHP Administrative Coordinator is the designated point person for bid events for the SEHP division. This is consistent with the guidelines followed by OPC to ensure transparency of the process and the potential bidders are receiving the same information. The SEHP Administrative Coordinator works with the OPC Procurement Officer. This includes from the time the bid event is posted on the public website and published according to state statute until the bid event closes. This allows for the same information to be provided to all potential bidders. All questions and contacts by any potential bidder(s) are required by the rules of the bid event to go through the OPC Procurement Officer. It is the OPC Procurement Officer who contacts the SEHP Administrative Coordinator to obtain the requested information for the bidders. Failure to follow this process by any potential bidder could result in their bid submission being disqualified from consideration. The SEHP Administrative Coordinator, upon being contacted by the OPC Procurement Officer, will contact the appropriate individual(s) within SEHP to obtain the information needed to answer the bidder's inquiry during the time period the bid event is open. The OPC Procurement Officer will then take the information provided and will post an amendment to the bid event on the public website for anyone interested in the bid event to see and read. Any amendment becomes a part of the bid event documents. Registered bidders receive an email notification directing them to the website to see any posted amendment.

9. The SEHP Administrative Coordinator is responsible for overseeing the procurement process for all potential bid events within SEHP including:

    - Corresponding with the Office of Procurement and Contracts and the specific procurement officer handling the bid event.
    - Notifying the Office of Procurement and Contracts of all forthcoming, pending, and "in process" bid events/RFPs and their respective timelines.
    - Coordinating with legal counsel and any consultant assisting with the evaluation of the bid responses.

- Coordinating with the different internal points of review within the SEHP to answer bidder questions.

10. OPC Procurement will be the single point of contact for all potential bidders and vendors once the bid event is posted. OPC will receive and track all questions, answers and bid responses submitted for the bid event from the posting of the bid event until the bid event closes. Copies of all bids received by OPC and determined to be eligible by OPC are forwarded from the OPC Procurement Officer to the SEHP Administrative Coordinator after the bid closing deadline. Once the bid responses have been received by the SEHP Administrative Coordinator from the OPC Procurement Officer, all future contact regarding the bid will go through the SEHP Administrative Coordinator. This includes vendors who failed to respond to the bid event or whose bid responses were found to be ineligible to be considered for the contract award.

11. In conjunction with the Director, SEHP, the SEHP Administrative Coordinator is responsible for coordinating SEHP staff review of the bid proposals received in response to the bid event and obtaining any additional information needed form the bidders. In addition to the senior leadership team, legal counsel, contracted vendor resources (as needed), staff included in these reviews include subject matter experts, staff responsible for the contract administration, and financial management staff.

12. Following its review of the bid responses, the SEHP staff determines which vendors should be contacted to set up information/negotiation sessions. This does not mean all bids received will be involved in these sessions. In accordance with KSA 75-6504 (b), a minimum of three vendor bids are selected. It can be more than three bids, if there are more than three submissions. It can be less than three bids, if only one or two bid responses are received in response to the bid event.

13. An SEHP team, consisting of the Director, legal counsel, relevant Management Team members, and staff, and when appropriate and necessary, the Actuarial and Consulting Vendor or other consultant, holds negotiation/information gathering sessions with bidders.

14. The SEHP Director is designated as the Chief Negotiator for the SEHP/SOK with SEHP staff involved in formulating the negotiation/information session questions. This is consistent with the process used by OPC.

15. Following the negotiation/information sessions, the SEHP will request bidders provide responses to any questions which have arisen during the process, along with a best and final offer to the SEHP. The final submissions from the bidders will be reviewed by SEHP staff and legal counsel, and any follow-up and clarifications will be requested from the bidders.

16. After the SEHP staff reviews all the information submitted by the bidders and does a comparison of pre-established criteria used in the selection process, such as cost of services, experience, capacity to provide the requested services, customer service etc., the SEHP staff will make a

recommendation to the HCC for approval at its next available meeting date or special meeting date, if necessary.

17. If the HCC approves of the contract award recommendation by a majority vote of the HCC members in an open meeting held in accordance with the Kansas Open Meeting Act, a contract will be forwarded to the vendor being awarded the contact for signature.

18. The SEHP closely follows the OPC's Bid Protest Process as outlined below:

    a. The protest shall be made in writing to, and received by, the Director, State Employee Health Plan (SEHP) within **thirty (30) calendar days** after the date of the event which gives rise to the vendor's protest. The Director, SEHP shall not accept any protest more than thirty (30) days after the date of the contract award or renewal.

    b. The written protest shall include the following:

        - The name and address of the protesting vendor;
        - Appropriate identification of the procurement by bid or contract number;
        - A statement of the specific reasons for the protest; and
        - Supporting exhibits, evidence, or documents, unless they are not available within the filing time, in which case the expected availability date shall be indicated.

    c. If a protest has been filed before an award or renewal has been made, no contract shall be awarded or renewed until the protest has been heard, unless it is determined by Chairperson, Health Care Commission the immediate award of the contract is necessary to protect State interest.

    d. A protest decision shall be made by the Chairperson, Health Care Commission as soon as possible after receiving all relevant, requested information. The decision of the Chairperson, Health Care Commission is final and there is no further administrative appeal process. The Chairperson, Health Care Commission is the state agency officer to receive service of a petition for judicial review on behalf of the Health Care Commission (HCC) and SEHP.

    e. To maintain the integrity of the procurement process, the HCC/SEHP shall not grant waivers for, or hear protests concerning, the following omissions:

        - Failure to properly complete the bid form;
        - Failure to submit the bid to the Office of Procurement and Contracts by the due date or time;
        - Failure to provide samples, descriptive literature, or other required documents by the bid deadline or other specified time; or
        - Failure to provide a required bid deposit or performance bond by the specified date or time.

75-3740. Competitive bids; bid preferences to certain businesses; reports to legislature; rules and regulations; building contracts; bid records; definitions. (a) Except as provided by K.S.A. 75-3740b, and amendments thereto, and subsections (b) and (k), all contracts and purchases made by or under the supervision of the director of purchases or any state agency for which competitive bids are required shall be awarded to the lowest responsible bidder, taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids.

(b) A contract shall be awarded to a certified business or disabled veteran business which is also a responsible bidder, whose total bid cost is not more than 10% higher than the lowest competitive bid. Such contract shall contain a promise by the certified business that the percentage of employees that are individuals with disabilities will be maintained throughout the contract term and a condition that the certified business shall not subcontract for goods or services in an aggregate amount of more than 25% of the total bid cost.

(c) The director of purchases shall have power to decide as to the lowest responsible bidder for all purchases, but if:

(1) (A) A responsible bidder purchases from a qualified vendor goods or services on the list certified by the director of purchases pursuant to K.S.A. 75-3317 et seq., and amendments thereto, the dollar amount of such purchases made during the previous fiscal year shall be deducted from the original bid received from such bidder for the purpose of determining the lowest responsible bid, except that such deduction shall not exceed 10% of the original bid received from such bidder; or

(B) a responsible bidder purchases from a certified business the dollar amount of such purchases made during the previous fiscal year shall be deducted from the original bid received from such bidder for the purpose of determining the lowest responsible bid, except that such deduction shall not exceed 10% of the original bid received from such bidder;

(2) the dollar amount of the bid received from the lowest responsible bidder from within the state is identical to the dollar amount of the bid received from the lowest responsible bidder from without the state, the contract shall be awarded to the bidder from within the state; and

(3) in the case of bids for paper products specified in K.S.A. 75-3740b, and amendments thereto, the dollar amounts of the bids received from two or more lowest responsible bidders are identical, the contract shall be awarded to the bidder whose bid is for those paper products containing the highest percentage of recycled materials.

(d) Any or all bids may be rejected, and a bid shall be rejected if it contains any material alteration or erasure made after the bid is opened. The director of purchases may reject the bid of any bidder who is in arrears on taxes due the state, who is not properly registered to collect and remit taxes due the state or who has failed to perform satisfactorily on a previous contract with the state. The secretary of revenue is hereby authorized to exchange such information with the director of purchases as is necessary to effectuate the preceding sentence notwithstanding any other provision of law prohibiting disclosure of the contents of taxpayer records or information. Prior to determining the lowest responsible bidder on contracts for construction of buildings or for major repairs or improvements to buildings for state agencies, the director of purchases shall consider: (1) The criteria and information developed by the secretary of administration, with the advice of the state building advisory commission to rate contractors on the basis of their performance under similar contracts with the state, local governmental entities and private entities, in addition to other criteria and information available; and (2) the recommendations of the project architect, or, if there is no project architect, the recommendations of the secretary of administration or the agency architect for the project as provided in K.S.A. 75-1254, and amendments thereto. In any case where competitive bids

are required and where all bids are rejected, new bids shall be called for as in the first instance, unless otherwise expressly provided by law or the state agency elects not to proceed with the procurement.

(e) Before the awarding of any contract for construction of a building or the making of repairs or improvements upon any building for a state agency, the director of purchases shall receive written approval from the state agency for which the building construction project has been approved, that the bids generally conform with the plans and specifications prepared by the project architect, by the secretary of administration or by the agency architect for the project, as the case may be, so as to avoid error and mistake on the part of the contractors. In all cases where material described in a contract can be obtained from any state institution, the director of purchases shall exclude the same from the contract.

(f) All bids with the names of the bidders and the amounts thereof, together with all documents pertaining to the award of a contract, shall be made a part of a file or record and retained by the director of purchases for five years, unless reproduced as provided in K.S.A. 75-3737, and amendments thereto, and shall be open to public inspection at all reasonable times.

(g) As used in this section:

(1) "Certified business" means any business certified as provided by subsection (l) by the department of administration that is a sole proprietorship, partnership, association or corporation domiciled in Kansas, or any corporation, even if a wholly owned subsidiary of a foreign corporation, that:

(A) Does business primarily in Kansas or substantially all of its production in Kansas;

(B) employs at least 10% of its employees who are individuals with disabilities and reside in Kansas;

(C) offers to contribute at least 75% of the premium cost for individual health insurance coverage for each employee. The department of administration shall require a certification of these facts as a condition to the certified business being awarded a contract pursuant to subsection (b); and

(D) does not employ individuals under a certificate issued by the United States secretary of labor under 29 U.S.C. § 214(c);

(2) "individuals with disabilities" or "individual with a disability" means any individual who:

(A) Is certified by the Kansas department for aging and disability services or by the Kansas department for children and families which administers the rehabilitation services program as having a physical or mental impairment which constitutes a substantial barrier to employment;

(B) works a minimum number of hours per week for a certified business necessary to qualify for health insurance coverage offered pursuant to subsection (g)(1); and

(C) (i) is receiving services, has received services or is eligible to receive services under a home and community based services program, as defined by K.S.A. 39-7,100, and amendments thereto;

(ii) is employed by a charitable organization domiciled in the state of Kansas and exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, as amended; or

(iii) is an individual with a disability pursuant to the disability standards established by the social security administration as determined by the Kansas disability determination services under the Kansas department for children and families;

(3) "physical or mental impairment" means:

(A) Any physiological disorder or condition, cosmetic disfigurement or anatomical loss substantially affecting one or more of the following body systems: Neurological; musculoskeletal;

special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genitourinary; hemic and lymphatic; skin; or endocrine; or

(B) any mental or psychological disorder, such as intellectual disability, organic brain syndrome, mental illness and specific learning disabilities. The term "physical or mental impairment" includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairment, cerebral palsy, epilepsy, muscular dystrophy, multiple sclerosis and intellectual disability; and

(4) "project architect" shall have the meaning ascribed thereto in K.S.A. 75-1251, and amendments thereto;

(5) "disabled veteran" means a person verified by the Kansas commission on veterans affairs office to have served in the armed forces of the United States and who is entitled to compensation for a service-connected disability, according to the laws administered by the veterans administration, or who is entitled to compensation for the loss, or permanent loss of use, of one or both feet or one or both hands, or for permanent visual impairment of both eyes to a prescribed degree;

(6) "disabled veteran business" means a business certified annually by the department of administration that is a sole proprietorship, partnership, association or corporation domiciled in Kansas, or any corporation, even if a wholly owned subsidiary of a foreign corporation, and is verified by the commission on veterans affairs office that:

(A) Not less than 51% is owned by one or more disabled veterans or, in the case of a publicly owned business, not less than 51% of the stock owned by one or more disabled veterans;

(B) the management and daily business operations are controlled by one or more disabled veterans; and

(C) such business maintains the requirements of subparagraphs (A) and (B) during the entire contract term.

(h) Any state agency authorized by the director of purchases to make purchases pursuant to K.S.A. 75-3739(e), and amendments thereto, shall consider any unsolicited proposal for goods or services under this section.

(i) The secretary of administration and the secretary for aging and disability services, jointly, shall adopt rules and regulations as necessary to effectuate the purpose of this section.

(j) On and after January 13, 2014, at the beginning of each regular session of the legislature, the secretary of administration and the secretary for aging and disability services shall submit to the social services budget committee of the house of representatives and the appropriate subcommittee of the committee on ways and means of the senate, a written report on:

(1) The number of certified businesses certified by the department of administration during the previous fiscal year;

(2) the number of certified businesses awarded contracts pursuant to subsection (b) during the previous fiscal year;

(3) the number of contracts awarded pursuant to subsection (b) to each certified business during the previous fiscal year;

(4) the number of individuals with disabilities removed from, reinstated to or not reinstated to home and community based services or other medicaid program services during the previous fiscal year as a result of employment with a certified business;

(5) the number of individuals employed by each certified business during the previous fiscal year; and

(6) the number of individuals with disabilities employed by each certified business during the previous fiscal year.

(k) When a state agency is receiving bids to purchase passenger motor vehicles, such agency shall follow the procedures prescribed in subsection (c)(2), except in the case where one of the responsible bidders offers motor vehicles which are assembled in Kansas. In such a case, 3% of the bid of the responsible bidder which offers motor vehicles assembled in Kansas shall be subtracted from the bid amount, and that amount shall be used to determine the lowest bid pursuant to subsection (c)(2). This subsection shall only apply to bids which match the exact motor vehicle specifications of the agency purchasing passenger motor vehicles.

(l) The secretary of administration shall certify that a business meets the requirements for a certified business as defined in subsection (g), and shall recertify such business as having met such requirements every three years thereafter. Businesses already certified for 2017 as provided in this section on July 1, 2017, shall be recertified every three years thereafter.

History: L. 1953, ch. 375, § 40; L. 1978, ch. 337, § 12; L. 1986, ch. 328, § 1; L. 1990, ch. 319, § 14; L. 2003, ch. 114, § 4; L. 2012, ch. 153, § 6; L. 2013, ch. 133, § 28; L. 2014, ch. 129, § 6; L. 2017, ch. 65, § 1; July 1.

Source or Prior Law:

76-101, 76-101a, 76-101b, 76-101c, 76-103.

Revisor's Note:

Section was amended twice in the 2012 session, see also 75-3740d.

75-3739. Competitive bids, exceptions; bidding procedures; reports of purchases without bids, waivers of bid solicitation publication and delegations of purchasing authority; highway contracts exemption; state agency contracts exemption; prior approval of real property leases. In the manner as provided in this act and rules and regulations established thereunder:

(a) All contracts for construction and repairs, and all purchases of and contracts for supplies, materials, equipment and contractual services to be acquired for state agencies shall be based on competitive bids, except that competitive bids need not be required in the following instances:

(1) For contractual services, supplies, materials, or equipment when, in the judgment of the director of purchases, no competition exists;

(2) when, in the judgment of the director of purchases, chemicals and other material or equipment for use in laboratories or experimental studies by state agencies are best purchased without competition, or where rates are fixed by law or ordinance;

(3) when, in the judgment of the director of purchases, an agency emergency requires immediate delivery of supplies, materials or equipment, or immediate performance of services;

(4) when any statute authorizes another procedure or provides an exemption from the provisions of this section;

(5) when compatibility with existing contractual services, supplies, materials or equipment is the overriding consideration;

(6) when a used item becomes available and is subject to immediate sale; or

(7) when, in the judgment of the director of purchases and the head of the acquiring state agency, not seeking competitive bids is in the best interest of the state.

When the director of purchases approves a purchase of or contract for supplies, materials, equipment, or contractual services in any instance specified in this subsection, the director may delegate authority to make the purchase or enter the contract under conditions and procedures prescribed by the director. Except for purchases or contracts entered into without a competitive bid under subsection (a)(3), (a)(4), (a)(6) or subsection (h), no purchase or contract entered into without a competitive bid for an amount in excess of $100,000 shall be entered into by the head of any state agency or approved by the director of purchases unless the director of purchases first posts an on-line notice of the proposed purchase or contract at least seven days before the purchase or contract is awarded. The director of purchases shall provide notice thereof to members of the legislature at the beginning of each calendar year that such information will be posted and the director of the division of purchases shall provide the uniform resource locator (URL) and the number of times such information shall be available. In the event a written protest of the awarding of such a contract occurs during the seven-day notice period, the director of purchases shall request from the protestor the contact information, including name and mailing address, of the person or entity that has expressed an interest in supplying the goods or services and

provide a copy of the specification to the person or entity that has expressed an interest in supplying the goods or services and verify that such person or entity is interested and capable of supplying such goods or services.

Upon satisfaction of the director of purchases regarding the validity of the protest and the existence of competition, the director of purchases shall proceed with a competitive procurement. A competitive procurement shall not be required when, in the judgment of the director of purchases, the validity of the protest cannot be determined or competition for such goods or services cannot be verified by the director of purchases.

The director of purchases shall prepare a detailed report at least once in each calendar quarter of all contracts over $5,000 entered into without competitive bids under subsection (a)(1), (2), (3), (5), (6) or (7). The director shall submit the report to the legislative coordinating council, the chairperson of the committee on ways and means of the senate and the chairperson of the committee on appropriations of the house of representatives.

(b) (1) If the amount of the purchase is estimated to exceed $50,000, sealed bids shall be solicited by notice published once in the Kansas register not less than 10 days before the date stated in the notice for the opening of the bids. The director of purchases may waive this publication of notice requirement when the director determines that a more timely procurement is in the best interest of the state. The director of purchases also may designate a trade journal for the publication. The director of purchases also shall solicit such bids by sending notices by mail to prospective bidders and by posting the notice on a public bulletin board for at least 10 business days before the date stated in the notice for the opening of the bids unless otherwise provided by law. All bids shall be sealed when received and shall be opened in public at the hour stated in the notice.

(2) The director of purchases shall prepare a detailed report at least once in each calendar quarter of all instances in which the director waived publication of the notice of bid solicitations in the Kansas register as provided in this subsection. The director shall submit the report to the legislative coordinating council, the chairperson of the committee on ways and means of the senate and the chairperson of the committee on appropriations of the house of representatives.

(c) All purchases estimated to exceed approximately $25,000 but not more than $50,000, shall be made after receipt of sealed bids following at least three days' notice posted on a public bulletin board.

(d) All purchases estimated to be more than $5,000, but less than $25,000, may be made after the receipt of three or more bid solicitations by telephone, telephone facsimile or sealed bid, following at least three days' notice posted on a public bulletin board. Such bids shall be recorded as provided in subsection (f) of K.S.A. 75-3740, and amendments thereto. Any purchase that is estimated to be less than $5,000 may be purchased under conditions and procedures prescribed by the director of purchases. Purchases made in compliance with such conditions and procedures shall be exempt from other provisions of this section.

(e) With the approval of the secretary of administration, the director of purchases may delegate authority to any state agency to make purchases of less than $25,000 under certain prescribed conditions and procedures. The director of purchases shall prepare a report at least once in each calendar quarter of all current and existing delegations of authority to state agencies as provided in this subsection. The director shall submit the report to the legislative coordinating council, the chairperson of the committee on ways and means of the senate and the chairperson of the committee on appropriations of the house of representatives.

(f) Subject to the provisions of subsection (e), contracts and purchases shall be based on specifications approved by the director of purchases. When deemed applicable and feasible by the director of purchases, such specifications shall include either energy efficiency standards or appropriate life cycle cost formulas, or both, for all supplies, materials, equipment and contractual services to be purchased by the state. The director of purchases may reject a contract or purchase on the basis that a product is manufactured or assembled outside the United States. No such specifications shall be fixed in a manner to effectively exclude any responsible bidder offering comparable supplies, materials, equipment or contractual services.

