

STATE OF KANSAS - STATE EMPLOYEES HEALTH CARE COMMISSION

Meeting Minutes

February 24, 2021 – 1:00 P.M.

The Kansas - State Employees Health Care Commission (HCC) meeting was called to order on February 24, 2021 at 1:02 pm. The meeting was conducted virtually using GoTo Webinar following publication to the State of Kansas's Public Square web portal.

The following members were present:

- Chair DeAngela Burns-Wallace
- Commissioner Steve Dechant
- Commissioner Ximena Garcia, M.D.
- Commissioner Jose Castillo
- Commissioner Vicki Schmidt

The following staff and presenters were present:

- Janet Stanek, SEHP Director
- Mike Michael, SEHP Deputy Director
- Paul Roberts, SEHP Sr. Manager
- John Yeary, DofA Chief Counsel
- Natalie Yoza, EAC Chair
- Ken Viera, Segal Consulting
- Patrick Klein, Segal Consulting
- Courtney Fitzgerald, SEHP
- Pete Nagurny, SEHP
- Hannah Rich, EAC Vice President
- Courtney Marsh, EAC Secretary

Welcome and Introductions by Chair Burns-Wallace

Secretary Burns-Wallace welcomed the commissioners and those listening in. She took some time to be sure all of the commissioners were able to see and hear each other. Reminded all commissioners to please identify themselves when speaking for those listening on the phone.

1. Approval of Minutes - Secretary Burns-Wallace

- December 14, 2020 [Action Item]

Commissioner Garcia moved to approve

Commissioner Dechant declared a second

Any corrections? Adjust SEHBP to SEHP

Vote: All in Favor, none against

- February 16, 2021 [Action Item]

Commissioner Dechant moved to approve

Commissioner Garcia declared a second

Vote: All in Favor, none against

Old Business:

2. Follow-up Items from 12/14/20 HCC Meeting (Previously Reported to Commissioners via email)

- Janet Stanek, SEHP Director
- See attached Slides

Discussion: None

3. COVID-19 & SEHP

- Member Cost Share
 - Paul Roberts
 - See attached slides

Discussion:

Commissioner Schmidt – Are appointments available same day?

Paul Roberts – Yes, in most instances they are the same day.

Commissioner Schmidt – doesn't seem to be the case with her staff.

Commissioner Schmidt – **do we have a calculation of the number of unique patients, not just unique claims?**

Paul Roberts – We will see if we can get that for you.

Commissioner Schmidt – Requested an update on COVID vaccines at meetings.

Chair Burns-Wallace – The SEHP has not been involved with vaccines at this point in time due to the limited number of vaccines and who is eligible to receive them at this stage.

Janet Stanek – all of our carriers are keeping us informed of what they are doing. We have then passed on any information to KDHE should there be an opportunity available.

Commissioner Schmidt – Would like to know the numbers of vaccines by agency.

Chair Burns-Wallace – Would ask you to take that question to the Governor's office as this is not under the SEHP at this time.

Commissioner Schmidt – **Brought up the possibility of awarding HQ Credits for the vaccine. Have we reached a point in which we should talk about this yet?**

Chair Burns-Wallace – We are not yet at a point where that conversation is in play. All state employees will become eligible in Phase 3 of the vaccine rollout and that may be a more appropriate time to discuss awarding credits.

Commissioner Schmidt – would like to be sure that we don't lose sight of this option.

- **Other Updates**
 - **Janet Stanek**
 - **See attached slides**

Discussion: None

4. Update - Rule and Regulation change for the 30-day waiting period

- **Janet Stanek, SEHP Director**
- **See attached Memo**

Late last night, the AG's office contacted the SEHP to discuss with legal counsel regarding the statutes.

Discussion: None

Reports:

5. Employee Advisory Committee Report

- **January Meeting Update**
 - **Natalie Yoza, EAC President**
 - **See attached slides**

Natalie presented on the election of officers. Natalie is the President; Hannah Rich is the newly elected Vice President.

Hannah Rich introduced herself to the HCC. She is a Benefits Specialist at Wichita State University. She is looking forward to using the survey results to help state employees.

Courtney Marsh is the new Secretary. She is an OBGYN with the KU Med Center.

Natalie then provided an update to the process of updating the HCC statute. The edits would open up the HCC to employees in the unclassified service. The House hearing for HB2218 is today. SB140 has also been introduced but does not yet have a hearing.

Natalie then presented some high-level results of the recent Employee Survey (see attached slides).

Discussion:

Chair Burns-Wallace – thanked Natalie for all of the work related to the survey

Commissioner Schmidt – Wanted to thank Natalie and the EAC for all of the work that has been done related to the survey. There is a lot of incredible information but it is hard to get things from the open-ended comments.

Chair Burns-Wallace – Encourages members to try and bucket the open-ended responses to identify common themes. It is a common research technique.

