

STATE OF KANSAS - STATE EMPLOYEES HEALTH CARE COMMISSION

MEETING MINUTES – Approved 08/23/21

July 23, 2021 - 1:30 PM

Landon State Office Building, Room 509, Topeka, KS

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 stated 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