(g) Notwithstanding anything herein to the contrary, all contracts with independent construction concerns for the construction, improvement, reconstruction and maintenance of the state highway system and the acquisition of rights-of-way for state highway purposes shall be advertised and let as now or hereafter provided by law.

(h) The director of purchases may authorize state agencies to contract for services and materials with other state agencies, or with federal agencies, political subdivisions of Kansas, agencies of other states or subdivisions thereof, or private nonprofit educational institutions, without competitive bids.

(i) The director of purchases may participate in, sponsor, conduct, or administer a cooperative purchasing agreement or consortium for purchases of supplies, materials, equipment, and contractual services with federal agencies or agencies of other states or local units of government. Cooperative purchasing agreements entered into under this subsection shall not be subject to K.S.A. 75-3739 through 75-3740a, and amendments thereto.

(j) The director of purchases may delegate authority to any state agency to make purchases under certain prescribed conditions and procedures when the acquisition is funded, in whole or in part, from a grant. Except as otherwise provided in subsection (k) of this section, purchases made in compliance with such conditions and procedures shall be exempt from other provisions of this section. As used in this subsection the term "grant" means a disbursement made from federal or private funds, or a combination of these sources, to a state agency. Nothing in this subsection shall allow federal grant moneys to be handled differently from any other moneys of the state unless the requirements of the applicable federal grant specifically require such federal moneys to be handled differently.

(k) The director of purchases shall prepare a detailed report at least once each calendar quarter of all contracts over $5,000 for services, supplies, materials or equipment entered into pursuant to subsection (h), (i) or (j) and submit it to the legislative coordinating council, the chairperson of the committee on ways and means of the senate and the chairperson of the committee on appropriations of the house of representatives.

(l) Except as otherwise specifically provided by law, no state agency shall enter into any lease of real property without the prior approval of the secretary of administration. A state agency shall submit to the secretary of administration such information relating to any proposed lease of real property as the secretary may require. The secretary of administration shall either approve, modify and approve or reject any such proposed lease.

(m) The director of purchases shall require all bidders on state contracts to disclose all substantial interests held by the bidder in the state.

(n) As used in article 37 of chapter 75 of the Kansas Statutes Annotated, and amendments thereto, and other statutory provisions concerning state procurement, "sealed bids," "bulletin boards" and "mail" shall include electronic bids,

electronic bulletin boards and electronic mail when such items are utilized in accordance with procedures prescribed by the director of purchases.

History: L. 1953, ch. 375, § 39; L. 1968, ch. 311, § 2; L. 1975, ch. 450, § 1; L. 1978, ch. 357, § 1; L. 1979, ch. 289, § 5; L. 1980, ch. 279, § 1; L. 1981, ch. 324, § 25; L. 1984, ch. 325, § 1; L. 1987, ch. 341, § 5; L. 1987, ch. 196, § 19; L. 1987, ch. 342, § 1; L. 1987, ch. 343, § 1; L. 1987, ch. 343, § 2; L. 1996, ch. 201, § 8; L. 1998, ch. 182, § 27; L. 2003, ch. 114, § 6; L. 2012, ch. 163, § 6; Jan. 1, 2013.

Agenda Item #9

Agenda Item #10

APPENDIX – a-i

Reference Check

RFP EVT7739 for Actuarial and Consulting Services
Reference for**: Aon**

1. What Actuarial and Consulting services are provided by the vendor for your company?

   Aon provides Actuarial and benefit-consulting services to help determine present and future funding needs and recommended benefit modifications for both self-insured and fully- insured voluntary benefit plans; OPEB actuarial valuation services and GASB compliance as well as OPEB funding reports; support in the design, development, preparation, review, and analysis of contracts and procurements for new and existing benefits and programs; financial and/or programmatic audits of the third-party administrators or insurance companies under contract; assistance with evaluation and impact of proposed legislation.

   How long have you worked with them?

   Since 2012 through two competitive procurement cycles.

2. When making the decision to use this vendor, what features stood out compared to others you considered?

   The Request for Qualifications (RFQ) process is governed by the rules of the state's central procurement office. This decision was made by independent evaluators in Benefits Administration and our Division of Accounts. In the technical evaluation they score all aspects of the requirements related to the above scope of work.

3. Does the vendor cooperate with your other vendors to efficiently and timely meet deadlines? Yes

4. Is the vendor effective in communicating with your other partners, such as Commissions and Advisory Groups? Yes. Aon regularly presents to our governing body (Insurance Committees), which include the state's comptroller, treasurer, commissioners, legislators and various other representatives. They have also provided testimony to legislative bodies.

5. Do you have your consultants assist with the preparation and evaluation of request for proposals for services like PBM, administrative service for self funded plans, and onsite health centers? Yes.

   If you do use your consultants, can you speak to your experiences.

   We engage regularly with Aon to assist in RFP development, particularly to include their observations about market trends and best practices. We also use them in the more complicated cost proposal evaluations, such as with our carve-out PBM and TPAs.

6. Have you encountered any issues with their reporting and technology? No.

7. What do you like most about the vendor? Are there any areas that you have experienced challenges in working with the vendor?

Aon has always been very responsive to our deadlines. I appreciate their ability to bring in expertise from other parts of their company when specialized questions arise.

8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance to date? 9

   Please explain the reason for the rating. Aon provides excellent service. A perfect 10 would also include advancing a methodology for evaluating TPA costs beyond their discount database. The industry doesn't have a good way of evaluating total cost of care yet, so it's not just Aon.

Completed by: Laurie Lee, Executive Director, Benefits Administration

Company: State of Tennessee

Date: June 24, 2021

Reference Check

RFP EVT7739 for Actuarial and Consulting Services
Reference for**: Aon**

1. What Actuarial and Consulting services are provided by the vendor for your company?

   Below is a list of functions that AON is contractually obligated to perform, upon request, for the Commonwealth of Kentucky's public employee health plan.

   a. Actuarial analysis and projections;

   b. Consultation regarding financial projections and plan design;

   c. Reporting;

   d. Request For Proposal drafting support and vendor selection assistance;

   e. Stakeholder consultation;

   f. Legislative support, including bill reviews to determine financial impact;

   g. Communications assistance;

   h. Legal and compliance support and consultation; and

   i. Auditing.

   AON consistently provides very detailed analysis, projections, consultative support, procurement support, auditing, and legislative support.

   How long have you worked with them?

   AON has provided actuarial and consulting services to the Commonwealth of Kentucky's public employee health plan since at least 1/1/2011.

2. When making the decision to use this vendor, what features stood out compared to others you considered?

   Knowledgeable account management team.

   Experience dealing with large government clients.

   Expertise in various procurement areas, including pharmacy.

3. Does the vendor cooperate with your other vendors to efficiently and timely meet deadlines?

   Yes. In particular, AON works closely with the plan's data aggregator, pharmacy benefits manager, and medical third party administrator.

4. Is the vendor effective in communicating with your other partners, such as Commissions and Advisory Groups?

Yes. I least 2-3 times each year, AON makes presentations to the Kentucky Group Health Insurance Board to keep them advised of trends and projections, and to make recommendations for future changes to the plan.

5. Do you have your consultants assist with the preparation and evaluation of request for proposals for services like PBM, administrative service for self funded plans, and onsite health centers? If you do use your consultants, can you speak to your experiences.

   Yes. AON assists the plan in producing RFPs and evaluating the types of RFPs that are emerging in the market in order for the plan to recognize the most savings. AON also participates in scoring certain cost aspects of RFPs and as expert advisors. Our AON account management team connects internal plan administrators with experts within AON to provide advice and guidance.

6. Have you encountered any issues with their reporting and technology?

   No.

7. What do you like most about the vendor? Are there any areas that you have experienced challenges in working with the vendor?

   Strengths
   1. AON supplies experts to assist the health plan in decision-making. Examples include:
   a. Pharmacy market checks to ensure the plan is getting the best possible value from its pharmacy benefits manager;
   b. Supplying Benefits System experts as the plan looks to procure and implement a new benefits system; and
   c. Providing procurement experts to help with drafting and evaluating Requests for Proposals.
   2. AON understands the plan's population and assists in addressing issues related to that population (i.e. plan design structure)
   3. AON is willing to provide special reporting and analysis upon request (i.e. COVID models/data) and does not require additional funding for those ad hoc requests.

   Weaknesses
   1. AON is sometimes slow to get results on major projects; however, we understand that it takes time to gather data and complete an accurate and detailed analysis. AON always wants to make sure that their analysis is based on the latest possible data, and they are conscientious of established deadlines.

8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance to date? Please explain the reason for the rating.

   9 – with the only weakness identified being that described above in the answer to question number 7.

Completed by: Sharron Burton, Deputy Commissioner

Company: Commonwealth of Kentucky, Personnel Cabinet, Department of Employee Insurance

Date: 05/25/2021

Reference Check

RFP EVT7739 for Actuarial and Consulting Services
Reference for**: Aon**

1. What Actuarial and Consulting services are provided by the vendor for your company? How long have you worked with them?

   We have utilized Aon's services for 10 years. They provide actuarial consulting services for the MoDOT & MSHP Medical Plan as well as our Self Insurance Plan (for worker's compensation and general liability for MoDOT).

2. When making the decision to use this vendor, what features stood out compared to others you considered?

   I was not a part of the original decision to contract with Aon, however in the last 10 years I have been working with Aon they have been reliable and proven themselves to be industry leaders in actuarial services. Their insight has been instrumental to lead us through the bid and procurement process for our new medical administrator. They stayed engaged throughout the implementation of the new vendor. They also provide an annual and semi-annual reports of the financial outlook for the medical plan. Aon has also assisted with new ACA regulatory compliance over the years.

3. Does the vendor cooperate with your other vendors to efficiently and timely meet deadlines?

   Yes, Aon has always been great to work with our medical administrators, PBM's, pharmacy consultant and our own internal accounting department to coordinate reports timely.

4. Is the vendor effective in communicating with your other partners, such as Commissions and Advisory Groups?

   Yes, Aon provides two in-person (or virtual) presentations to the Medical Board of Trustees a year. They provide status updates and do an excellent job with these presentations. They are always professional and able to address any question asked of them.

5. Do you have your consultants assist with the preparation and evaluation of request for proposals for services like PBM, administrative service for self funded plans, and onsite health centers? If you do use your consultants, can you speak to your experiences.

   We have used Aon to lead the procurement and implementation for TPA services. They do an excellent job of evaluating the data submitted and present it in a manner that is easy to compare responses and analyze the pros and cons of each response. We use a pharmacy consultant for our PBM services.

6. Have you encountered any issues with their reporting and technology?

   Never.

7. What do you like most about the vendor? Are there any areas that you have experienced challenges in working with the vendor?

   Everyone we work with at Aon is very professional and listens to understand our needs. The reports they provide are thorough. They keep us up to date on compliance changes that would impact the Plan and offer suggestions to help contain costs.

8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance to date? Please explain the reason for the rating.

   10 – for all the reasons mentioned in Q 7.

Completed by: Ashley Halford, Medical Board of Trustees Chair

Company: Missouri Department of Transportation

Date: 6/24/2021

1. What Actuarial and Consulting services are provided by the vendor for your company? How long have you worked with them?
    a. Aon provides services including Valuation Reports for Health, Dental, and Life including RBC and premium deficiency; monthly IBNR determination; premium rate setting for Health, Dental, and Life premiums including evaluation of plan and benefit design and associated fiscal impact; pharmacy consulting including benefit design and auditing. We have worked with Aon for over 15 years.
2. When making the decision to use this vendor, what features stood out compared to others you considered?
    a. Aon has a broad range of SME's available that assist us with our needs.
3. Does the vendor cooperate with your other vendors to efficiently and timely meet deadlines?
    a. Yes. As an example, Aon provides support for our annual financial audit.
4. Is the vendor effective in communicating with your other partners, such as Commissions and Advisory Groups?
    a. Yes, Aon regularly presents to our Committee members and Board. We have also had Aon representatives provide expert testimony to Legislative bodies and other relevant groups, etc.
5. Do you have your consultants assist with the preparation and evaluation of request for proposals for services like PBM, administrative service for self funded plans, and onsite health centers? If you do use your consultants, can you speak to your experiences.
    a. Yes. As examples, Aon consults with us on the RFP process for other health and dental carriers as well as vision carriers and assisted with the RFP development for a Data Warehouse vendor.
6. Have you encountered any issues with their reporting and technology?
    a. Aon is very accomplished and flexible in presenting data and can tailor to the intended audience and purpose. This can range in format from detailed financial schedules to infographics that present very complex ideas/metrics/trends in a easily understood manner.
7. What do you like most about the vendor? Are there any areas that you have experienced challenges in working with the vendor?
    a. We have been fortunate to have the same key people work with us for a number of years. Additionally Aon has provided SME's for assistance with data warehouse needs, wellness programs, and disease management initiatives, as examples.
8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance to date? Please explain the reason for the rating.
    a. Aon rates a 10 for excellent, competent, timely service with staff who know all aspects of our plan, as well as their broad range of SME's in multiple areas.

Dana Dale, CPA | Deputy Director, Internal Audit
Employees Group Insurance Division | Office of Management and Enterprise Services
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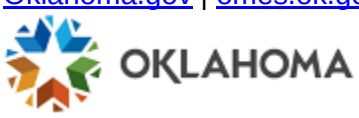
Oklahoma.gov | omes.ok.gov



Reference Check

RFP EVT7739 for Actuarial and Consulting Services
Reference for**: Aon**

1. What Actuarial and Consulting services were provided by the vendor for your company? How long did you work with them?

   Aon provided health care consulting and actuarial services to the State of Delaware Group Health Insurance Plan from approximately 2008 through 2011. Aon further provided similar support to a legislative Health Plan Task Force in 2015.

2. When making the decision to use this vendor, what features stood out compared to others you considered?

   Aon's deep knowledge and experience in the healthcare industry.

3. Did the vendor cooperate with your other vendors to efficiently and timely meet deadlines?

   Yes, Aon worked cooperatively with our vendor partners and was effective in meeting deadlines.

4. Was the vendor effective in communicating with your other partners, such as Commissions and Advisory Groups?

   Yes, Aon attended all meetings of our State Employee Benefits Committee and presented financials, forecast projections, and proposed policy and benefit design changes. Additionally, Aon supported the State in 2015 when a legislative task force was formed to evaluate the financial sustainability of the State Group Health Plan and to consider potential policy changes.

5. Did you have your consultants assist with the preparation and evaluation of request for proposals for services like PBM, administrative service for self-funded plans, and onsite health centers? If you did use your consultants, can you speak to your experiences.

   Yes, Aon assisted the State of Delaware with numerous RFPs including vision, dental, EAP and Medical TPA services for our self-insured health plans. The Aon teams assigned to these procurements were organized and adequately supported the State of Delaware in accordance with our required procurement process with regards to development and advertisement of the RFP as well as in evaluating bid responses and assisting the Proposal Review Committees in their evaluation and subsequent contract awards.

6. Did you encounter any issues with their reporting and technology?

   There were no issues with reporting or technology.

7. What did you like most about the vendor? Were there any areas that you had experienced challenges in working with the vendor?

   Aon's deep bench of experienced consultants and actuaries was helpful to the State of Delaware in terms of supporting our self-insured medical, prescription and disability

programs as well as our fully insured dental, vision, EAP, GUL and supplemental benefit programs. They were also helpful as it related to ACA and other federal mandates and requirements such as HIPAA, ARRA and COBRA administration. The actuaries assigned to the State of Delaware to support the financial administration, rate development and forecasting were knowledgeable and competent. Deadlines and quality of work were generally met and delivered as expected.

8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance? Please explain the reason for the rating.

   On a scale of 1 to 10, the State of Delaware would rate Aon an 8. Aon's performance met expectation under the terms of our contract and the team assigned to the State's account and projects were knowledgeable, responsive, and produced work product as expected.

Completed by: Faith Rentz, Director, Statewide Benefits & Insurance Coverage

Company: State of Delaware Department of Human Resources

Date: 5/26/2021

Reference Check

RFP EVT7739 for Actuarial and Consulting Services
Reference for**: Gallagher**

1. What Actuarial and Consulting services are provided by the vendor for your company? How long have you worked with them? Since 2016 and now have another contract that began March 2021.
2. When making the decision to use this vendor, what features stood out compared to others you considered? Their availability to be responsive to our request in a timely manner.
3. Does the vendor cooperate with your other vendors to efficiently and timely meet deadlines? They are considered a “partner” in assisting us with our needs. The account managers assigned to us are in most of our vendor and potential vendor meetings.
4. Is the vendor effective in communicating with your other partners, such as Commissions and Advisory Groups? When available, they are in those meetings and are good at making the information simple if it’s a complex concept.
5. Do you have your consultants assist with the preparation and evaluation of request for proposals for services like PBM, administrative service for self funded plans, and onsite health centers? If you do use your consultants, can you speak to your experiences. Our procurement process relies on the Consultant for a few RFPs. They were very instrumental in providing information on the processes of determining the best plan for us for a PBM and TPA.
6. Have you encountered any issues with their reporting and technology? WE now use them as a Data Warehouse option, so reporting is uniformed and accurate.
7. What do you like most about the vendor? I believe that the team that is assigned to you will make the difference. Outline your expectations and timeframes. Are there any areas that you have experienced challenges in working with the vendor? Because we laid out our expectations and held to that, we have had limited issues. In fact, they have over delivered for us which makes us very satisfied.
8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor’s performance to date? Please explain the reason for the rating. 9. We have been happy with the services provided and they don’t get a 10 because they had to adapt to our high expectations and there were some growing pains with that.

Completed by: Wanda Heard

Company: City of San Antonio

Date: May 27, 2021

Reference Check

RFP EVT7739 for Actuarial and Consulting Services
Reference for**: Gallagher**

1. What Actuarial and Consulting services were provided by the vendor for your company? How long did you work with them? ***Gallagher was hired as a consultant for the district to prepare RFP, Stop/Loss, presentation to board & insurance committee Rx for approximately,***
2. When making the decision to use this vendor, what features stood out compared to others you considered? ***Flat fee services***
3. Did the vendor cooperate with your other vendors to efficiently and timely meet deadlines? ***Yes***
4. Was the vendor effective in communicating with your other partners, such as Commissions and Advisory Groups? ***Yes***
5. Did you have your consultants assist with the preparation and evaluation of request for proposals for services like PBM, administrative service for self funded plans, and onsite health centers? If you did use your consultants, can you speak to your experiences. ***Yes, knowledgeable.***
6. Did you encounter any issues with their reporting and technology? ***No***
7. What did you like most about the vendor? Were there any areas that you had experienced challenges in working with the vendor? ***Meeting deadlines is great, reporting is excellent, easy to work with and communication is very good.***
8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance? Please explain the reason for the rating. ***10 see #7***

Completed by: **Irma Paine**

Company: South San ISD

Date: 5/24/21

Reference Check

RFP EVT7739 for Actuarial and Consulting Services
Reference for**: Gallagher**

1. What Actuarial and Consulting services are provided by the vendor for your company? How long have you worked with them?

   Gallagher provides consulting services for our active employee plan by helping us managing relationship with employers in our plan. We have been contracted with them for close to 2 years.

2. When making the decision to use this vendor, what features stood out compared to others you considered?

   They are very familiar with insurance needs and operation of local districts.

3. Does the vendor cooperate with your other vendors to efficiently and timely meet deadlines?

   They have been working directly with us.

4. Is the vendor effective in communicating with your other partners, such as Commissions and Advisory Groups?

   They have been working directly with us.

5. Do you have your consultants assist with the preparation and evaluation of request for proposals for services like PBM, administrative service for self funded plans, and onsite health centers? If you do use your consultants, can you speak to your experiences.

   We do use consultants with our procurement work, however Gallagher hasn't been engaged with this type of work.

6. Have you encountered any issues with their reporting and technology?

   We have received reports from them with no issues and we haven not used their technology.

7. What do you like most about the vendor? Are there any areas that you have experienced challenges in working with the vendor?

   They are very familiar with insurance needs and operation of local districts. We have not experienced any challenges working with them.

8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance to date? Please explain the reason for the rating.