As we continue to move forward, we can think about where the highest satisfaction levels and the lowest levels and how we as a commission can build our strategy to improve these areas as we work on plan design.

- **Recommendation of new EAC members [Action Item]**
 - **Natalie Yoza, EAC President**
 - **See attached memo**

Discussion:

Please send spreadsheet to HCC regarding all applicants – completed 02/24/21

Vote:

Commissioner Schmidt moved to approve

Commissioner Dechant declared a second

Vote: All in favor, none against.

6. Financial Reporting

- **Finance Report – Segal Consulting**
- **See attached memo and worksheets**

Discussion:

Commissioner Schmidt – would like consulting advice regarding the \$19 million more than projected in the reserve balance.

Ken Vieira – By having a higher balance, this will help to normalize premiums over the next few years. \$19 million over a program of this size is only 1.5%.

Patrick Klein – this has been standard for our clients across the country due to COVID.

Commissioner Schmidt – Would like to know where the Investment Earnings figure came from. It doesn't match the current PMIB rate.

Ken Vieira – Typically of an investment this size, we wouldn't usually include it as the number is so low.

Janet Stanek – confirmed that the figure comes from PMIB.

Commissioner Schmidt – Wants to know why Marathon is charging SEHP for so many things individually and where we are in comparison to budget.

Ken Vieira – For 2020, SEHP was more than \$300k less than budgeted.

7. SEHP Director Report – Janet Stanek, SEHP Director

- **Janet Stanek, SEHP Director**
- **See attached Slides**

Discussion:

Commissioner Dechant – Would like to commend SEHP staff and HCC for all of their efforts related to cost containment. **Would also like to see this shared with members once the study is published.**

Chair Burns-Wallace – asked that commissioners provide feedback regarding the Director's report so that staff can improve as we move forward. One item that she has requested was to have **DofA legal and KDHE legal get together and provide an update to the commission regarding any current legal matters.**

New Business:

8. Contract Recommendations:

- **Group Long Term Care Contract Award [Action Item]**
 - **Mike Michael**
 - **See attached slides**

Discussion:

Chair Burns-Wallace – Clarified her understanding of the reason to extend vs offer a contract under the new RFP. She also clarified that the market reduction of the LTC coverage required by statute.

Commissioner Schmidt – Confirmed that the LTC insurance market has changed significantly over the past 5 years. Very few places even write policies. There are a few options with the same payment but a reduced benefit option of previously-issued policies. There is a lot going on in that space. People are living longer and expenses for care today are much higher than any company could have anticipated when the policies were written.

What would the timeframe be for that contract to run out?

Mike Michael – It would extend through calendar year 2022. The contract is written in such a way that it can be extended as long as both parties are in agreement.

Commissioner Schmidt – Would definitely recommend to extend and use the time to get things in order for where this goes for the future.

Commissioner Dechant – Will we know in February of next year if we will be able to get changes made for the 2022 legislative session.

Chair Burns-Wallace – We should be ok considering the contract won't expire until 12/31/2022.

Commissioner Schmidt – This is the initial year of legislation introduction and something could still be introduced in Ways & Means or Appropriations.

Chair Burns-Wallace – **Will follow up with PA and Legal to see what can be done this session.**

Vote:

Commissioner Schmidt moved to approve the contract extension

Commissioner Garcia declared a second

Vote: All in favor, none against.

b. Wellness Consulting Contract Recommendation [Action Item]

- Janet Stanek, SEHP Director
- See attached Slides

Discussion:

Commissioner Dechant – Can you discuss the staffing for the current wellness program?

Janet Stanek – We have Paul and Victoria as well as two full-time team members from Cerner. We also receive support from Cerner and Segal staff as well as our full-time communications member.

Commissioner Dechant – Gets the impression from some members of the commission that the thought of wellness programs are just fluff and invaluable. He is strongly supportive of the wellness program.

Chair Burns-Wallace – When she looked at this recommendation, she wanted to be sure that we aren't losing anything and she is comfortable that we aren't missing out on anything. We will look to be sure that our future RFPs that we are clear and anything that CBIZ offered are adequately included in other vendor duties.

Commissioner Schmidt – In more than two years on the commission, doesn't know that she would remember anything that CBIZ has done for us. What will they be doing for us for the remainder of their contract? Would like to see their analysis of the EAC study and their recommendations.

Paul Roberts – They meet with us monthly and we are working with them regarding accessibility, recommending new programs, assist with deep dive materials.

Commissioner Schmidt – Would like to be sure that we get our money's worth.