   8, we have only used Gallagher with district consulting services and they have done great work with the project.

Completed by: Yimei Zhao

Company: Teacher Retirement System of Texas

Date: 5/21/2021

Hello,

Please see below for my responses to your questions.

1. What Actuarial and Consulting services were provided by the vendor for your company? How long did you work with them?
   GEHA has received actuarial consulting services for several years now and this predates me joining GEHA in October of 2016. Lewis & Ellis provides GEHA with IBNR estimates twice a year for our 5 medical plans. They also provide annual pricing and claim reserve services of an inter-company stop-loss policy. Finally, they have also provided ad-hoc pricing support for new product development in past years.
2. When making the decision to use this vendor, what features stood out compared to others you considered?
   GEHA's decision to work with Lewis & Ellis predates all actuarial staff at GEHA. Having said that, we are pleased with Lewis & Ellis' services, responsiveness, and their general knowledge of GEHA's business model and plan populations.
3. Did the vendor cooperate with your other vendors to efficiently and timely meet deadlines?
   Yes, Lewis & Ellis has been responsive to GEHA's timelines and meets both GEHA's and GEHA vendors' timelines.
4. Was the vendor effective in communicating with your other partners, such as Commissions and Advisory Groups?
   Yes, our partner at Lewis & Ellis regularly communicates with our external auditor related to audit requirements for our federal contracts.
5. Did you have your consultants assist with the preparation and evaluation of request for proposals for services like PBM, administrative service for self funded plans, and onsite health centers? If you did use your consultants, can you speak to your experiences.
   We have not engaged our Lewis & Ellis consultant for the services that are referenced here. The services that have been provided are third party IBNR estimates, claim expense pricing support for new product development and inter-company stop-loss policy pricing and reserving.
6. Did you encounter any issues with their reporting and technology?
   We have had a handful of small reporting errors that we have worked through after internal review over the years. In general, their reporting presentation and technology used has been acceptable for GEHA's services.
7. What did you like most about the vendor? Were there any areas that you had experienced challenges in working with the vendor?
   Lewis & Ellis has always been very responsive to GEHA's actuarial needs and has a good understanding of our business model and important deliverables and timing. Our consultant also has a strong knowledge base for our plan's populations which is important considering the services they provide.
8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance? Please explain the reason for the rating.
   I would score Lewis & Ellis as 8 due to their responsiveness and accountability for the services they provide GEHA.

Thanks,

Scott Robidoux, FSA, MAAA
Vice President – Actuarial & Analytics
(816) 434-4511
geha.com | gehadental.com

Reference Check

RFP EVT7739 for Actuarial and Consulting Services
Reference for**: Lewis & Ellis, Inc.**

1. What Actuarial and Consulting services are provided by the vendor for your company? How long have you worked with them?
   We've worked with L&E since 2015. Below is an excerpt of the services they provide for us:

Category Definition	Service	Description of Service	Process / Data / Information Detail
Actuarial	January 1, 2019 through December 31, 2019	Maintain effective data warehouse to feed actuarial and UW functions efficiently.	Claims, Enrollment and Premium data supplied from TPA and/or carrier. Plan supplies financials for validation of totals. L&E stores data in sequel database for reporting. Premium must be supplied by employee and tier.
	Monthly IBNR	Utilize claims data and enrollment data received from TPA or Carrier. Develop standard monthly IBNR packet. Provide aggregate view on plan performance.	Initial IBNR built using a loss ratio method, once data is credible, standard actuarial completion and pmpm methods will be used. Report generated monthly.
	Quarterly Risk Based Capital (RBC)	Provide quarterly recommended surplus requirements. Track plan performance in aggregate and report on adequacy.	The Trust provide financial reports required to input in NAIC RBC formula. L&E provides RBC requirement by NAIC component.
	Experience reporting (quarterly)	Provide quarterly reporting as developed in 2018	Quarterly report includes, but not limited to, loss ratio, claims distribution, stop loss review, demographic review, cost use, IBNR and RBC summary
	Benefit Design (Annually)	L&E will work with association to recommend benefit designs and price alternate plan designs upon annual renewals	L&E reviews market trends, Trust input and prices plans using L&E plan pricing model.
	Stop Loss (Annually)	L&E uses stop loss models and plan performance to assist in stop loss negotiations.	L&E reviews industry and plan experience. L&E uses stochastic stop loss pricing model to recommend stop loss levels. L&E meets with Stop Loss providers.
	Annual Actuarial Opinion and Memorandum	Standard Actuarial Opinion and Detailed Lewis & Ellis Memorandum Supplied if Required by State Department of Insurance	Standard Actuarial Opinion and Detailed Lewis & Ellis Memorandum Supplied if Required by State Department of Insurance
	Annual Medical Rate Review	Medical expense review performed in conjunction with annual renewal (annual renewals occur on January 1). Rate adequacy and rating requirements reviewed	Review of claims expense by medical and pharmacy. Review plan factors (age/gender, area, risk, trend, plan design). Cost by top diagnosis and top drug class reported. Plan cost compared to industry benchmarks. Renewal Rates Determined and Rate Filing prepared if required by state
	General Actuarial	General actuarial request.	L&E will provide general actuarial support. General support will be reviewed. In instances where actual L&E cost is higher than contractual cost, a separate fee may need to be negotiated.

2. When making the decision to use this vendor, what features stood out compared to others you considered?
   Their "boutique" style services and effective communication. Other actuarial firms wanted you to fit in their "box" and many times we ended up having an actuarial associate as our primary contact, rather than a certified actuary. With L&E, my primary contact is always a certified actuary and they are always good about answering when I call or email, or getting back to be shortly after.

3. Does the vendor cooperate with your other vendors to efficiently and timely meet deadlines?
   Absolutely

4. Is the vendor effective in communicating with your other partners, such as Commissions and Advisory Groups?

Yes, the communication and flexibility is one of the primary strengths of L&E. As a self-funded plan, we have many different vendors working with our plan. L&E is always willing to talk with them and include them on calls or emails.

5. Do you have your consultants assist with the preparation and evaluation of request for proposals for services like PBM, administrative service for self-funded plans, and onsite health centers? If you do use your consultants, can you speak to your experiences?
   We do. Specifically to L&E, we've used them when assessing stop loss pricing amongst carriers we shop our coverage to. Additionally, a few years ago, our third party administrator's contract was up and we did an RFP for TPA, network and PBM services. L&E was instrumental in assessing the network and PBM data and discounts provided. L&E has actuaries that come from various carriers so they've been very helpful about having good knowledge of the data and knowing what is included in the discounts and the right questions to ask to clarify what also may be hidden on the surface.

6. Have you encountered any issues with their reporting and technology?
   None, they've done a great job customizing reports and seeking our input as they continue to improve their reporting.

7. What do you like most about the vendor? Are there any areas that you have experienced challenges in working with the vendor?
   Aside from the points already discussed, the employees at L&E are good people. They're very personable and don't fit the typical "actuary" personality. They're easy to introduce to vendor partners and we enjoy their visits when they come into town. We have not experienced any challenges with them.

8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance to date? Please explain the reason for the rating.

   10, they've gone above and beyond our expectations and in several cases their scope of work.

Completed by: Ryan Davis

Company: Ohio Dental Association Wellness

Trust Date: 5/27/21

Reference Check

RFP EVT7739 for Actuarial and Consulting Services
Reference for**: Lewis & Ellis, Inc.**

1. What Actuarial and Consulting services are provided by the vendor for your company? How long have you worked with them? *Lewis and Ellis provides full actuarial support for the Reta Trust. They have developed our renewal and prospect models, assist in the creation of the annual budget, and house the utilization data, and provide reports and ad-hoc requests covering the full actuarial spectrum. I have worked with them since January 1, 2015.*

2. When making the decision to use this vendor, what features stood out compared to others you considered? *The ability to provide data-warehouse capabilities and partner with our major carriers; Anthem, Aetna, United and Kaiser in California, in a seem-less way, and coordinate the data in a consistent format. In addition to underwriting, L&E has been able to develop audit processes in identifying claims that are subject to the Ethical and Religious Directives developed by the Catholic Conference of Bishops that Reta adheres to as a Catholic Health Plan.*

3. Does the *vendor cooperate with your other vendors to efficiently and timely meet deadlines? Absolutely, in addition to the health carriers, L&E partners with the Rx carriers, our accounting firm, and TPA firm as well. During transitions between carriers, L&E provides much of the data needed to make these transitions happen.*

4. Is the vendor effective in communicating with your other partners, such as Commissions and Advisory Groups? *Yes, in fact, just this morning, L&E presented a report around COVID and it's impact to the Trust to the Finance & Investment Committee of the Trust, and they often present to the Board of Trustees and to the larger attendance of the Annual Trustor Meetings.*

5. Do you have your consultants assist with the preparation and evaluation of request for proposals for services like PBM, administrative service for self funded plans, and onsite health centers? If you do use your consultants, can you speak to your experiences. *We work with a variety of consultants, from Medical Ethicist, Moral Theologians, Benefits Consultants, etc. We view Lewis and Ellis in the same vein as all of the other consultants and vendors, and they work very well with all of them. We are going through PBM and ASO carrier changes, and L&E participates with other consultants on the implementation process.. My experience with both the Trust and working with L&E has* been very positive.

6. Have you encountered any issues with their reporting and technology? *None, in fact, we have developed cost-use-tools and other models that we believe are state-of-the art to support the Reta Trust. They also have very talented programmers that have supported us on a timely basis, and at a very reasonable cost.*

7. What do you like most about the vendor? Are there any areas that you have experienced challenges in working with the vendor? *We don't always know what our problems are. However the willingness of the staff I work with at Lewis and Ellis to listen and discuss a*

variety of issues and condense to a core or commonality, AND provide solutions makes them invaluable to me. Their work on the challenges we faced during COVID have been incredibly beneficial to us.

8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance to date? Please explain the reason for the rating. *I have to give a 10. We have not had anything but great service from Lewis and Ellis. We just went through a very complex renewal cycle with COVID, and condensing medical carriers and changing PBM's all in one underwriting cycle. I was on the phone with them on occasion until midnight. I don't think I would get that level of support with some of the other actuarial firms.*

Completed by: Leo Salinas – Director of Financial Services

Company: The Reta Trust

Date: May 21, 2021

Reference Check

RFP EVT7739 for Actuarial and Consulting Services
Reference for**: Lewis & Ellis, Inc.**

1. What Actuarial and Consulting services are provided by the vendor for your company? How long have you worked with them?

   CO DOI: L&E has provided actuarial consulting and analysis services for the Colorado Division of Insurance Reinsurance Program since Spring 2019. I have worked with them on Reinsurance since Fall 2019.

2. When making the decision to use this vendor, what features stood out compared to others you considered?

   CO DOI: Excellent customer service, high quality actuarial work, responsive and flexible project managers, extensive knowledge of the Colorado insurance market

3. Does the vendor cooperate with your other vendors to efficiently and timely meet deadlines?

   CO DOI: Yes. L&E is great at working with our other contractors and carriers.

4. Is the vendor effective in communicating with your other partners, such as Commissions and Advisory Groups?

   CO DOI: Yes, this is definitely one of L&E's strengths.

5. Do you have your consultants assist with the preparation and evaluation of request for proposals for services like PBM, administrative service for self funded plans, and onsite health centers? If you do use your consultants, can you speak to your experiences.

   CO DOI: L&E has assisted us in putting together applications for federal 1332 waiver funding, as well as evaluation reports for the Reinsurance Program. They have been great to work with and very flexible when project needs have changed, either due to Covid-19, federal or state policy changes, or otherwise.

6. Have you encountered any issues with their reporting and technology?

   CO DOI: No. L&E submits accurate, complete, and timely reports.

7. What do you like most about the vendor? Are there any areas that you have experienced challenges in working with the vendor?

   CO DOI: We very much enjoy working with the consultants at L&E. They are professionals with excellent customer service skills and are always willing to go the extra mile to meet our needs. We have especially appreciated their flexibility during the Covid-19 pandemic, when our actuarial needs changed frequently.

8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance to date? Please explain the reason for the rating.

   CO DOI: 10. We would highly recommend L&E as an actuarial vendor.

Completed by: Laura Mortimer, Reinsurance Program Director

Company: Colorado Division of Insurance

Date: 5/24/21

Reference Check

RFP EVT7739 for Actuarial and Consulting Services
Reference for**: Segal**

1. What Actuarial and Consulting services are provided by the vendor for your company? How long have you worked with them? We have used Segal for both actuarial and consulting services. We have worked with Segal for 8 years.
2. When making the decision to use this vendor, what features stood out compared to others you considered? Vendor experice and their offer of a competitive price.
3. Does the vendor cooperate with your other vendors to efficiently and timely meet deadlines? Yes
4. Is the vendor effective in communicating with your other partners, such as Commissions and Advisory Groups? Yes, very effective
5. Do you have your consultants assist with the preparation and evaluation of request for proposals for services like PBM, administrative service for self funded plans, and onsite health centers? If you do use your consultants, can you speak to your experiences. Yes, we have used Segal for several RFP's. There services ranged from helping draft RFP's to scoring very technical questions and scoring price.
6. Have you encountered any issues with their reporting and technology? No
7. What do you like most about the vendor? Are there any areas that you have experienced challenges in working with the vendor? Their healthcare experience in the current market.
8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance to date? Please explain the reason for the rating. I would score them an 8. I particulary would like them to be more assertive in their recommendations.

Completed by: Chris Owsley

Company: State of Illinois

Date: May 24, 2021

Reference Check

RFP EVT7739 for Actuarial and Consulting Services
Reference for**: Segal**

1. What Actuarial and Consulting services are provided by the vendor for your company? How long have you worked with them?

   Our contract with Segal is to provide Actuarial and Health Benefit Consulting services. The North Carolina State Health Plan (Plan) has worked with Segal since 2007.

   Actuarial and Analytic Services:

   Actuarial and analytical services shall include preparation of an actuarial based forecast of revenues and expenditures, updating those projections at least quarterly, and monitoring the Plan's medical and pharmacy claims experience and underlying trends on an ongoing basis. Additional functions shall include modeling and predicting the financial impact of potential benefit changes, establishing premium rates, preparing actuarial notes as required by State law for every bill or amendment introduced in the NC General Assembly that proposes a change in medical benefits, and preparing various estimates and valuations at the end of each fiscal year to support the State's financial reporting. In addition, Segal assists the Plan as needed to understand how new provider payment methodologies impact short and long-term trends, as the Plan pursues alternative payment strategies. Segal provides actuarial assessment and evaluation of these emerging strategies.

   Health Benefits Consulting:

   Health Benefits Consulting Services include assisting the Plan with strategic planning, program development, benefit management and maximizing the potential for Federal subsidies through plan design. This requires specialized expertise in health benefits consulting. Understanding Federal health care reform and the approaches taken by other states and large employers will to be important in helping the Plan identify and recommend the most effective strategies for maintaining compliance, overcoming challenges, generating savings, and advancing opportunities for Plan members.

2. When making the decision to use this vendor, what features stood out compared to others you considered?

   Segal has worked with other clients similar to the Plan in terms of State and Public health plans, membership, and complexity of services provided.

3. Does the vendor cooperate with your other vendors to efficiently and timely meet deadlines?

   Yes, this has never been an issue.

4. Is the vendor effective in communicating with your other partners, such as Commissions and Advisory Groups?

Yes, Segal has frequent interaction with the Fiscal Research Division of the NC General Assembly, Board of Trustees, and other related entities. No issues to note.

5. Do you have your consultants assist with the preparation and evaluation of request for proposals for services like PBM, administrative service for self-funded plans, and onsite health centers? If you do use your consultants, can you speak to your experiences.

   Yes, the Plan has utilized Segal for a number of procurements in different capacities, including technical and cost sections, and for PBM, TPA and MAPD. At one point, there were some challenges in making sure that what the Plan had written into the RFPs for the scoring methodology was actually scored using the same methodology. Since then, the Plan has emphasized that the actual methodology to be used matched what was written in the RFP document. This has not been an issue in the last 2 years.

6. Have you encountered any issues with their reporting and technology?

   No. The Plan has its' own Data Warehouse that Segal utilizes in addition to Segal's own data environment(s). There have been some minor challenges getting Segal connected to and utilizing the correct data tables, marts and libraries. However, those issues have been worked through without much difficulty.

7. What do you like most about the vendor? Are there any areas that you have experienced challenges in working with the vendor?

   Since the Plan has worked with Segal for a longer period of time, they have a good sense of the Plan's financials, data, operations, plan designs, etc., and therefore have a good understanding of the Plan overall. The occasional challenge exists where projects may not be executed exactly as drafted, however, when these instances are addressed with management, they generally don't happen again.

8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance to date? Please explain the reason for the rating.

   I would give Segal a 9. Generally, speaking Segal hits the mark, but there are infrequent occasions when they don't. Those situations get addressed with management promptly and properly.

Completed by: Dee Jones

Company: NC State Health Plan

Date: 05/25/2021

APPENDIX – a-ii

RFP EVT8104 for Medicare Advantage
Reference for **Aetna**

1. What services were provided by Aetna for your company? How long did you work with them? Aetna provided Medicare Advantage coverage for a union group I work with in the Cleveland, Ohio area in the course of the years 2018 and 2019. Effective 1/1/20 I moved the client group to Anthem due to price.
2. Were there any issues encountered when you transitioned from your previous vendor to this vendor from a technological or administrative/communication perspective? Is there anything you would do differently if you had to do it again? It was a very smooth transition to Aetna. No issues come to mind.
3. What advice would you give a new client working with them? Try to negotiate multi-year rate locks.
4. Did you experienced issues related to eligibility files? Did they process plan changes timely? Everything seemed to transition in a timely manner.
5. Did the vendor respond timely to employee or staff questions or issues? What did you hear from your employees about the vendor's service? I would say in general very high member satisfaction.
6. Did they provided you suggestions on ways to improve the plan or plan processes? This is a union client who prefers minimal or no change to the benefits offering.
7. What do you like most about the company? Are there any areas that you experienced challenges in working with them? No unusual challenges and the Aetna Account Management team seemed to always be very responsive.
8. Is there anything about this vendor that we haven't asked that you feel we should know? Nothing comes to mind.
9. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance? Please explain the reason for the rating. Most definitely a 9. Nobody gets a 10 in this business!

Completed by:
Date:

AssuredPartners

Tim Bresnahan
Vice President - Employee Benefits Richfield
d: 4408956573

RFP EVT8104 for Medicare Advantage
Reference for **Aetna**

1. What services are provided by Aetna for your company? How long have you worked with them? Medical, Vision, Work Related Injuries & Medicare Advantage Plan. Been with AETNA for 3 years.
2. How long did implementation take? Is there anything you would do differently if you had to do it again? I wasn't here the first year, but open enrollment since then has gone very smoothly. Would not change anything.
3. Does the Vendor work with you to come to a resolution of the issues? Do they provide suggestions to improve the plan or processes? Yes and yes
4. Do they process enrollment into the plan timely? Have you experienced issues related to election notices or enrollment file issues? Yes and no
5. Do you have a one point of contact to resolve your issues? Does the vendor respond timely to employee or staff questions or issues? Yes I have an account manager for the health/vision & Medicare Advantage. Yes.
6. What do you like most about the company? Are there any areas that you have experienced challenges in working with the vendor? My account managers and their staff are very easy to work with and go above and beyond to help me and our members.
7. What advice would you give a new client working with them? Working with AETNA has been great and we have been so grateful that we haven't had to switch carriers over the past 3 years. Hope to stay with AETNA for a long time.
8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance to date? 9

Completed by: Cathy Eubanks, Human Resources/Insurance Department
Date: 8/10/2021

Cathy Eubanks
Human Resources/Insurance Department
Bossier Parish Sheriff's Office
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Benton, LA 71006
Phone: 318-965-3476
FAX: 318-935-2046
Email: ceubanks@bossiersheriff.com

Former Client Reference Check

RFP EVT8104 for Medicare Advantage
Reference for **Aetna**

1. What services were provided by Aetna for your company? How long did you work with them? Medicare Advantage Health coverage for our Medicare eligible retiree population from 1/1/2016 to 12/31/2020.

2. Were there any issues encountered when you transitioned from your previous vendor to this vendor from a technological or administrative/communication perspective? Is there anything you would do differently if you had to do it again? We had no major issues in the transition. We moved from a traditional PPO plan to Medicare Advantage, which required the proper Medicare ID number from each member. Requesting copies of each member's Medicare card months in advance was extremely helpful for the transition.

3. What advice would you give a new client working with them? Plan and execute early in the process, building in time for any issues that may arise.

4. Did you experienced issues related to eligibility files? Did they process plan changes timely? We did not have any major issues with the transition.

5. Did the vendor respond timely to employee or staff questions or issues? What did you hear from your employees about the vendor's service? Service seemed to be timely and our retirees did not have any complaints.

6. Did they provided you suggestions on ways to improve the plan or plan processes? They did not.

7. What do you like most about the company? Are there any areas that you experienced challenges in working with them? Our retirees did not have anything negative to say about customer service, and seemed to be pleased with the plan.

8. Is there anything about this vendor that we haven't asked that you feel we should know? No.

9. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance? Please explain the reason for the rating. Our rating would be an 8. We experienced a good implementation and had satisfactory service. We have moved to another vendor at this time and feel we are currently getting a higher level of service, and much improved pricing.

Completed by: Carolyn Smalls

Date: August 12, 2021

Reference Check

RFP EVT8104 for Medicare Advantage
Reference for **Aetna**

1. What services are provided by Aetna for your company? How long have you worked with them? We contract with Aetna since 2014 for both the commercial side and for our MAPD products.
2. How long did implementation take? Is there anything you would do differently if you had to do it again? Implementation went about three months. The process went quicker than we thought and that was mainly because some of the Aetna folks had worked with us when they were Coventry.
3. Does the Vendor work with you to come to a resolution of the issues? Do they provide suggestions to improve the plan or processes? Very good partner, again it goes back to them having the right people on their team.
4. Do they process enrollment into the plan timely? Have you experienced issues related to election notices or enrollment file issues? No issues with them on the enrollment process
5. Do you have a one point of contact to resolve your issues? Does the vendor respond timely to employee or staff questions or issues? We have one main contact that we send everything through, who then delegates to their internal team.
6. What do you like most about the company? Are there any areas that you have experienced challenges in working with the vendor? Them being a national player, but sometimes that comes with the charge.
7. What advice would you give a new client working with them? Establish your goals yearly.
8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance to date? 9

Completed by Chris Owsley

Date: 8/11/2021

Reference Check

RFP EVT8104 for Medicare Advantage
Reference for **Aetna**

1. What services are provided by Aetna for your company? How long have you worked with them?

   Effective 1/1/21, the State of NH transitioned its Retiree Medicare Advantage Plan to Aetna.

2. How long did implementation take? Is there anything you would do differently if you had to do it again?

   The State of NH and Aetna has the initial implementation "kick-off" meeting in mid-August, 2020. No, there's isn't anything I would do differently. Aetna implementation team was very well organized, responsive and committed to a smooth transition.

3. Does the Vendor work with you to come to a resolution of the issues? Do they provide suggestions to improve the plan or processes?

   Yes, Aetna is very responsive and timely in responding to any issues, whether they are plan issues, coverage issues or member issues. I can confirm our Aetna account team is very proactive in presenting suggestions or solutions to issues or for process improvement.

4. Do they process enrollment into the plan timely? Have you experienced issues related to election notices or enrollment file issues?

   The State of NH provides Aetna with a membership interface file twice per week, which is uploaded and processed within 24 to 48 business hours. We have not had any issues with enrollments or other changes being processed on a timely basis.

5. Do you have a one point of contact to resolve your issues? Does the vendor respond timely to employee or staff questions or issues?

   The State of NH has a primary account manager who oversees the Aetna account team for the overall plan. This account manager worked with us to develop and implement a specific process for the State to use in the event of a member issue, which has worked out very well on the occasions we have had to reach out for assistance. Aetna consistently responds in a timely manner.

6. What do you like most about the company? Are there any areas that you have experienced challenges in working with the vendor?

   Aetna representatives are professional and responsive. They are conscious of the emphasis the State of NH places on our member (retiree) experiences and work diligently to uphold the communication standards we maintain with our retirees. They worked with us to develop a State of NH specific micro-site for our retirees'

use, as well as a webcast to introduce our retirees to the Aetna Medicare Advantage Plan.

7. What advice would you give a new client working with them?

   Take advantage of their implementation experience and member communication opportunities.

8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance to date?

   8.5

Completed by: Peg Blacker, Deputy Director, Division of Risk & Benefits

State of NH Department of Administrative Services

Date: 8/10/21

Reference Check

RFP EVT8104 for Medicare Advantage
Reference for **Humana**

1. What services are provided by Humana for your company? How long have you worked with them? Since 2014
2. How long did implementation take? Is there anything you would do differently if you had to do it again? Took about three months.
3. Does the Vendor work with you to come to a resolution of the issues? Do they provide suggestions to improve the plan or processes? Yes, Humana is a good partner when it comes to resolving any issue.
4. Do they process enrollment into the plan timely? Have you experienced issues related to election notices or enrollment file issues? Yes, Humana process our eligibility timely and effectively.
5. Do you have a one point of contact to resolve your issues? Does the vendor respond timely to employee or staff questions or issues? We have a main contact who we filter everything through.
6. What do you like most about the company? Are there any areas that you have experienced challenges in working with the vendor? There ability to adapt to constant demands.
7. What advice would you give a new client working with them? Build a strong relationship early in the implementation stages.
8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance to date? 9

Completed by: Chris Owsley

Date: 8/11/2021

RFP EVT8104 for Medicare Advantage
Reference for **Humana**

1. What services are provided by Humana for your company? How long have you worked with them? **Group Medicare Advantage Part D Plan for roughly 5,500 retirees since 1/1/2018**
2. How long did implementation take? Is there anything you would do differently if you had to do it again? **I was not involved in much of the implementation so I don't recall. It was smooth and nothing we'd do differently.**
3. Does the Vendor work with you to come to a resolution of the issues? Do they provide suggestions to improve the plan or processes? **Yes, and they are very proactive.**
4. Do they process enrollment into the plan timely? Have you experienced issues related to election notices or enrollment file issues? **Yes. This has never been brought to our attention as an issue.**
5. Do you have a one point of contact to resolve your issues? Does the vendor respond timely to employee or staff questions or issues? **Yes, we have one contact. Response times are VERY good.**
6. What do you like most about the company? Are there any areas that you have experienced challenges in working with the vendor? **Very proactive. Great customer service.**
7. What advice would you give a new client working with them? **Nothing comes to mind really.**
8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance to date? **10**

Completed by:
Date:

Thanks,
Dan Kerrigan
dan.kerrigan@michelin.com

RFP EVT8104 for Medicare Advantage
Reference for **Humana**

1. What services were provided by Humana for your company? A Medicare Health Plan (PPO) with Prescription Drug Coverage. How long did you work with them? The implementation process began in August 2016 for plan effective dates of 01/01/2017 – 12/31/2019.
2. Were there any issues encountered when you transitioned from your previous vendor to this vendor from a technological or administrative/communication perspective? The implementation process was well organized and went very smoothly. Is there anything you would do differently if you had to do it again? No.
3. What advice would you give a new client working with them? Take advantage of their communication outreach resources. For example, they provided personnel during our transition process to travel with us to our local union halls and provide seminars explaining our plan to our members and address their concerns with an open question and answer session.
4. Did you experienced issues related to eligibility files? Their EDI team worked closely with our IT Department to set up and test file transfers to ensure a seamless transition. Did they process plan changes timely? Yes.
5. Did the vendor respond timely to employee or staff questions or issues? Their attention to our customer service was exceptional with excellent follow-up to addressing any questions or concerns that arose. What did you hear from your employees about the vendor's service? For the most part our members were pleased with the plan and any issues were handled by a dedicated Concierge team who would work directly with the providers and members to resolve issues. Our members' issues typically were founded on providers not billing correctly or understanding our plan's structure or claim/service denials due to Medicare regulations.
6. Did they provided you suggestions on ways to improve the plan or plan processes? Humana was very proactive in implementing services for members that promoted wellness and sickness prevention.
7. What do you like most about the company? The Concierge Service allowed us to present our members' issues and once passed on to them they handled them to resolution with continuous follow-up and updates throughout. Are there any areas that you experienced challenges in working with them? As with any company, there were a couple of points of contact that may not have been as thorough or responsive as most, but if we expressed a real concern regarding our satisfaction with a particular representative, they responded with swift action to either correct the behavior or even went so far as to provide us with a more capable representative.
8. Is there anything about this vendor that we haven't asked that you feel we should know? Nearly all the representatives with whom we worked most closely provided a feeling of camaraderie and friendship which made our experience with Humana extremely positive.
9. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance? 9.5 Please explain the reason for the rating. We were very pleased with our relationship with Humana and rarely experienced any negative situations.

Completed by: Christina Myers
Date: 08/12/2021

Matt Archer
Administrative Manager

OHIO LABORERS Benefits

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LDC&C Pension Fund of Ohio * OLDC-OCA Insurance Fund * Ohio Laborers' Training and Apprenticeship * Ohio LECET

RFP EVT8104 for Medicare Advantage
Reference for **Humana**

1. What services were provided by Humana for your company? Medicare Advantage How long did you work with them? I believe it was for three years
2. Were there any issues encountered when you transitioned from your previous vendor to this vendor from a technological or administrative/communication perspective? Best transmission I have experienced in my 15+ years in government. In fact, they sold our unions on the product and service for us and although Humana is currently not the low bidder, they are the reason we have a very successful MA program today. Is there anything you would do differently if you had to do it again? Since the we have integrated Rx into the program for a full MAPD which is easier to administer and easier for members than our separate MA and EGWP that we had initially with Humana
3. What advice would you give a new client working with them? Give them the reigns to meet with unions and employees – they are the experts and can handle the questions and take 'heat' so to speak if folks are resistant to change
4. Did you experienced issues related to eligibility files? Did they process plan changes timely? From my recollection things went smoothly
5. Did the vendor respond timely to employee or staff questions or issues? yes What did you hear from your employees about the vendor's service? Very positive feedback overall, in fact, one of our unions did not join the program and subsequently were swayed by those members who were enjoying the benefits of the program!
6. Did they provided you suggestions on ways to improve the plan or plan processes? I don't recall
7. What do you like most about the company? We all were sad when Humana wasn't the low bidder – the District, our City and out County because they got all three government entities together to offer this program as significant savings all while improving the coverage for our retirees. They became the face of our benefits departments for the transition time and they were classy, efficient, and professional. Are there any areas that you experienced challenges in working with them?
8. Is there anything about this vendor that we haven't asked that you feel we should know? Hands down we would hire them again. If competitive bidding were not a barrier. Their service far exceeds that of UMR and Aetna. We look forward to working with Humana again. Jennifer Wells (jwells2@scsd.us) was the person in HR who worked first hand with Humana so I would suggest reaching out to her as well.
9. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance? Please explain the reason for the rating. 10

Completed by: Suzanne Slack
Date: 8/10/2021

Syracuse City School District

APPENDIX – a-iii

RFP EVT8083 for Medicare Supplement

Reference for **BCBS of Kansas**

1. What services are provided by BCBS of Kansas for your company? How long have you worked with them?

BCBS provides a fully insured (i.e. not self funded) health insurance plan for the employees of Goddard USD 265. The district is in our 3rd year with BCBS, and will be working with them soon on our next renewal.

2. How long did implementation take? Is there anything you would do differently if you had to do it again?

The implementation took between 3-4 months. BCBS had our census information in order to provide a quote. Once the contracts were awarded the district worked with our BCBS representative along with reps from our insurance broker/advisor Gallagher to transfer coverage effective January 1, 2019. Employee enrollment was done through an online portal (provided by a 3rd party), with those selecting coverage uploaded to the BCBS system.

3. Does the Vendor work with you to come to a resolution of the issues? Do they provide suggestions to improve the plan or processes?

Yes - while there have been very few problems either during the transition or afterwards I have found BCBS to be very responsive to any questions or concerns the district has had.

4. Do they process enrollment into the plan timely? Have you experienced issues related to election notices or enrollment file issues?

We have not. The district has had issues with other benefit vendors who frankly offer simpler products and who cover fewer of our employees. BCBS has by far the highest enrollment of anything benefit the district offers and seems to handle the ongoing enrollments and changes to enrollments well.

5. Do you have a one point of contact to resolve your issues? Does the vendor respond timely to employee or staff questions or issues?

Yes and yes.

6. What do you like most about the company? Are there any areas that you have experienced challenges in working with the vendor?

BCBS has a strong brand name and a reputation for wide acceptance and timely claims processing. Our employees were very happy when they heard the district was changing to BCBS

7. What advice would you give a new client working with them?

As in any transition with a new vendor, communication is the key. Being able to provide the information or employee data they need in the correct format on a timely basis will help the process greatly.

8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance to date?

I've been very pleased and would rate their services at a 10.

Completed by: Doug Maxwell, CFO Goddard USD 265

Date: 8-12-2021

1. What services were provided by BCBS of Kansas for your company? Health Insurance How long did you work with them? Myself personal for 16 years. The county was a customer for a lot longer.
2. Were there any issues encountered when you transitioned from your previous vendor to this vendor from a technological or administrative/communication perspective? Is there anything you would do differently if you had to do it again? ? I wasn't in this office so I don't know.
3. What advice would you give a new client working with them? Great customer service but make sure you get rates in a timely manner so you can budget for it.
4. Did you experienced issues related to eligibility files? No Did they process plan changes timely? Yes
5. Did the vendor respond timely to employee or staff questions or issues? Yes What did you hear from your employees about the vendor's service? Nothing
6. Did they provided you suggestions on ways to improve the plan or plan processes? Yes
7. What do you like most about the company? Very friendly customer service Are there any areas that you experienced challenges in working with them? Just the price kept getting higher and higher
8. Is there anything about this vendor that we haven't asked that you feel we should know? No
9. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance? 10 Please explain the reason for the rating. We had no issues other than the cost just kept rising and when we saw a 75% increase we had to look elsewhere.

Completed by: Ashley Rogers
Date: 8/10/21

Ashley Rogers
Master County Clerk/Election Officer
Gray County
PO Box 487
Cimarron, KS 67835
620-855-3618
www.grayco.org

Former Client Reference Check

RFP EVT8083 for Medicare Supplement
Reference for **BCBS of Kansas**

1. What services were provided by BCBS of Kansas for your company? How long did you work with them?

From 2006 through 2017, Blue Cross Blue Shield of Kansas was our group health insurance provider for our employer group covering 200-350 policies for us per year over that span.

2. Were there any issues encountered when you transitioned from your previous vendor to this vendor from a technological or administrative/communication perspective? Is there anything you would do differently if you had to do it again?

In 2006, the process of transitioning from our previous provider was different than it would be now. At the time, membership census data was not able to be transported electronically. With BluesEnroll, this would be a much easier process in 2021.

3. What advice would you give a new client working with them?

Keep up communication with your local client team. If any issues arrive, they are always willing and able to provide assistance.

4. Did you experienced issues related to eligibility files? Did they process plan changes timely?

We never experienced any issues with this. We do not have a standard waiting period-coverage is effective the first day of the first full month of employment. The Blues Enroll system was used for new enrollees and provided fast turnaround on plan changes.

5. Did the vendor respond timely to employee or staff questions or issues? What did you hear from your employees about the vendor's service?

BCBSKS was always prompt and responsive. I don't believe I ever heard a member complaint about the customer service with regards to claim issues.

6. Did they provided you suggestions on ways to improve the plan or plan processes?

Our BCBSKS representatives would meet regularly regarding our plan and how things might be improved. They were always receptive to looking at other options at renewal time.

7. What do you like most about the company? Are there any areas that you experienced challenges in working with them?

Their national and comprehensive provider network insured that our employee members always had access to in network providers.

8. Is there anything about this vendor that we haven't asked that you feel we should know?

It may have improved since we were contracted with BCBSKS, but their reporting was difficult to use as far as utilization and census information. Their billing and claims systems were not as integrated or as user friendly as I would have liked.

9. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance? Please explain the reason for the rating.

9/10 The people I worked with were great. We had very few issues with the plan. The only reason this isn't 10/10 is due to the reporting issues previously mentioned. As a self-funded group, we only left BCBSKS to pursue a plan that included reference-based pricing for hospital and facility claims. For a fully insured plan, I would 10/10 recommend BCBSKS.

Completed by: John McCarthy, Business Manager

Date: 08/12/2021

RFP EVT8083 for Medicare Supplement
Reference for **BCBS of Kansas**

1. What services are provided by BCBS of Kansas for your company? Full contract provider for our self insured health plan. How long have you worked with them? 3 years but that is after 2 years with Cigna and then 10 years with BCBS of Kansas – so total of 13 years.
2. How long did implementation take? Short time, about a month of back/forth. Is there anything you would do differently if you had to do it again? NO
3. Does the Vendor work with you to come to a resolution of the issues? YES Do they provide suggestions to improve the plan or processes? YES and they listen
4. Do they process enrollment into the plan timely? YES Have you experienced issues related to election notices or enrollment file issues? NO
5. Do you have a one point of contact to resolve your issues? YES Does the vendor respond timely to employee or staff questions or issues? YES – although most of our empoloyee's reach out to HR who does the call so that makes the contact easier.
6. What do you like most about the company? They always look at historical value, and underwrite with that in mind, they want to retain business. Are there any areas that you have experienced challenges in working with the vendor? Not since moving back. Initially we moved as our stop loss exposure priced us out of the business they had, but two years later they were aggressively pursuing us, and won us back.
7. What advice would you give a new client working with them? Make sure they know your expectations and timing requirements going in.
8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance to date? 9 or 10

Completed by:
Date:

Dirk Daveline
Vice President/Chief Financial Officer
p 785.587.5143 | m 785.565.1363 | f 888.738.7155
Dirk.Daveline@spsci.com
www.spsci.com

1. What services are provided by BCBS of Kansas for your company? - we use blue cross for our health insurance only. How long have you worked with them? - We started as of January 1, 2021.

2. How long did implementation take? - We did it in a couple of months, we did have some hiccups but it was mostly on our side from a file feed from our open enrollment software. Is there anything you would do differently if you had to do it again? - I would have a meeting with them up front and build a timeline to ensure everyone knows who is responsible for what (in our defense we were also in a benefits broker change so we had some issues with communication all around, once we cut down the barriers BCBS was easy to work with and understood our constraints).

3. Does the Vendor work with you to come to a resolution of the issues? - Yes Do they provide suggestions to improve the plan or processes? - Yes.

4. Do they process enrollment into the plan timely? - Yes, we have had a quick turnaround when it comes to processing enrollments, if one was missed they can turn it around quicker once notified. Have you experienced issues related to election notices or enrollment file issues? - Not on BlueCrosses end, when we sent the import file we did have some issues with our export that caused an issue with elections but once realized BCBS did correct very swiftly.

5. Do you have a one point of contact to resolve your issues? - We have an account rep and a manager that we can ask questions too. We normally go through our broker for questions. Does the vendor respond timely to employee or staff questions or issues? - Yes.

6. What do you like most about the company? - Great coverage, staff work well with ours, good responses when needed. Are there any areas that you have experienced challenges in working with the vendor? - Not that I am aware of.

7. What advice would you give a new client working with them? - Start the communication as early as possible. <- that is not unique to BlueCross, we have done a lot of change over the past three years and the earlier you can get everyone in the room the better makes it for a smoother transition as a whole.

8. On a scale of 1 to 10 with 10 being excellent service, how would you rate the vendor's performance to date? 9

John Regier
USD 260

APPENDIX – b

Segal

Kenneth Vieira
Senior Vice President
T 678.306.3154
M 404.709.9016

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Building One, Suite 1400
Atlanta, GA 30339-4053
segalco.com

August 5, 2021

Ms. Janet Stanek
Director – State Employee Health Benefit Plan
Kansas Department of Administration
109 SW 9th St #600
Topeka, Kansas 66612

Re: Actuarial and Consulting Services - EVT0007939 – HCC Follow-up Questions

Dear Ms. Stanek:

Thank you for referring the additional questions that arose after the 7/23/21 HCC meeting regarding our proposal response to the State of Kansas Actuarial and Consulting Services RFP - EVT0007939. As you recall, in March 2021, we sent you our time and expense for the calendar year 2018, 2019 and 2020. We understand the HCC would like additional details and information going back to the start of our contract, October 1, 2015. We have included this as part of this response and will also include it in a supplemental worksheet.