Vote:

Commissioner Dechant moved to allow contract to expire

Commissioner Garcia declared a second

Vote: All in favor, none against

c. Marathon Contract Recommendation [Action Item]

- Janet Stanek, SEHP Director
- See attached Slides

Discussion:

Commissioner Schmidt – Would like to thank Janet for the dialogue regarding this topic. Went back to the minutes on 12/14 that mentioned that staff would like to avoid distributing an RFP if it wasn't worth it. She doesn't think that extending the contract for another year is the right thing to do.

Commissioner Schmidt described information she had received regarding the Marathon Health Clinic, including the costs paid by the SEHP to the clinic and the number of patient encounters that have been reported. Based upon a preliminary analysis, Commissioner Schmidt noted a very high per patient encounter cost of thousands of dollars per unique patient. She stated that based on the available data, the model seems structurally unsound.

This service is for those in the Topeka area. When this was sold to the legislature, she feels that her experience is not what was sold or in line with experiences of other clinics in work environments. She doesn't feel that 690 patients is a significant enough number of employees.

She would like more information regarding the operational optimization and oversight that SEHP staff will be doing.

There was nothing stopping marathon from offering telemedicine over the past nine months. All members from BCBSKS and Aetna already have access to telemedicine already.

Janet Stanek – In terms of Rx distribution, it is for the initial fill only, no refills.

Commissioner Schmidt – In support of getting more people in the door, but it's not possible if you don't let them in.

Chair Burns-Wallace – Would ask that all put a very large asterisk on 2020. It is my understanding that 2020 created some interesting issues with use of health facilities and engagement and where this was located and what we did with state employees, asking them to all work remotely and vacate the capital complex. She doesn't feel that the clinic is where it needs to be but she doesn't agree with Commissioner Schmidt and she would like to see more time given to the clinic to optimize things and also use it as a tool for employees moving forward. Would like to figure out if it is a Marathon issue or a demand issue.

Commissioner Dechant – Vicki makes some compelling arguments; I hate to spend the money but it is a tremendously helpful benefit for employees moving forward. It is striking that there may have been a lack of oversight by SEHP staff or HCC. Would like to get a deep dive into this before we make a significant decision prior to doing our due diligence.

Chair Burns-Wallace – Where are we at with timeline?

Janet Stanek – We have a little more time, but not too much. We just have a lot more focus, both on the Marathon side and the SEHP side.

Commissioner Garcia – The idea of the clinic is exciting and she thinks it needs a different operator. She was part of the team to jumpstart the Topeka high clinic. Would it make sense to approach something more interconnected rather than a standalone thing?

Commissioner Schmidt – Structurally this is a losing proposition. **What is our expectation for cost per transaction?** Seeing patients can be a goal, but if you can't get them in there then it isn't helpful. Thinks if the legislature knew how much it costs to operate the facility she would fear for the results. The workforce that isn't in Topeka could still have access to the clinic as it is within driving distance.

Chair Burns-Wallace- Would like to caution Commissioner Schmidt as no one is hiding any information from anyone. This had been identified as an opportunity for improvement which is why we are having these conversations. She doesn't want to give the perception that any information was hidden or not provided to anyone.

Commissioner Schmidt – Is not saying that we are hiding information. It took her more than a month to get the information that she has. It isn't posted on the website.

Chair Burns-Wallace – I don't know that it should be. This information is available to us as commissioners and why we ask this information and have these conversations so that we can put context around the data, whether it is Marathon or other parts of our finances. What else do we need to be asking and what are we expecting as none of us were around what the initial intent of this facility may be. Glad that this is not a pressure point moment as we don't have to make any decision today.

Unless there is a motion, she **would like to propose a deep dive in the future to better understand what our clear options may be that won't put the plan at risk.**

Commissioner Schmidt – would like to commend Janet for all of her work to help with the data and her communication skills. Has no issues with pushing this decision down the road but feels that this current contract is a losing proposition due to its lack of structure and metrics.

Commissioner Dechant – Understands that there is a need for a deep dive and would like to move that sooner than July.

Janet Stanek – **We do have metrics and performance guarantees we get those from Marathon. We plan to review those with the commission in the deep dive.**

9. 2021 Proposed HCC Meeting Calendar

- **Secretary Burns-Wallace**
- **See attached slides**

Chair Burns-Wallace – Would propose flipping the Marathon Deep Dive to May and Wellness program to July

Commissioner Schmidt – Thinks May is too late for the Marathon Deep Dive. Would like to see that sooner.

Staff will reach out for 2 march dates, as well as the April meeting.

10. Introduction of New Items by Commissioners

Commissioner Schmidt – Would like to know what the Marathon staffing is like and what their expectations may be. Unique patients vs total patients is important.

Chair Burns-Wallace – Please send any questions like that to Janet so they can be prepared for the deep dive.

Commissioner Schmidt – likes 1pm start or 12:30 start.

Next Meeting - Will need a follow-up executive session meeting on Monday March 1 – 1-2pm works for members.

Meeting Adjourned @ 3:51 pm