Below are the specific questions and our responses.

- *Could Segal please provide the "Standard Hourly Rates" per year per client role?*

Our Standard Hourly Rates vary by staff and are not specific to a client role. We have included our hourly rates for each person who has worked on your account. Hourly rates of our staff will vary based on their level of expertise and role within the firm.

We have included for each year of the contract: Staff Name, Client Role (or expertise), Hours Worked, Segal Standard Hourly Rate and Total Billed Time. We have then included an "Hours Summary" tab of all the hours by staff for each contract year. Note that we have had 62 Segal employees work on your account at some point during the contract period.

A final "Overall Summary" tab shows the hours and billable time rolled up by year. It also included all the fees we have collected on your account. Total fees are composed of the monthly/annual retainer and additional amendments. Note that the contract retainer is a fixed fee and the amendments are based on the contract hourly rates with a "not to exceed" cap.

Over the entire contract period, October 1, 2015 through June 30, 2021, Segal has accrued fees of $2,048,200. This includes the retainer of $1,573,200 (5.75 years of $273,600) and additional project work of $475,000 (at an hourly rate of $340). Note that the retainer and hourly rates have been flat throughout the entire 6-year contract period.

For that same contract period, Segal staff have spent 8,887.75 hours of billable time generating $3,604,656. Our financial realization on the account is 57% ($2,048,200/$3,604,656). This is well under our expectations and cost to manage our business. In our BAFO response, we proposed moving that up to a 75% target, or a 25% discount for the State of Kansas.

- *Please provide the hourly rates, hours and billable time charges for all 6 years of the contract.*

This has been included in the attachment to this letter. We have also included in a worksheet format.

- *It appears that the Annual Retainer has been the same for six years. Why does the Segal Standard Hourly Rates increase each year?*

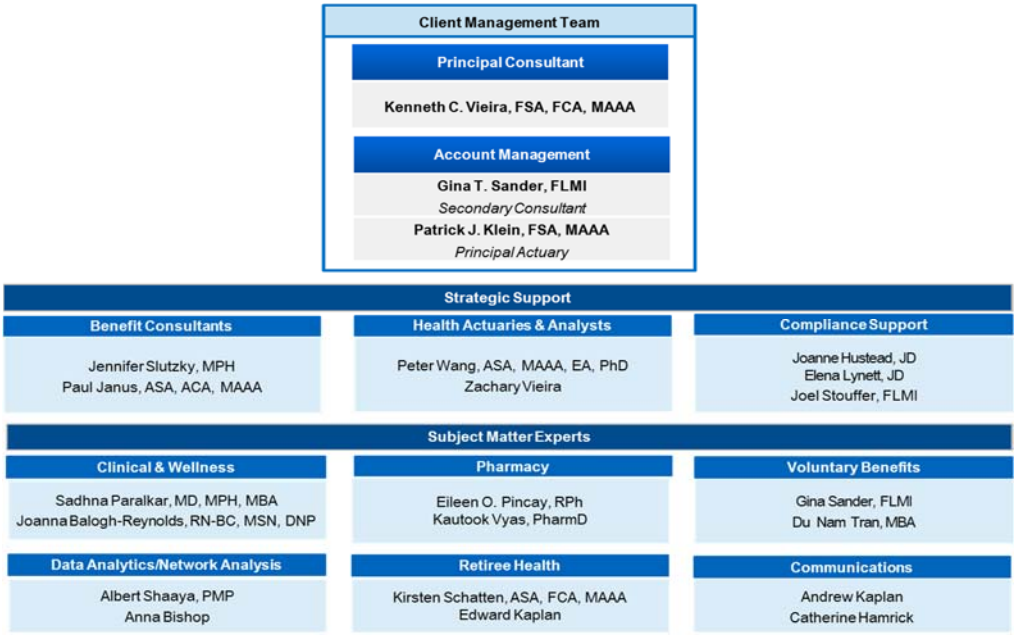
Our Segal Standard Hourly Rates will typically increase around 2-4% per year, consistent with CPI. This will enable our fees and company revenue to keep up with inflation. This is standard in the industry. In general, we feel our Standard Hourly Rates are very competitive, and somewhat on the lower end of our competition.

When we bid on a 3-year contract, we may propose the same fee over the entire period. In developing our price quote, we will integrate the anticipated CPI increases to get to the target realization – 75% for our bid to Kansas. This is significantly lower than our typical public sector account, whose realization targets are over 85%.

Note for your contract, we did not increase our rates each year. For the initial 3-year contract, and the contract extension amendment, our retainer and composite hourly rate were held flat.

- *Please have Segal provide the qualifications and descriptions of each client role. I am especially interested in the differences in categories like Compliance Consultant vs Compliance Consultant/Vice President; Actuarial Analyst vs Actuary vs Lead Actuary; Lead Pharmacy Clinician vs National Health Practice Leader vs National Pharmacy Practice Leader vs Pharmacy Clinician vs Pharmacy Consultant; etc. I hope that by having the qualifications and descriptions I will be able to figure this out.*

We are diligent in our process to map consultants into project or client roles. There is typically an Account Manager, leads for different disciplines, and an array of subject matter experts. A large account, like the State of Kansas, will need a range of expertise. Over the contract period, we have utilized clinicians, actuaries, consultants, lawyers and writers (62 professionals). Within each specialty, there are career levels that relate to unique expertise, years of experience, client management skills, etc. Our RFP response included detailed biographies of every member of our team and their functional role. I have included our proposed account team structure (included in the recent RFP response) below:



You asked about the differences in categories like Compliance Consultant vs Compliance Consultant/Vice President among other roles. The differences generally relate to overall experience, areas and breadth of expertise, professional credentials, leadership and other factors. For example, an actuarial analyst has not yet passed the education requirements to receive an Actuary designation/credential. Many times, the actuarial analysts are staff earlier in their career who are taking actuarial exams as part of their professional development. This level of staff will do the baseline analysis. An Actuary is someone who has received credentials and is performing at a higher level and/or has developed additional skill sets. They will provide guidance to the Actuarial Analysts, perform more intricate and complicated work as well as review the work prepared by the Actuarial Analysts. The Lead Actuary determines the processes and procedures for our work and ensures that all work meets yours, ours and professional standards and expectations.

In our RFP response, the detailed biographies provide the background of each assigned staff member and the differences in experience and credentials is clear. It also shows their position within our firm and their level. I have attached those bios to this letter – it was under "Appendix I: Segal Team Resumes".

In order to further answer your question, we thought it would be helpful for you to understand our career paths at Segal – called Segal's Career Navigator.

Segal's Career Navigator offers:

- A career development framework that is universal in application.
- A tool that helps employees to understand how to advance and take advantage of career opportunities at Segal.
- A clear and concise guideline for managers and employees on selection, development and advancement by adopting common or comparable entry requirements, description of a position's expected impact and key competencies for each job level.
- Transparency and greater empowerment to employees around their career management.
- An approach that applies to all positions, whether consulting, business operations or management related.

Below is a summary of our career paths. Note that Segal's internal levels and progression are different, but similar, to the functional role/levels we assign for a specific client. As employees gain experience, expertise and credentials, they move across the chart.

		Levels / Progression						
		Non-Exempt	Exempt					
		1	2	3	4	5	6	7
Career Path	**Actuarial Consulting**	Non- Exempt Positions	Actuarial Associate	Senior Actuarial Associate	Associate Actuarial Consultant	Actuary	Senior Actuary	Vice President/ Actuary	Senior Vice President/ Principal Actuary
	Consulting	Non- Exempt Positions	Associate	Senior Associate	Associate Consultant	Consultant	Senior Consultant	Vice President	Senior Vice President/ Principal
	Investment Consulting	Non- Exempt Positions	Associate	Senior Associate	Associate Consultant	Consultant	Senior Consultant	Vice President	Senior Vice President/ Principal
	Management & Business Operations	Non- Exempt Positions	Associate	Senior Associate	Associate Consultant	Consultant	Senior Consultant	Vice President	Senior Vice President/ Principal

Each level within the career path has a large list of expectations and qualifications. As you gain experience and expertise, you will move through the levels. Note that levels 6 and 7 are officers of the firm.

Summary

We recognize that our fees have increased substantially from our current contract. Given our work on your account over the last 6 years, we are comfortable that the work under the current retainer scope would take our staff approximately 1,500 hours of work per year. In addition to the current workload, the RFP also included new retainer components, specifically the annual Pharmacy Benefit Manager Market Check, Assistance with Mental Health Parity requirements, RFP and assessment and management of the Health Clinic, Summary Plan Description Updates; and RFP and evaluation of the SEHP wellness program.

As mentioned in our BAFO, our proposed fees reflect a 25% discount off our Standard Hourly Rates. We believe our fee quote is very reasonable, as evident by the three other bidders having similar bids.

I want to personally emphasize that we appreciate working with you, your team and the HCC. We look forward to continuing our partnership. I further want to provide the phone number for Stuart Wohl - 202.534.2747. Stu is our East Region Leader and has been assigned as the Executive Sponsor for your account. Stu has a direct channel to our CEO. Any issues can be escalated and addressed by Stu.

Please let me know if you have any additional questions or need further details.

Sincerely,

Kenneth C. Vieira
Senior Vice President

Attachments

Kansas State Employee Health Plan (SEHP)
Billing Summary Report By Client Role
2015 - 2021 Summary

Client Role	Hours						
	2021 - Q1/Q2	2020	2019	2018	2017	2016	2015 - Q4
Account Manager	93.50	151.50	170.00	163.50	180.50	186.50	47.50
Actuarial Analyst	80.00	325.50	180.50	116.75	108.50	82.25	46.25
Actuary	247.50	378.50	394.75	317.00	474.00	494.75	215.00
Actuary - OPEB	-	-	-	-	52.25	204.75	42.75
Communications Consultant	-	-	1.25	9.75	3.50	-	-
Compliance Consultant	10.00	9.00	1.25	46.25	1.25	11.50	0.50
Consultant	22.75	2.25	35.50	13.00	-	-	-
Data Analyst	10.50	-	33.25	18.50	99.50	152.00	-
Graphic Design Consultant	-	-	-	1.00	1.50	-	-
Lead Actuary	133.00	231.25	166.25	218.00	474.50	261.25	10.00
Lead Consultant	81.50	121.00	23.00	150.00	263.50	14.00	-
Lead Data Analyst	-	24.00	-	7.00	-	-	-
Lead Pharmacy Clinician	36.00	46.75	142.75	131.75	48.00	30.25	-
Medical Director	-	8.50	2.00	26.00	21.50	2.00	-
National Compliance Practice Leader	0.50	-	-	-	-	1.00	-
National Health Practice Leader	-	-	16.50	0.50	0.50	-	-
National Pharmacy Practice Leader	-	-	6.50	-	-	-	1.00
Pharmacy Clinician	1.50	32.50	11.50	7.25	4.75	48.50	20.75
Pharmacy Consultant	7.00	1.50	293.50	94.25	-	25.00	-
Senior Compliance Consultant	1.25	8.50	2.50	39.75	5.50	53.75	2.00
Senior Consultant	2.50	15.00	8.25	132.00	58.25	36.50	35.75
Total	727.50	1,355.75	1,489.25	1,492.25	1,797.50	1,604.00	421.50

Contract Fees		**Fees**
Annual Retainer (flat for 6 years)	Amendment 5 (extension)	$ 273,600
PBM Market Check (2021)	Amendment 10	$ 20,000
Benefit Survey (2020)	Amendment 8	$ 25,000
Mental Health Parity Audit (2018-2021)	Amendment 6,7,9	$ 110,000
PBM Market Check (2018)	Amendment 4	$ 10,000
On-site Clinic Legislation, RFP and Support (2017/2018)	Amendment 3	$ 50,000
J1 Visa (2017)	Amendment 2	$ 60,000
L&E - K-12 Analysis and Report (2016)	Amendment 1	$ 200,000
Contacted Hourly Rate for Amendments		$ 340

* At Segal Standard Hourly Rates

Oct-2015 thru June 2021		
Total Billable Time	$	3,604,656
Total Contract Retainer	$	1,573,200
Total Amend	$	475,000
Total Fees	$	2,048,200
Contract Realization		57%
Total Hours		8,887.75
Effective Hourly Rate	$	230.45

Overall Summary

Kansas State Employee Health Plan (SEHP)
Billing Summary Report By Client Role
2015 - 2021 Summary

Client Role	Billable Time Charges* 2021 - Q1/Q2	2020	2019	2018	2017	2016	2015 - Q4
Account Manager	$ 53,295	$ 84,083	$ 93,500	$ 89,108	$ 96,568	$ 97,913	$ 23,750
Actuarial Analyst	$ 21,600	$ 86,258	$ 47,070	$ 30,355	$ 27,125	$ 21,675	$ 10,930
Actuary	$ 107,663	$ 160,863	$ 157,960	$ 125,243	$ 184,031	$ 179,273	$ 79,460
Actuary - OPEB	$ -	$ -	$ -	$ -	$ 22,215	$ 72,894	$ 14,625
Communications Consultant	$ -	$ -	$ 194	$ 1,511	$ 543	$ -	$ -
Compliance Consultant	$ 4,531	$ 4,320	$ 494	$ 21,999	$ 663	$ 4,168	$ 170
Consultant	$ 6,256	$ 371	$ 9,288	$ 4,790	$ -	$ -	$ -
Data Analyst	$ 3,780	$ -	$ 9,475	$ 5,180	$ 24,875	$ 36,905	$ -
Graphic Design Consultant	$ -	$ -	$ -	$ 155	$ 233	$ -	$ -
Lead Actuary	$ 66,500	$ 115,625	$ 83,285	$ 108,113	$ 230,133	$ 121,606	$ 4,400
Lead Consultant	$ 39,120	$ 51,425	$ 9,660	$ 59,250	$ 101,448	$ 5,250	$ -
Lead Data Analyst	$ -	$ 10,200	$ -	$ 2,870	$ -	$ -	$ -
Lead Pharmacy Clinician	$ 17,280	$ 22,206	$ 64,238	$ 59,288	$ 20,880	$ 12,856	$ -
Medical Director	$ -	$ 4,675	$ 1,080	$ 14,040	$ 11,610	$ 1,070	$ -
National Compliance Practice Leader	$ 320	$ -	$ -	$ -	$ -	$ 535	$ -
National Health Practice Leader	$ -	$ -	$ 9,735	$ 285	$ 275	$ -	$ -
National Pharmacy Practice Leader	$ -	$ -	$ 3,088	$ -	$ -	$ -	$ 430
Pharmacy Clinician	$ 660	$ 14,390	$ 4,603	$ 3,036	$ 1,675	$ 19,791	$ 8,508
Pharmacy Consultant	$ 2,395	$ 648	$ 88,713	$ 26,943	$ -	$ 5,625	$ -
Senior Compliance Consultant	$ 713	$ 4,424	$ 1,194	$ 18,588	$ 2,555	$ 23,381	$ 850
Senior Consultant	$ 1,088	$ 6,375	$ 3,011	$ 46,230	$ 17,475	$ 10,754	$ 10,910
Total	$ 325,200	$ 565,861	$ 586,585	$ 616,981	$ 742,301	$ 613,695	$ 154,033
Composite Rate	$ 447.01	$ 417.38	$ 393.88	$ 413.46	$ 412.96	$ 382.60	$ 365.44

Kansas State Employee Health Plan (SEHP)
Time Summary Report By Staff Name & Role
2015 - 2021 Summary

		Billable Hours						
Staff Name	Client Role	2021-Q1/Q2	2020	2019	2018	2017	2016	2015-Q4
Peter Wang, ASA, MAAA, EA, Phd	Actuary	145.50	267.25	389.25	307.25	373.00	408.25	163.50
Patrick J. Klein, FSA, MAAA	Lead Actuary	133.00	231.25	158.25	177.50	362.50	161.75	-
Zachary R. Vieira	Actuarial Analyst	80.00	251.00	176.50	65.50	-	-	-
Kenneth C. Vieira, FSA, FCA, MAAA	Account Manager	93.50	151.50	170.00	163.50	180.50	186.50	47.50
Eileen O. Pincay, RPh	Lead Pharmacy Clinician	36.00	46.75	142.75	131.75	48.00	30.25	-
Gina T. Sander, FLMI	Lead Consultant	81.50	121.00	23.00	150.00	263.50	14.00	-
Chanwoo "Chandler" Lee	Pharmacy Consultant	-	-	152.50	55.75	-	-	-
Jennifer K. Slutzky, MPH	Senior Consultant	2.50	15.00	8.25	131.75	58.25	35.25	30.75
Cristina A. Zurawski, , CPhT	Pharmacy Consultant	-	-	141.00	-	-	-	-
Paul J. Janus, ASA, ACA, MAAA	Actuary	102.00	111.25	5.00	8.50	100.75	28.50	51.50
Anna L. Bishop	Actuarial Analyst	-	48.25	-	51.25	108.50	55.75	29.25
Elena H. Lynett, JD	Compliance Consultant	2.75	9.00	0.25	45.75	-	-	-
Kirsten R. Schatten, ASA, FCA, MAAA	Lead Actuary	-	-	8.00	40.50	112.00	99.50	10.00
Joanne L. Hustead, JD	Senior Compliance Consultant	1.25	7.25	1.75	35.00	4.50	-	-
Kautook Vyas, PharmD	Pharmacy Clinician	1.50	30.50	3.50	5.50	2.00	47.75	20.75
Sadhna Paralkar, MD, MPH, MBA	Medical Director	-	8.50	2.00	26.00	21.50	2.00	-
Cristina A. De Leon, , CPhT	Pharmacy Consultant	-	-	-	34.25	-	-	-
Stephen Pickering	Data Analyst	10.50	-	13.25	18.50	-	79.00	-
Albert Shaaya, PMP	Lead Data Analyst	-	24.00	-	7.00	-	-	-
Stephen S. Stejskal	Actuarial Analyst	-	26.25	-	-	-	-	-
Alexander J. Louros	Consultant	22.75	-	24.25	-	-	-	-
Phillip S. Floyd, ASA	Data Analyst	-	-	20.00	-	99.50	73.00	-
Edward A. Kaplan	National Health Practice Leader	-	-	16.50	0.50	0.50	-	-
Karen Hoch	Communications Consultant	-	-	1.25	9.75	3.50	-	-
Ann Cady Bjurman, JD	Consultant	-	-	-	9.25	-	-	-
Alan Kolick, ASA, MAAA	Consultant	-	-	7.50	-	-	-	-
Whitney Gazzia	Consultant	-	2.25	0.75	3.75	-	-	-
Mildeen Worrell, JD	Senior Compliance Consultant	-	1.25	0.75	4.75	1.00	53.75	2.00
Nicholas C. Taylor, RPh	National Pharmacy Practice Leader	-	-	6.50	-	-	-	-
Victor Castillo	Pharmacy Clinician	-	-	4.50	0.50	2.75	0.75	-
Daljit K. Johl, PharmD	Pharmacy Clinician	-	2.00	2.00	1.00	-	-	-
Oscar Davila	Pharmacy Consultant	-	-	-	4.25	-	25.00	-
Alexander B. Smith, ASA	Actuarial Analyst	-	-	4.00	-	-	-	-
Connie Yu	Consultant	-	-	3.00	-	-	-	-
Olga Ronsini, ASA	Actuary	-	-	0.50	1.25	-	58.00	-
Martin P. Fornataro, PharmD	Pharmacy Clinician	-	-	1.50	-	-	-	-

Kansas State Employee Health Plan (SEHP)
Time Summary Report By Staff Name & Role
2015 - 2021 Summary

Staff Name	Client Role	Billable Hours 2021-Q1/Q2	2020	2019	2018	2017	2016	2015-Q4
George Bognar	Pharmacy Consultant	-	1.00	-	-	-	-	-
Diana Pepe	Graphic Design Consultant	-	-	-	1.00	-	-	-
Joel Stouffer, FLMI	Compliance Consultant	2.50	-	1.00	-	-	11.00	0.50
John Kent Graham, JD	Compliance Consultant	1.25	-	-	0.50	1.25	0.50	-
Paul Wojtak	Pharmacy Consultant	-	0.50	-	-	-	-	-
Thomas E. Miller Jr	Senior Consultant	-	-	-	0.25	-	-	-
David A. Berger, ASA, EA	Actuary - OPEB	-	-	-	-	44.75	88.75	-
Bryan M. Clubb, ASA	Actuary - OPEB	-	-	-	-	6.00	67.75	15.00
Daniel J. Rhodes, FSA, MAAA	Actuary - OPEB	-	-	-	-	1.50	4.25	-
K. Eric Freden, FSA, MAAA	Actuary - OPEB	-	-	-	-	-	10.75	20.25
Danelle Cook, ASA, MAAA, EA	Actuary - OPEB	-	-	-	-	-	33.25	7.50
Samantha J. Allen	Actuarial Analyst	-	-	-	-	-	0.50	17.00
Alexander J. Giordano, ASA, FCA, MAA	Actuarial Analyst	-	-	-	-	-	25.00	-
Kevin Lin	Actuarial Analyst	-	-	-	-	-	1.00	-
Holly K. Wilson	Senior Consultant	-	-	-	-	-	1.25	-
Cecilia Carter	Graphic Design Consultant	-	-	-	-	1.00	-	-
Charles S. Fuhrer, FSA, MAAA	Actuary	-	-	-	-	0.25	-	-
Carolyn Covington-Espiritu	Graphic Design Consultant	-	-	-	-	0.50	-	-
Julia E. Zuckerman, JD	Compliance Consultant	0.50	-	-	-	-	-	-
Jamaca E. Mitchell, JD	Compliance Consultant	3.00	-	-	-	-	-	-
Kathryn L. Bakich, JD	National Compliance Practice Leader	0.50	-	-	-	-	1.00	-
Muntaha Matin Munia	Pharmacy Consultant	2.00	-	-	-	-	-	-
Cassie L. Schmid	Pharmacy Consultant	5.00	-	-	-	-	-	-
Ritu M. Singal, PharmD	National Pharmacy Practice Leader	-	-	-	-	-	-	1.00
Richard L. Ward, FSA, MAAA	Senior Consultant	-	-	-	-	-	-	5.00
Stephen E. Wolf, PharmD	Pharmacy Clinician	-	-	-	0.25	-	-	-
Total		727.50	1,355.75	1,489.25	1,492.25	1,797.50	1,604.00	421.50

Hours Summary

Kansas State Employee Health Plan (SEHP)
Billing Summary Report - June, 2021
Calendar Year 2021

Staff Name	Client Role	Hours Worked	Segal Standard Hourly Rates	Total Billed Time
Kathryn L. Bakich, JD	National Compliance Practice Leader	0.50	$ 640	$ 320
John Kent Graham, JD	Compliance Consultant	1.25	$ 555	$ 694
Joanne L. Hustead, JD	Senior Compliance Consultant	1.25	$ 570	$ 713
Paul J. Janus, ASA, ACA, MAAA	Actuary	102.00	$ 435	$ 44,370
Patrick J. Klein, FSA, MAAA	Lead Actuary	133.00	$ 500	$ 66,500
Alexander J. Louros	Consultant	22.75	$ 275	$ 6,256
Elena H. Lynett, JD	Compliance Consultant	2.75	$ 490	$ 1,348
Jamaca E. Mitchell, JD	Compliance Consultant	3.00	$ 390	$ 1,170
Muntaha Matin Munia	Pharmacy Consultant	2.00	$ 260	$ 520
Stephen Pickering	Data Analyst	10.50	$ 360	$ 3,780
Eileen O. Pincay, RPh	Lead Pharmacy Clinician	36.00	$ 480	$ 17,280
Gina T. Sander, FLMI	Lead Consultant	81.50	$ 480	$ 39,120
Cassie L. Schmid	Pharmacy Consultant	5.00	$ 375	$ 1,875
Jennifer K. Slutzky, MPH	Senior Consultant	2.50	$ 435	$ 1,088
Joel Stouffer, FLMI	Compliance Consultant	2.50	$ 435	$ 1,088
Kenneth C. Vieira, FSA, FCA, MAAA	Account Manager	93.50	$ 570	$ 53,295
Zachary R. Vieira	Actuarial Analyst	80.00	$ 270	$ 21,600
Kautook Vyas, PharmD	Pharmacy Clinician	1.50	$ 440	$ 660
Peter Wang, ASA, MAAA, EA, Phd	Actuary	145.50	$ 435	$ 63,293
Julia E. Zuckerman, JD	Compliance Consultant	0.50	$ 465	$ 233
Total		727.50	$ 447	$ 325,200

Kansas State Employee Health Plan (SEHP)
Billing Summary Report - December, 2020
Calendar Year 2020

Staff Name	Client Role	Hours Worked	Segal Standard Hourly Rates	Total Billed Time
Anna L. Bishop	Actuarial Analyst	48.25	$ 265	$ 12,786
George Bognar	Pharmacy Consultant	1.00	$ 510	$ 510
Whitney Gazzia	Consultant	2.25	$ 165	$ 371
Joanne L. Hustead, JD	Senior Compliance Consultant	7.25	$ 530	$ 3,843
Paul J. Janus, ASA, ACA, MAAA	Actuary	111.25	$ 425	$ 47,281
Daljit K. Johl, PharmD	Pharmacy Clinician	2.00	$ 485	$ 970
Patrick J. Klein, FSA, MAAA	Lead Actuary	231.25	$ 500	$ 115,625
Elena H. Lynett, JD	Compliance Consultant	9.00	$ 480	$ 4,320
Sadhna Paralkar, MD, MPH, MBA	Medical Director	8.50	$ 550	$ 4,675
Eileen O. Pincay, RPh	Lead Pharmacy Clinician	46.75	$ 475	$ 22,206
Gina T. Sander, FLMI	Lead Consultant	121.00	$ 425	$ 51,425
Albert Shaaya, PMP	Lead Data Analyst	24.00	$ 425	$ 10,200
Jennifer K. Slutzky, MPH	Senior Consultant	15.00	$ 425	$ 6,375
Stephen S. Stejskal	Actuarial Analyst	26.25	$ 265	$ 6,956
Kenneth C. Vieira, FSA, FCA, MAAA	Account Manager	151.50	$ 555	$ 84,083
Zachary R. Vieira	Actuarial Analyst	251.00	$ 265	$ 66,515
Kautook Vyas, PharmD	Pharmacy Clinician	30.50	$ 440	$ 13,420
Peter Wang, ASA, MAAA, EA, Phd	Actuary	267.25	$ 425	$ 113,581
Paul Wojtak	Pharmacy Consultant	0.50	$ 275	$ 138
Mildeen Worrell, JD	Senior Compliance Consultant	1.25	$ 465	$ 581
Total		1,355.75	$ 439	$ 565,861

Kansas State Employee Health Plan (SEHP)
Billing Summary Report - December, 2019
Calendar Year 2019

Staff Name	Client Role	Hours Worked	Segal Standard Hourly Rates	Total Billed Time
Victor Castillo	Pharmacy Clinician	4.50	$ 350	$ 1,575
Phillip S. Floyd, ASA	Data Analyst	20.00	$ 275	$ 5,500
Martin P. Fornataro, PharmD	Pharmacy Clinician	1.50	$ 400	$ 600
Whitney Gazzia	Consultant	0.75	$ 155	$ 116
Karen Hoch	Communications Consultant	1.25	$ 155	$ 194
Joanne L. Hustead, JD	Senior Compliance Consultant	1.75	$ 485	$ 849
Paul J. Janus, ASA, ACA, MAAA	Actuary	5.00	$ 420	$ 2,100
Daljit K. Johl, PharmD	Pharmacy Clinician	2.00	$ 470	$ 940
Edward A. Kaplan	National Health Practice Leader	16.50	$ 590	$ 9,735
Patrick J. Klein, FSA, MAAA	Lead Actuary	158.25	$ 500	$ 79,125
Alan Kolick, ASA, MAAA	Consultant	7.50	$ 365	$ 2,738
Chanwoo "Chandler" Lee	Pharmacy Consultant	152.50	$ 235	$ 35,838
Alexander J. Louros	Consultant	24.25	$ 235	$ 5,699
Elena H. Lynett, JD	Compliance Consultant	0.25	$ 475	$ 119
Sadhna Paralkar, MD, MPH, MBA	Medical Director	2.00	$ 540	$ 1,080
Stephen Pickering	Data Analyst	13.25	$ 300	$ 3,975
Eileen O. Pincay, RPh	Lead Pharmacy Clinician	142.75	$ 450	$ 64,238
Olga Ronsini, ASA	Actuary	0.50	$ 320	$ 160
Gina T. Sander, FLMI	Lead Consultant	23.00	$ 420	$ 9,660
Kirsten R. Schatten, ASA, FCA, MAAA	Lead Actuary	8.00	$ 520	$ 4,160
Jennifer K. Slutzky, MPH	Senior Consultant	8.25	$ 365	$ 3,011
Alexander B. Smith, ASA	Actuarial Analyst	4.00	$ 295	$ 1,180
Joel Stouffer, FLMI	Compliance Consultant	1.00	$ 375	$ 375
Nicholas C. Taylor, RPh	National Pharmacy Practice Leader	6.50	$ 475	$ 3,088
Kenneth C. Vieira, FSA, FCA, MAAA	Account Manager	170.00	$ 550	$ 93,500
Zachary R. Vieira	Actuarial Analyst	176.50	$ 260	$ 45,890
Kautook Vyas, PharmD	Pharmacy Clinician	3.50	$ 425	$ 1,488
Peter Wang, ASA, MAAA, EA, Phd	Actuary	389.25	$ 400	$ 155,700
Mildeen Worrell, JD	Senior Compliance Consultant	0.75	$ 460	$ 345
Connie Yu	Consultant	3.00	$ 245	$ 735
Cristina A. Zurawski, , CPhT	Pharmacy Consultant	141.00	$ 375	$ 52,875
Total		1,489.25	$ 406	$ 586,585

Kansas State Employee Health Plan (SEHP)
Billing Summary Report - December, 2018
Calendar Year 2018

Staff Name	Client Role	Hours Worked	Segal Standard Hourly Rates	Total Billed Time
Anna L. Bishop	Actuarial Analyst	51.25	$ 260	$ 13,325
Ann Cady Bjurman, JD	Consultant	9.25	$ 455	$ 4,209
Victor Castillo	Pharmacy Clinician	0.50	$ 325	$ 163
Oscar Davila	Pharmacy Consultant	4.25	$ 275	$ 1,169
Cristina A. De Leon, , CPhT	Pharmacy Consultant	34.25	$ 370	$ 12,673
Whitney Gazzia	Consultant	3.75	$ 155	$ 581
John Kent Graham, JD	Compliance Consultant	0.50	$ 535	$ 268
Karen Hoch	Communications Consultant	9.75	$ 155	$ 1,511
Joanne L. Hustead, JD	Senior Compliance Consultant	35.00	$ 470	$ 16,450
Paul J. Janus, ASA, ACA, MAAA	Actuary	8.50	$ 410	$ 3,485
Daljit K. Johl, PharmD	Pharmacy Clinician	1.00	$ 455	$ 455
Edward A. Kaplan	National Health Practice Leader	0.50	$ 570	$ 285
Patrick J. Klein, FSA, MAAA	Lead Actuary	177.50	$ 495	$ 87,863
Chanwoo "Chandler" Lee	Pharmacy Consultant	55.75	$ 235	$ 13,101
Elena H. Lynett, JD	Compliance Consultant	45.75	$ 475	$ 21,731
Thomas E. Miller Jr	Senior Consultant	0.25	$ 470	$ 118
Sadhna Paralkar, MD, MPH, MBA	Medical Director	26.00	$ 540	$ 14,040
Diana Pepe	Graphic Design Consultant	1.00	$ 155	$ 155
Stephen Pickering	Data Analyst	18.50	$ 280	$ 5,180
Eileen O. Pincay, RPh	Lead Pharmacy Clinician	131.75	$ 450	$ 59,288
Olga Ronsini, ASA	Actuary	1.25	$ 315	$ 394
Gina T. Sander, FLMI	Lead Consultant	150.00	$ 395	$ 59,250
Kirsten R. Schatten, ASA, FCA, MAAA	Lead Actuary	40.50	$ 500	$ 20,250
Albert Shaaya, PMP	Lead Data Analyst	7.00	$ 410	$ 2,870
Jennifer K. Slutzky, MPH	Senior Consultant	131.75	$ 350	$ 46,113
Kenneth C. Vieira, FSA, FCA, MAAA	Account Manager	163.50	$ 545	$ 89,108
Zachary R. Vieira	Actuarial Analyst	65.50	$ 260	$ 17,030
Kautook Vyas, PharmD	Pharmacy Clinician	5.50	$ 425	$ 2,338
Peter Wang, ASA, MAAA, EA, Phd	Actuary	307.25	$ 395	$ 121,364
Stephen E. Wolf, PharmD	Pharmacy Clinician	0.25	$ 325	$ 81
Mildeen Worrell, JD	Senior Compliance Consultant	4.75	$ 450	$ 2,138
Total		1,492.25	$ 417	$ 616,981

Kansas State Employee Health Plan (SEHP)
Billing Summary Report - December, 2017
Calendar Year 2017

Staff Name	Client Role	Hours Worked	Segal Standard Hourly Rates	Total Billed Time
David A. Berger, ASA, EA	Actuary - OPEB	44.75	$ 450	$ 20,138
Anna L. Bishop	Actuarial Analyst	108.50	$ 250	$ 27,125
Cecilia Carter	Graphic Design Consultant	1.00	$ 155	$ 155
Victor Castillo	Pharmacy Clinician	2.75	$ 300	$ 825
Bryan M. Clubb, ASA	Actuary - OPEB	6.00	$ 240	$ 1,440
Carolyn Covington-Espiritu	Graphic Design Consultant	0.50	$ 155	$ 78
Phillip S. Floyd, ASA	Data Analyst	99.50	$ 250	$ 24,875
Charles S. Fuhrer, FSA, MAAA	Actuary	0.25	$ 505	$ 126
John Kent Graham, JD	Compliance Consultant	1.25	$ 530	$ 663
Karen Hoch	Communications Consultant	3.50	$ 155	$ 543
Joanne L. Hustead, JD	Senior Compliance Consultant	4.50	$ 470	$ 2,115
Paul J. Janus, ASA, ACA, MAAA	Actuary	100.75	$ 400	$ 40,300
Edward A. Kaplan	National Health Practice Leader	0.50	$ 550	$ 275
Patrick J. Klein, FSA, MAAA	Lead Actuary	362.50	$ 485	$ 175,813
Sadhna Paralkar, MD, MPH, MBA	Medical Director	21.50	$ 540	$ 11,610
Eileen O. Pincay, RPh	Lead Pharmacy Clinician	48.00	$ 435	$ 20,880
Daniel J. Rhodes, FSA, MAAA	Actuary - OPEB	1.50	$ 425	$ 638
Gina T. Sander, FLMI	Lead Consultant	263.50	$ 385	$ 101,448
Kirsten R. Schatten, ASA, FCA, MAAA	Lead Actuary	112.00	$ 485	$ 54,320
Jennifer K. Slutzky, MPH	Senior Consultant	58.25	$ 300	$ 17,475
Kenneth C. Vieira, FSA, FCA, MAAA	Account Manager	180.50	$ 535	$ 96,568
Kautook Vyas, PharmD	Pharmacy Clinician	2.00	$ 425	$ 850
Peter Wang, ASA, MAAA, EA, Phd	Actuary	373.00	$ 385	$ 143,605
Mildeen Worrell, JD	Senior Compliance Consultant	1.00	$ 440	$ 440
Total		1,797.50	$ 423	$ 742,301

Kansas State Employee Health Plan (SEHP)
Billing Summary Report - December, 2016
Calendar Year 2016

Staff Name	Client Role	Hours Worked	Segal Standard Hourly Rates	Total Billed Time
Samantha J. Allen	Actuarial Analyst	0.50	$ 245	$ 123
Kathryn L. Bakich, JD	National Compliance Practice Leader	1.00	$ 535	$ 535
David A. Berger, ASA, EA	Actuary - OPEB	88.75	$ 450	$ 39,938
Anna L. Bishop	Actuarial Analyst	55.75	$ 250	$ 13,938
Victor Castillo	Pharmacy Clinician	0.75	$ 285	$ 214
Bryan M. Clubb, ASA	Actuary - OPEB	67.75	$ 220	$ 14,905
Danelle Cook, ASA, MAAA, EA	Actuary - OPEB	33.25	$ 345	$ 11,471
Oscar Davila	Pharmacy Consultant	25.00	$ 225	$ 5,625
Phillip S. Floyd, ASA	Data Analyst	73.00	$ 235	$ 17,155
K. Eric Freden, FSA, MAAA	Actuary - OPEB	10.75	$ 450	$ 4,838
Alexander J. Giordano, ASA, FCA, MAAA	Actuarial Analyst	25.00	$ 300	$ 7,500
John Kent Graham, JD	Compliance Consultant	0.50	$ 525	$ 263
Paul J. Janus, ASA, ACA, MAAA	Actuary	28.50	$ 400	$ 11,400
Patrick J. Klein, FSA, MAAA	Lead Actuary	161.75	$ 475	$ 76,831
Kevin Lin	Actuarial Analyst	1.00	$ 115	$ 115
Sadhna Paralkar, MD, MPH, MBA	Medical Director	2.00	$ 535	$ 1,070
Stephen Pickering	Data Analyst	79.00	$ 250	$ 19,750
Eileen O. Pincay, RPh	Lead Pharmacy Clinician	30.25	$ 425	$ 12,856
Daniel J. Rhodes, FSA, MAAA	Actuary - OPEB	4.25	$ 410	$ 1,743
Olga Ronsini, ASA	Actuary	58.00	$ 290	$ 16,820
Gina T. Sander, FLMI	Lead Consultant	14.00	$ 375	$ 5,250
Kirsten R. Schatten, ASA, FCA, MAAA	Lead Actuary	99.50	$ 450	$ 44,775
Jennifer K. Slutzky, MPH	Senior Consultant	35.25	$ 290	$ 10,223
Joel Stouffer, FLMI	Compliance Consultant	11.00	$ 355	$ 3,905
Kenneth C. Vieira, FSA, FCA, MAAA	Account Manager	186.50	$ 525	$ 97,913
Kautook Vyas, PharmD	Pharmacy Clinician	47.75	$ 410	$ 19,578
Peter Wang, ASA, MAAA, EA, Phd	Actuary	408.25	$ 370	$ 151,053
Holly K. Wilson	Senior Consultant	1.25	$ 425	$ 531
Mildeen Worrell, JD	Senior Compliance Consultant	53.75	$ 435	$ 23,381
Total		1,604.00	$ 394	$ 613,695

Kansas State Employee Health Plan (SEHP)
Billing Summary Report - December, 2015
October 2015 through December 2015

Staff Name	Client Role	Hours Worked	Segal Standard Hourly Rates	Total Billed Time
Samantha J. Allen	Actuarial Analyst	17.00	$ 230	$ 3,910
Anna L. Bishop	Actuarial Analyst	29.25	$ 240	$ 7,020
Bryan M. Clubb, ASA	Actuary - OPEB	15.00	$ 200	$ 3,000
Danelle Cook, ASA, MAAA, EA	Actuary - OPEB	7.50	$ 335	$ 2,513
K. Eric Freden, FSA, MAAA	Actuary - OPEB	20.25	$ 450	$ 9,113
Paul J. Janus, ASA, ACA, MAAA	Actuary	51.50	$ 400	$ 20,600
Kirsten R. Schatten, ASA, FCA, MAAA	Lead Actuary	10.00	$ 440	$ 4,400
Ritu M. Singal, PharmD	National Pharmacy Practice Leader	1.00	$ 430	$ 430
Jennifer K. Slutzky, MPH	Senior Consultant	30.75	$ 280	$ 8,610
Joel Stouffer, FLMI	Compliance Consultant	0.50	$ 340	$ 170
Kenneth C. Vieira, FSA, FCA, MAAA	Account Manager	47.50	$ 500	$ 23,750
Kautook Vyas, PharmD	Pharmacy Clinician	20.75	$ 410	$ 8,508
Peter Wang, ASA, MAAA, EA, Phd	Actuary	163.50	$ 360	$ 58,860
Richard L. Ward, FSA, MAAA	Senior Consultant	5.00	$ 460	$ 2,300
Mildeen Worrell, JD	Senior Compliance Consultant	2.00	$ 425	$ 850
Total		421.50	$ 381	$ 154,033

Appendix I: Segal Team Resumes

Kenneth C. Vieira, FSA, FCA, MAAA

Senior Vice President, East Region Public Sector Market Leader, Atlanta

Project Role: Principal Consultant

Expertise

Mr. Vieira is a Senior Vice President and Consulting Actuary in Segal's Atlanta office with nearly 25 years of experience as an account manager/account executive, actuary and consultant. He serves as East Region Public Sector Market Leader and is a member of the firm's Public Sector Leadership Group and East Management Team.

Mr. Vieira brings a full complement of actuarial and consulting expertise to his clients. He has extensive experience in strategic consulting, benefit plan design and evaluation, financial forecasting, trend analysis, risk profiling, new product design, plan rating, premium rate development, data analytics, retiree medical, statistical modeling and other medical management programs.

Mr. Vieira's public sector clients (over 100,000) include:

- North Carolina State Health Plan (715,000) – Account Manager and Lead Actuary
- Alabama Public Education Employees Health Insurance Plan (296,000) – Account Executive
- State of Illinois – Department of Central Management Services (424,000) – Account Manager
- State of Wisconsin – Department of Employee Trust Fund (241,000) – Account Manager
- State of Kansas (100,000) – Account Manager
- State of Mississippi (192,000) - Account Executive
- Teacher Retirement System of Texas (655,000) – Account Executive

Mr. Vieira's clients have spanned a variety of public sector entities. He has worked for Medicaid agencies, school systems, retirement systems, community health departments, medical affairs, state health plans, CMS, etc.

In addition to his specialty in the governmental sector, Mr. Vieira has worked with large employers, healthcare providers and health plans. His varied projects have included packaging and pricing medical services, developing claims data reporting, utilizing risk management software, developing HMO rates and renewal support, and developing prospective payment systems.

Professional background

Prior to joining Segal, Mr. Vieira was the head of the Government Programs Health Practice at a large consulting firm in Atlanta. He has worked extensively with states and other large governmental employers on state health plans, Medicaid programs and a broad range of

actuarial issues. With many of these states, Mr. Vieira served as both the account manager/account executive and actuary and provided a wide array of strategic consulting.

Education/professional designations

Mr. Vieira received a BS in Software Engineering from Syracuse University. He is a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, a Fellow of the Conference of Consulting Actuaries, and a retired Enrolled Actuary. He is also a licensed Life and Health Insurance Consultant in Georgia, Tennessee, North Carolina and other states.Kenneth C. Vieira, FSA, FCA, MAAA.

kvieira@segalco.com
678.306.3154
segalco.com

Gina T. Sander, FLMI

Vice President and Health Practice Leader, Atlanta

Project Role: Secondary Consultant

Expertise

Ms. Sander is a Vice President and the Health Practice Leader in Segal's Atlanta office with 30 years of experience as an underwriter, consultant and account manager. She is a member of the East Region Health Practice and provides benefits consulting to public sector entities at the federal, state and local levels, as well as large corporate firms.

Ms. Sander has a strong technical underwriting background and brings a full complement of consulting expertise to her clients. She has extensive experience in strategic consulting, benefit program/plan design and evaluation, financial forecasting, trend analysis, plan rating, premium rate development, data analytics, vendor selection and management and presenting to committees, councils and boards.

She assists clients with strategic planning, benefit design, procurement and pricing of health and welfare benefits, vendor management, developing customized reports, evaluating the potential financial impact of health legislation and presenting to various committees and governing bodies.

Professional background

Prior to Segal, Ms. Sander served as a Senior Consultant at another major consulting firm, specializing in medical, prescription, wellness and other health and welfare benefits. She was responsible for account management, strategic planning, benefit design and modeling, vendor management and cost projections, among other tasks.

Education/professional designations

Ms. Sander received a BA in Economics from The University of Georgia. She has earned a Fellowship of Life Management Institute (FLMI) designation and is a licensed Life and Health Insurance Consultant in 21 states.

Gina T. Sander, FLMI
gsander@segalco.com
678.306.3158
segalco.com

Patrick J. Klein, FSA, MAAA

Vice President, Atlanta

Project Role: Principal Actuary

Expertise

Mr. Klein is a Vice President in Segal's Atlanta office with 13 years of actuarial and consulting experience working with public and private sector plans and employers. Working with both self-insured and fully insured plans, he has specialized expertise in developing employer healthcare strategies for active and retiree benefit programs, new product development, risk profiling, data analytics, vendor selection, employee contributions, wellness and eligibility provisions to meet client goals and objectives.

Mr. Klein thoughtfully negotiates fully insured renewals for Medicare Advantage, HMO and other insurance products on his clients' behalf, consistently resulting in significant savings. He provides certification of estimated incurred but not reported reserves (IBNR), as well as the claims/premium assumptions used in retiree health valuations. Mr. Klein is adept at building and presenting custom actuarial models used to calculate refined estimates and the sensitivities surrounding those estimates.

In addition to project management and client work, Mr. Klein assists clients with messaging and gaining organizational buy-in to support the recommended strategy. He regularly presents to various committees and governing boards, articulating complex actuarial concepts in easy-to-understand layman's terms.

Professional background

Prior to Segal, Mr. Klein was a Senior Consultant at Aon Hewitt. There, he served as the lead actuary and performed actuarial analyses for midsized private sector and public sector clients as well as large state health plans.

Education/professional designations

Mr. Klein holds a BS in Actuarial Science from Illinois State University. He is a Fellow of the Society of Actuaries and Member of the American Academy of Actuaries.

Patrick J. Klein, FSA, MAAA
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Jennifer Slutzky, MPH

Senior Health Consultant, Atlanta

Project Role: Benefit Consultant

Expertise

Ms. Slutzky is a Senior Health Consultant in Segal's Atlanta office with over 15 years of experience in the employee benefits field. She currently consults on and evaluates retiree health options, Medicare Advantage and Prescription Drug Plan solutions and assists with valuating medical management programs and health plan strategies. Ms. Slutzky works with clients across Segal's multiemployer, public sector and corporate markets. She performs PBM RFP analyses as well as reviews and assessments of PBM contract terms to determine areas that can be improved to better meet a plan's needs, enhance performance, reduce costs and improve quality. She has also performed RFP analysis for stop-loss, life and AD+D insurance, dental, vision and independent review organization coverages to assist clients in selecting vendors. Ms. Slutzky's expertise includes training and development, managed care analysis and assessment, Health Insurance Portability and Accountability Act (HIPAA) privacy and security compliance assessment and Pharmacy Benefit Manager (PBM) consulting services.

Professional background

Ms. Slutzky has contributed to several company initiatives that provided value for our clients. She designed, managed and served as a coach for the company's health training program curricula for over 250 health practitioners. She also researched various healthcare topics and their relevance to plan sponsors.

Ms. Slutzky's past roles at Segal included streamlining Segal's national template of Preferred Provider Organization (PPO) bid specifications, which assisted clients in gathering effective information in order to select the most optimal vendor for their plans. She also developed report templates to facilitate consulting on emerging health issues under the Affordable Care Act (ACA), provided technical and consulting assistance for select client projects and created and updated health benefit benchmarks.

Education/professional designations

Ms. Slutzky received a BS degree from Emory University and a Masters of Public Health degree in Health Policy and Management from Emory University's Rollins School of Public Health.

Publications/speeches

Ms. Slutzky has contributed to several company surveys and reports, including the *Segal Health Plan Cost Trend Survey*, which captures average forecasted changes in health plans' per capita claims costs for medical, dental, prescription drug and vision coverages before plan changes, and *Trends*, an e-publication that offers a periodic snapshot of newsworthy health coverage developments for plans.

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Paul J. Janus, ASA, ACA, MAAA

Consulting Actuary, Atlanta

Project Role: Benefit Consultant

Expertise

Mr. Janus is a Consulting Actuary in Segal's Atlanta office. He has 20 years of experience consulting with corporate, multiemployer and public sector plans.

Mr. Janus works on a variety of benefit strategy projects with a focus on healthcare, including benefit plan design reviews, development of pricing and contribution strategies, expected medical cost and utilization development, community rating, financial projections, budgeting, claim reserving, performing bid solicitations for preferred provider organizations and other managed care organizations and analyzing vendor responses to those solicitations.

Mr. Janus serves as an integral member of Segal's data analytics team, developing strategies and capabilities to assess the health characteristics of working age populations and their dependents. This effort includes the development of tools and reporting methodologies to support general and advanced healthcare consulting (e.g., identifying cost drivers, measuring the effect of predictive modeling, etc.). Mr. Janus also performs multiple medical data mining analyses for large Taft-Hartley welfare funds. The results of these studies have succeeded in identifying disease prevalence, uncovering utilization efficiency issues, which has led to the implementation of disease management strategies, wellness initiatives and the tailoring of benefit plans to better address population characteristics.

Mr. Janus serves as a National Health Practice expert on medical claim analysis, provider fee analysis, Medicare fee reimbursement, and trend and reserve requirements.

Professional background

Mr. Janus first joined Segal's Chicago office in 2001. Prior to that, he had worked at Ernst & Young. Mr. Janus also consulted at Optum for Accountable Care Organizations (ACOs).

Education/professional designations

Mr. Janus received a BA in Mathematics from Augustana College. He is an Associate of the Society of Actuaries, an Associate of the Conference of Consulting Actuaries and a Member of the American Academy of Actuaries.

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Peter Wang, ASA, MAAA, EA

Associate Actuary, Atlanta

Project Role: Health Actuary

Expertise

Mr. Wang is an Associate Actuary in Segal's Atlanta office with over 22 years of actuarial consulting experience. He provides retiree health and related consulting services (including SOP 92-6 valuations and GASB OPEB valuations) to clients.

A sample of recent client work includes:

- Mississippi State and School Employees Health Insurance
- Wisconsin Department of Employee Trust Funds
- Kansas State Employees Health Care
- Fulton County
- Illinois Central Management Services
- North Carolina State Health Plan

Professional background

Prior to joining Segal, Mr. Wang served as a Consulting Actuary for Cuni, Rust and Strenk, where he was responsible for reviewing and co-signing valuation reports for single employer and multiemployer pension and health and welfare funds (including both funding and accounting reports). In addition, he was responsible for signing government forms. Mr. Wang also served as a Consulting Actuary for United Actuarial Services, Inc. where he was responsible for the firm's post-retirement medical valuation practice and worked with several multiemployer pension funds.

Education/professional designations

Mr. Wang received a BS in Mathematics from Fudan University (Shanghai, China). He received a PhD in Statistics from Purdue University. Mr. Wang is an Associate of the Society of Actuaries (ASA), a Member of the American Academy of Actuaries (MAAA) and an Enrolled Actuary (EA).

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Zachary Vieira

Health Benefits Analyst, Atlanta

Project Role: Health Analyst

Expertise

Mr. Vieira is a Health Benefits Analyst in the Atlanta office. He provides financial analysis and interpretation of healthcare data, including medical, prescription drug, stop loss, dental, vision, life and disability coverages. He also provides budget projections including pricing of benefit changes for health coverages utilizing experience and manual rating tools, renewal analyses, vendor negotiations, bid specification preparation and analysis of vendor proposals, and assisting consultants with the presentation of data and options to clients.

Professional background

Mr. Vieira interned in the Atlanta office for two summers before joining the staff full time in 2018.

Education/professional designations

Mr. Vieira graduated *cum laude* from the College of Mathematics and Science at Auburn University with a Bachelor's degree in Applied Mathematics with an option in Actuarial Science. While at Auburn, he was part of the Alpha Delta Lambda National Honor Society, Phi Eta Sigma National Honor Society and Auburn Actuarial Club.

Mr. Vieira has passed four actuarial exams in pursuit of becoming an Associate in the Society of Actuaries.

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Joanne L. Hustead, JD

Senior Vice President, Deputy Practice Leader, National Health Compliance Practice, Washington, DC

Project Role: Lead Compliance

Expertise

Ms. Hustead is a Senior Vice President and the Deputy Practice Leader of Segal's National Health Compliance Practice in the Washington, DC office. She has 30 years of legal experience, including over 20 years in the health policy field. Ms. Hustead's expertise includes research and analysis of federal laws and regulations that impact health benefit plans, most recently focusing on the implementation of the Patient Protection and Affordable Care Act. She responds to questions from compliance staff and benefit consultants, develops templates and training materials for clients, provides training to compliance and health staff, and has helped Segal develop and implement its own privacy and security policies.

Professional background

Ms. Hustead joined Segal in 2003 as a Senior Health Compliance Specialist in the National Health Compliance Practice. Prior to joining the firm, she was an assistant research professor at Georgetown University's Institute for Health Care Research and Policy (now the Health Policy Institute), where she focused on medical privacy laws. Before that, Ms. Hustead spent 10 years with the National Partnership for Women & Families (formerly the Women's Legal Defense Fund) advocating for national health care reform, managed care reform, and medical and genetic privacy. She was an attorney in private practice from 1982 to 1990.

Education/professional designations

Ms. Hustead received her JD from the University of Pennsylvania School of Law and a BA in History and French from Tufts University. She is a member of the Bar of the District of Columbia and the United States Supreme Court.

Publications/speeches

For the last several years, Ms. Hustead has been on the faculty for the International Foundation of Employee Benefit Plans (IFEBP) Certificate for Public Plan Policy (CAPPP) program. She conducts webinars and presentations on various health care topics for Segal clients as well as organizations such as BNA. She is a contributing author of Thompson Publishing Group's *Employer's Guide to HIPAA Privacy Requirements* and a co-author of Thompson's *The HITECH Act and Related Rules: A Guide for Employers.*

Ms. Hustead frequently serves as an expert speaker and author on a variety of topics.

Published articles

- "The Consequences of Losing 'Grandfathered' Status," Joanne Hustead and Kathy Bakich, *Benefits Law Journal*, Autumn 2013

- “Multiemployer Plans Vs. The Exchanges: Digging In Or Letting Go,” *Benefits Magazine*, May 2013
- “Genetic Testing: An Ever-Evolving Health Field Raises Complex Coverage Issues,” Dr. Sadhna Paralkar and Joanne Hustead, *Benefits Law Journal*, Spring 2011
- “Expert Reviews Health Care Reform Law Implementation, Previews 2011 Developments,” Joanne Hustead, *Employee Benefits Management*, February 2011
- “Connecticut Licenses Same-Gender Marriages,” Joanne Hustead and Andrew Sherman, *Benefits Law Journal*, Summer 2009

Recent speeches

- "Legislative/Regulatory Developments — Health Care Reform: Implications for Public Sector Plans," IFEBP Certificate of Achievement in Public Plan Policy, June 2017
- "Legislative/Regulatory Developments — Health Care Reform: Implications for Public Sector Plans," IFEBP Annual Conference, November 2016
- "Legislative/Regulatory Developments — Health Care Reform: Implications for Public Sector Plans," IFEBP Certificate of Achievement in Public Plan Policy, June 2016

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Elena Lynett, JD

Vice President, Washington, DC

Project Role: Compliance

Expertise

Ms. Lynett is a Vice President in the National Health Compliance Practice Group based in Segal's Washington, DC office and has over 15 years of experience in healthcare regulation and compliance. She provides analysis of federal and state law impacting group health plan coverage and is an expert on the Affordable Care Act, Mental Health Parity, Health Insurance Portability and Accountability Act (HIPAA) nondiscrimination and wellness provisions, and Genetic Information Nondiscrimination Act compliance.

Professional background

Prior to joining Segal, Ms. Lynett worked as a senior health benefits attorney for the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) developing guidance and providing technical advice and training on the health provisions under Part 7 of ERISA. Prior to her career within the Department of Labor, she conducted a state and federal law compliance project for one of the nation's largest rural health plans. She also worked as a policy assistant for the United Kingdom's National Health Trust where she conducted a project related to compliance with a UK mental health law.

Education/professional designations

Ms. Lynett received her JD from the Catholic University, Columbus School of Law. She received a bachelor's degree in health administration and a minor in business administration from the University of Scranton. She is a member of the Bar of the District of Columbia.

Publications/speeches

Ms. Lynett frequently serves as an expert speaker and was a guest professor for the Georgetown University School of Law. Archives of webcasts and training she provided during her tenure with the Department of Labor are available at www.dol.gov/ebsa.

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Joel Stouffer

Senior Consultant, Health Compliance, Atlanta

Project Role: Compliance

Expertise

Mr. Stouffer is a Senior Health Compliance Consultant in Segal's Atlanta office with 35 years of experience in the healthcare industry and almost 30 years of experience in healthcare compliance. He provides clients with technical expertise on employee benefits compliance and legislation affecting health and welfare plans and also serves as an internal resource for the firm. Mr. Stouffer assists clients with the preparation of plan documentation, including summary plan descriptions (SPDs), summaries of material modification (SMMs), plan amendments, government compliance filings, employee communications and administrative policies and procedures. He works with multiemployer, public sector and corporate health plans.

Mr. Stouffer's areas of expertise include ERISA, COBRA, HIPAA (including portability, non-discrimination, privacy and opt-out for governmental plans), Medicare (including Medicare Part D, the Retiree Drug Subsidy and Section 111 Mandatory Secondary Payer Reporting) and the Patient Protection and Affordable Care Act. He also has experience working with consumer-driven health plans, such as health reimbursement arrangements (HRAs) and health savings accounts (HSAs), Section 125 (cafeteria) plans, including flexible spending accounts (FSAs) and dependent care assistance programs (DCAPs), and retirement health voluntary employees' beneficiary associations (VEBAs).

Professional background

Prior to joining Segal 20 years ago, Mr. Stouffer worked with three national insurance companies, tracking state and federal laws and working with state insurance commissioners to ensure the compliance of company documents, policies and procedures.

Education/professional designations

Mr. Stouffer graduated *cum laude* with a BS from Virginia Tech. He earned the Fellow, Life Management Institute (FLMI) Level I Certificate and has completed coursework in Paralegal Studies at the USDA Graduate School. Mr. Stouffer is licensed by the State of Georgia as a Resident Agent for Life, Accident and Sickness insurance.

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Eileen O. Pincay, RPh

Vice President, Pharmacy Benefits Consultant and National Pharmacy Practice Leader, Clinical Services, New York

Project Role: Lead Pharmacy

Expertise

Ms. Pincay is a Vice President and Pharmacy Benefits Consultant in Segal's New York office. On September 1, 2018, she was appointed the National Pharmacy Practice Leader, Clinical Services.

Ms. Pincay has over 20 years of experience in the pharmacy industry, serving in management, clinical and consulting roles. Ms. Pincay is a member of Segal's National Pharmacy Consulting Practice and assists clients in optimizing benefit design and drug mix. She provides consulting services that incorporate advanced data analytics with the latest best-practice guidelines for clinical pharmacy. She has extensive expertise in pharmacy benefit management (PBM) clinical programs, client management and plan design strategy. She also focuses on assisting a diverse set of clients (including multiemployer, corporate, public sector and coalitions) with vendor selection and implementation, contract negotiation, formulary management and clinical program development.

Professional background

Prior to Segal, Ms. Pincay served as a Senior Clinical Account Executive and Clinical Director at Express Scripts, where she gained expertise in clinical drug management protocols, formulary consulting and trend management strategies. She has worked for a majority of her pharmacy career at two of the largest Pharmacy Benefit Management (PBM) companies, where she leveraged her consulting and clinical expertise to develop strategies for employers to optimize their drug prescription benefits. Ms. Pincay's experience also includes a strong clinical background, working as a clinical pharmacist at two major teaching hospital systems in the northeast region.

Education/professional designations

Ms. Pincay holds a BS in Pharmacy from St. John's University. Ms. Pincay is a Board Certified Pharmacist and is licensed in the states of New York and New Jersey. She is an active member of the Academy of Managed Care Pharmacy (AMCP), the New Jersey Society of Health-System Pharmacists (NJSHP) and the New York State Council of Health-System Pharmacists (NYSCHP).

Publications/speeches

Ms. Pincay is quoted in several employee benefit publications on pharmacy topics and issues.

In 2017, Ms. Pincay collaborated on a publication titled "Segal Research on Prior Authorization of Prescriptions for Specialty Drugs"

Ms. Pincay has spoken in a variety of pharmacy benefits topics at healthcare conferences and regional benefit association meetings. She was one of the key healthcare professional panelists for the 2018 NanTHealth Customer Forum, Santa Monica, CA. She was a speaker on pharmacy benefits at the 2018 International Foundation of Employee Benefit Plans (IFEBP) 64th Annual Benefits Conference, New Orleans, LA and speaker on women's health at the 2018 Mid-Atlantic Business Group on Health Meeting, Baltimore, MD. She also spoke at Segal's 2017 Fall Educational Seminar, Scottsdale, AZ.

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Kautook Vyas, PharmD

Senior Pharmacy Consultant, National Pharmacy Benefits Practice, Chicago

Project Role: Pharmacy

Expertise

Dr. Vyas is a Senior Pharmacy Consultant in Segal's Chicago office with over 15 years of experience in the pharmacy benefits space. He is a member of Segal's National Pharmacy Consulting practice and assists clients in optimizing benefit design and drug mix. He provides consulting services that incorporate advanced data analytics with the latest best-practice guidelines for clinical pharmacy. Dr. Vyas's client engagements include Pharmacy Benefit Manager bid procurement, claims auditing and general pharmacy consulting. He has experience working with a wide variety of plan sponsors (including multiemployer, corporate, public sector and coalitions) and the Pharmacy Benefit Managers who service them.

Professional background

Prior to his role as a Pharmacy Consultant, Dr. Vyas completed a post-doctoral residency-training program in Pharmacy Benefits Consulting under Segal's National Pharmacy Practice Leader. He has also worked for Astellas Pharmaceuticals in their Scientific Affairs department and has several years of experience working in a community setting for Walgreens Pharmacy.

Education/professional designations

Dr. Vyas received both his Doctor of Pharmacy and his BS in Biochemistry from the University of Illinois at Chicago. Dr. Vyas is a licensed pharmacist in the state of Illinois, a certified immunizer through the American Pharmacist Association (APhA) and a licensed Life, Accident & Health Producer. Dr. Vyas is an active member of the Academy of Managed Care Pharmacy (AMCP).

Publications/speeches

Dr. Vyas has spoken on a variety of prescription drug benefits topics at the University of Illinois at Chicago College of Pharmacy where he gives an annual lecture on managed care pharmacy. He also published a study through the Academy of Managed Care Pharmacy titled, "Controlling Fraud and Abuse in the Prescription Drug Benefit with the use of Pharmacy Locks."

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Du Nam Tran

Health Consultant, Washington, DC

Project Role: Voluntary Benefits

Expertise

Mr. Tran is a Health Consultant in Segal's Washington, DC office with over 20 years of experience. He consults on group health benefit plans, managed care alternatives and wellness programs focusing on plan design as well as financial, administration and compliance issues. Mr. Tran has specialized expertise working with group term life, accident, short- and long-term disability, dental, vision, and medical stop-loss products.

Professional background

Prior to Segal, Mr. Tran served as Manager and Senior Underwriting Consultant for a major insurance carrier. He was a Regional Team Lead responsible for the financial underwriting of medical stop loss, life, accident, short- and long-term disability, dental and vision products on fully insured, dividend eligible, self-funded or captive contract arrangements for small, mid-sized, large and national employers.

Education/professional designations

Mr. Tran received a BS in Finance and Accounting from Drexel University, where he graduated *summa cum laude*. He also received an MBA from the University of Phoenix.

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Albert Shaaya

Senior Health Consultant, Atlanta

Project Role: Data Analytics

Expertise

Mr. Shaaya is a Senior Health Consultant in Segal Consulting's Atlanta office. He has more than 16 years of data analytics and business intelligence experience with a focus on healthcare data management and actuarial support. Mr. Shaaya has broad experience working in the private sector, with employer funded health plans, as well as the public sector, with State health plans and Medicaid programs.

In his role as a Data Analyst, he managed the development of several data warehousing solutions that provide data reporting, data aggregation and model building capabilities to support client needs. In addition to providing technical and analytical solutions, Mr. Shaaya works closely with clients and data vendors to help establish a secure data transfer of historical and ongoing enrollment and claims type data. The data procurement process also includes data scrubbing and loading, in addition to data profiling and validation.

Mr. Shaaya's main role is to help the firm select the appropriate data management solutions in order to effectively analyze key data elements and help decision makers take action to improve plan performance. Additionally, throughout his career, he has managed many client engagements in utilizing data mining software to determine underlying cost drivers, develop strategies for engaging participants in their own care, contain costs and improve patient outcomes.

Mr. Shaaya's current state clients include:

- North Carolina State Health Plan
- State of Wisconsin — Department of Employee Trust Fund
- Alabama Public Education Employees Health Insurance Plan

Professional background

Prior to joining Segal in 2017, Mr. Shaaya worked in data analytics as a Senior Manager for a major consulting firm.

Education/professional designations

Mr. Shaaya received a MS in Information Technology from the American InterContinental University in Atlanta. Mr. Shaaya also holds a BS in Computer Engineering and is a certified Project Management Professional (PMP).

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Anna Bishop

Senior Health Benefits Associate, Atlanta

Project Role: Data Analytics

Expertise

Ms. Bishop is a Senior Health Benefits Associate in Segal's Atlanta office. She works on all phases of actuarial valuations and helps navigate administrative issues for a variety of governmental and multiemployer clients. Ms. Bishop has experience with estimating IBNR reserves, expense and revenue projections for self-funded health plans; and processing and analyzing health claims data.

Her current clients include:

- State of Maryland
- Alabama Public Education Employees Health Insurance Plan
- State of Alaska
- City of Houston
- Community Action Opportunities
- Metropolitan Atlanta Rapid Transit Authority

Education/professional designations

Ms. Bishop received a BS in Business Administration as well as a BS in Mathematics with a concentration in Actuarial Studies from the College of Charleston. She is currently taking exams given by the Society of Actuaries (SOA).

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Kirsten Schatten, ASA, MAAA

Senior Vice President and Consulting Actuary, Atlanta

Project Role: Retiree Health

Expertise

Ms. Schatten is a Senior Vice President and Consulting Actuary in Segal's Atlanta office with more than 25 years of actuarial and consulting experience working with public sector plans and employers. She serves as Segal's National Public Sector Health Practice Leader and is a member of Segal's Public Sector Leadership Group.

For the past 12 years, Ms. Schatten has focused exclusively on public sector health, working closely with more than a dozen state health plans and three state Medicaid agencies on complex issues. She currently advises many of our largest public sector clients, including numerous states' and retirement systems' health benefit programs. Her clients appreciate her innovative benefit designs, pricing strategies, quality-of-care initiatives and consumer and wellness initiatives.

Ms. Schatten works with clients to develop innovative benefit designs and pricing strategies and assists plans with consumerism strategies, population health education needs, quality of care initiatives and drivers of health costs (including drivers of disease prevalence).

Ms. Schatten develops pricing for unprecedented models of care management programs, develops studies to quantify savings from consumer and wellness initiatives, negotiates reimbursement and risk sharing scenarios for managed payers and providers, performs market valuations of health plans for mergers and acquisitions, approves rate filings for DOIs and helps to develop strategies with legal counsel for public rate hearings.

She has extensive experience in the analysis and implementation of retiree medical and prescription drug strategies, including coordinating Medicare Advantage plans and Medicare Part D, as well as working extensively with Medicare Advantage plans providing development of business strategies, claims analysis, network strategies and pricing.

Ms. Schatten's current and recent clients include:

- Maryland Department of Budget and Management
- Georgia State Health Benefit Plan
- North Carolina State Health Plan
- State of Wisconsin Employee Benefit Trust Fund
- Kentucky Employees Benefit Plan
- Alabama Public Education Employees Health Insurance Plan
- Illinois Central Management Services

Education/professional designations

Ms. Schatten received a BBA in Risk Management/Insurance from the University of Georgia and a Master of Actuarial Science from Georgia State University. She is an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries.

Publications/speeches

Ms. Schatten is very involved with the State and Local Government Benefits Association (SALGBA) and the Public Sector Healthcare Roundtable, a non-partisan advocacy group that represents members' interests with respect to national healthcare policy. She often presents at both organizations.

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Edward A. Kaplan

Senior Vice President, National Health Practice Leader, New York

Project Role: Retiree Health

Expertise

Mr. Kaplan is a Senior Vice President and the National Health Practice Leader in Segal's New York office. In addition, he leads Segal's Medical Stop Loss Leadership Group and supports the New York Health Alliance. Mr. Kaplan has more than 30 years of experience in the benefits industry and has specialized expertise in pricing and plan design strategies for managed medical, dental and prescription drug programs. He works with companies, governments and collectively bargained plans (including a statewide retirement health plan system, coalition of entertainment industry health plan sponsors and the collectively bargained workers of a national transportation employer). In 1996, Mr. Kaplan created the *Segal Health Plan Trend Cost Survey*, now a standard in the industry, and client appreciation and use of the survey has contributed to Segal's national reputation as a leader in prescription drug plan benefit consulting and pharmacy benefits management consulting.

Professional background

Prior to joining Segal, Mr. Kaplan served as an Associate Manager of Underwriting for a major insurance carrier, where he helped to develop managed care plan designs, pricing techniques and financial risk sharing arrangements. He also served as a Health Consultant for a major consulting firm, where he assisted in the development of rate manuals for managed medical, dental and prescription drug programs, and was involved in several special studies related to managed care, including studies on the prescription drug "shoebox" effect, HMO "skimming" and other issues.

Education/professional designations

Mr. Kaplan received a BA in Economics from Rutgers University.

Publications/speeches

Mr. Kaplan is quoted frequently in general business and employee benefit publications on managed care issues. He has authored articles and book chapters for several trade journals and publications, including *Employee Benefits Handbook*, published by WG&L; *Trustees Handbook*, published by the International Foundation of Employee Benefits; *IPMA HR News*; and *Workspan* magazine. Mr. Kaplan testified before a congressional sub-committee on several aspects of the Affordable Care Act before it was enacted into law and has provided economic analysis of the law on behalf of several different industry groups. He also speaks at industry events and conferences and is frequently published in industry publications, including:

- "Trends in Coverage for Retirees," NCCMP Annual Conference, September 2016
- "Plan Designs for the Future," 2016 Self-Insured Taft Hartley Plan Executive Forum, May 2016

- "Assessing ACA's Big Issues: Grandfathered Status and the 40% Excise Tax," IPMA-HR Eastern Region Training Forum, April 2016
- "Prepare to Avoid or Delay the Affordable Care Act Excise Tax," *IPMA HR News*, January 2016
- "What if ACA Excise Tax Isn't Repealed?" *Benefits Magazine*, November 2015
- "ACA's Big Issues: Strategies for Coping with the 40% Excise Tax," Segal Fall Public Sector Webinar Series, September 2015
- “ACA Update King v. Burwell: United States Supreme Court Upholds ACA Subsidies in all States," Segal Consulting Webinar, July 2015
- "Emerging Health Benefit Strategies: Which Path is Right for You?" Segal Consulting Annual Fund Administrator's Seminar, May 2015
- "A Path Forward," Segal Consulting Annual Fund Administrator's Seminar, May 2015
- "Understanding the Value of Your Self-Insured Plan," Self-Insurance Institute of America, Inc.’s (SIIA) Self-Insured Taft-Hartley Plan Executive Forum, Washington, DC, April 2015
- "What Obesity’s Designation as a Disease Means for Plan Sponsors," *IPMA HR News*, January 2015
- "ACA Compliance," Attorneys Seminar: Committee for the Labor Management Cooperation Initiative, Las Vegas, NV, December 2014

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Andrew Kaplan

Vice President and Senior Communications Consultant, New York

Project Role: Lead Communications

Expertise

Mr. Kaplan is a Vice President and Senior Communications Consultant in Segal Benz's Communications practice. He has over 20 years of consulting experience in the development and management of employee-focused communications strategy, tactics and message development. His consulting approach emphasizes the importance of interpreting the context in which change occurs to help engage employees in making well-informed, thoughtful benefits-related decisions. His approach also emphasizes the importance of using audience research (e.g., surveys, focus groups, one-on-one interviews) to create targeted messages and content that raise awareness, influence thinking and change behavior.

Mr. Kaplan provides strategic counsel to clients on a wide range of employee communications issues and develops content for a broad array of media channels, including online/interactive, print, and face-to-face.

Professional background

Prior to joining Segal, Mr. Kaplan provided employee communications counsel to clients with two other nationally known human capital consulting firms.

Education/professional designations

Mr. Kaplan received a BA in Psychology from Stony Brook University and an MA in Industrial/Organizational Psychology from the University of New Haven.

Publications/speeches

Mr. Kaplan’s speaking engagements have included presentations to:

- The New England Benefits Council Monthly Meeting, "Maximize Results through Effective Employee Communication and Engagement"
- The New England Employee Benefits Council (NEEBC) and the American Society for Healthcare Human Resources Administration (ASHHRA) Region 1 Conference, “Gamification — R U Game?”;
- The MidAtlantic Business Group on Health, and the ASHHRA Region 1 Conference and ASHHRA Upstate New York Conference, “Nudge Your Way to Lower Health Care Costs: A Look at Applied Behavioral Economics, Choice Architecture and Behavior Change;”
- The Council on Employee Benefits, on increasing savings plan participation
- The International Society of Certified Employee Benefit Specialists (Northern New Jersey Chapter), “Communicating Tough Messages in Tough Times;”

- The NEEBC, “Communicating Health Care with Employees: From Need to Know to Full Disclosure;” and,
- The International Foundation of Employee Benefits Plans and the Association of Benefit Administrators (ABA), “From ‘Required’ to ‘Inspired:’ Moving Beyond the PPA’06 rules of Participant Communications.”

He has also published an article based on the latter speech in the ABA’s quarterly newsletter.

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Catharine Hamrick

Vice President, Communications, Chicago

Project Role: Communications

Expertise

Ms. Hamrick is Vice President, Communications in Segal Benz's Chicago office. She leads efforts to grow communications opportunities in the Midwest.

Professional background

Ms. Hamrick joined Segal Benz after more than 10 years at Alight Solutions (formerly part of Aon Hewitt), which is a human capital and benefits consulting firm that works with more than half of the Fortune 500 companies. As Client Lead for Consumer Experience, she created dynamic strategies focused on getting results, developed total rewards brands designed to get noticed, and delivered high-impact, multi-channel communication campaigns for major corporations. Some of her clients included Allstate, Best Buy, Cintas, McDonald's, Target and United Technologies.

Prior to joining Alight, Ms. Hamrick was with the American Medical Association (AMA) for nearly a decade. At the AMA, she held various communications roles, capping her career as Vice President of Integrated Brand Marketing.

Education/professional designations

Ms. Hamrick earned a BA in Political Science from Vanderbilt University and an MA in Government from the University of Notre Dame.

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APPENDIX – c

August 6, 2021

Dear Commissioner,

I hope this letter finds you well and enjoying your summer. Though I recognize how busy your schedule must be, I am reaching out to briefly share a few key points as you continue to consider next steps for the state's Health Quest Health Center. I would also like to use this opportunity to address concerns recently expressed in an article that was published on the Sunflower State Journal website titled "State employee health clinic comes under scrutiny" on July 30. In addition to the valuable information recently provided by State Employee Health Plan Director, Janet Stanek, I would like to provide more context for several of the claims made in the article. I would also like to make myself personally available for a conversation with you or anyone on your team to ensure you have as much information as possible to support our collective goal of providing better care for State of Kansas employees and reducing state healthcare costs.

Claim #1: Health center cost and accountability

It is true that Marathon Health charges a fixed Per Employee Per Month (PEPM) fee to operate the health center. That fee is based on a mutually agreed upon employee count. In addition to this fee, we also have Performance Guarantees in place wherein if Marathon Health does not meet projected health center goals for 18 different criteria, Marathon Health would pay a penalty (in the form of a refund) to the State of Kansas. The total value of the contracted Performance Guarantees is $292,000 and those metrics will be reviewed in September of this year, upon the 90-day runout of all claims data. This "promise of service" is a big part of our business model and it's important to us that the Commission understands that we are not operating the health center unchecked.

Through July, we've achieved 17% overall engagement and 26% engagement of the state's high-risk population. Engagement for some departments has surpassed 30%. And year over year engagement has increased 33% over the same time period in 2020 which demonstrates that we're gaining traction with State employees. Further, our data shows that higher risk, more vulnerable members are more likely to engage with Marathon Health and the State of Kansas has benefited from a 20% reduction in spending for those employees (compared to similar risk members that have not engaged with in the health center). For members that have engaged, the model is working.

Claim #2: Low health center awareness among State employees

As previously acknowledged, the initial months of health center operation did not go as smoothly as we expected. Instead, a variety of contributing factors led to slower awareness and engagement initially, including a physician and account manager who were not a good fit, confusion between the State's wellness program and the health center and limitations to direct marketing for all State employees. We are accountable for those missteps, and each of these issues were resolved and momentum was building within the health center just before the effects of the COVID pandemic slowed progress. Nationally, as you may be aware, primary care took a 30% hit to consumer demand during the COVID pandemic. On average, health centers operated by Marathon Health experienced a 20% hit during this same period. Despite those headwinds, representatives from our local teams have worked hard to overcome the challenging start and rebuild momentum as we (hopefully) continue our climb out of the pandemic.

Today, we are operating on a verbal agreement to increase eligibility to all State employees regardless of their proximity to the physical health center. While we await an updated eligibility file from the State, our care team has been instructed to see any State employee who requests service, and will add those patients manually if needed.

And as of this week, we are putting the final touches on a custom video we produced to promote the health center, as well as updating an internal website that the State uses to communicate its benefits and policies. These updates will be live by end of August. In addition, we continue to work with the local state team to expand access for targeted marketing and to ensure we are effectively promoting the health center benefit to all state employees. The marketing plan we are implementing has been highly effective with other public sector partners and we are confident it will expand engagement across departments. Not only are we gaining traction on overall engagement, but the patient satisfaction scores we have received from your employees this year demonstrate how much they love the care we provide:

- 99% of staff rate their overall experience with Marathon Health as excellent or good
- 77% of staff indicate the care they received is better than they have received elsewhere
- Net Promoter Score (a measure that indicates the likelihood of recommending our service to others) of 88 out of a possible score of 100. For context, Starbucks, a brand loved by its customers, has an NPS in the low 70s.

Based on a meeting I attended in April of this year, I felt strong collaboration from Janet at the State and Holly Martin and Doug Sumner who manage the partnership for Marathon Health. Everyone in attendance was engaged, good natured, transparent and I left feeling a real sense of camaraderie, shared accountability and an overall commitment to making the partnership a success. Given additional time together, we are certain this group will lead the health center to stronger outcomes.

The State of Kansas is an important partner for Marathon Health, but it's also important to me that you know our commitment in the state runs even deeper. We currently employ 39 Kansans and are proud to be the healthcare partner for Shawnee Mission School District, the City of Olathe, the City of Overland Park, and other Kansas employers. In Spring 2022, we plan to open our first Network of health centers throughout the Johnson County area which will lead to further investment in the community and even more hiring. And we recently became members of the Kansas City Business Coalition and the MidAmerica Coalition on Health Care.

My current understanding is that the Commision will convene on or around August 23 to discuss the impact of a dedicated health center for State employees and whether Marathon Health remains the right partner. I am passionate about the impact we've had with employers, and more importantly, their employees and families. I'm also confident that not only is our care model the future of healthcare delivery in the United States, but that Marathon Health is in the best position to design and deliver that service to the State of Kansas.

I personally take responsibility for delivering on what we said we would accomplish on your behalf, and I will happily make myself available at your convenience to share more data, answer your questions and explain why our team is so passionate about this solution and this partnership. You are also welcome to contact me directly at any time. I've enclosed my contact information, and I would gladly accept any opportunity to expand this discussion with you.

Yours in service,

Jeff Wells, MD
CEO & co-founder