

STATE OF KANSAS - STATE EMPLOYEES HEALTH CARE COMMISSION

Meeting Minutes

May 21, 2021 – 2:30 P.M.

The Kansas - State Employees Health Care Commission (HCC) meeting was called to order on Friday, May 21, 2021 at 2:35 pm. The meeting was conducted in a hybrid model with commissioners and SEHP staff in person at the Curtis State Office Building, Rm 530, 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
- Commissioner Vermelle Brown-Ghoston, DDS

The following staff were present:

- Janet Stanek, SEHP Director
- Mike Michael, SEHP Deputy Director
- Paul Roberts, SEHP Sr. Manager
- John Yeary, DofA Chief Counsel
- Patrick Klein, Segal Consulting
- Courtney Fitzgerald, SEHP
- Pete Nagurny, SEHP

Welcome and Introductions by Chair Burns-Wallace

Secretary Burns-Wallace welcomed the commissioners and those listening in. She reminded all commissioners to please identify themselves when speaking for those listening on the phone. Secretary Burns-Wallace introduced the newest commissioner, Dr. Vermelle Brown-Ghoston

1. Follow-up from the 04/27 HCC Meeting (previously presented to commissioners via email)

- **See attached slides**

Commissioner Dechant asked about any potential impacts from HB2325

Janet Stanek - None Anticipated

Commissioner Schmidt – Noted that 9 of the 18 metrics regarding Marathon were not met and many were within the clinic utilizers section of metrics.

Commissioner Schmidt – Feels that there should be an asterisk by the Pharmacy Benefit Audit referenced on page 12. Understands there are extenuating circumstances as to the delay, would like to have that noted. She also inquired as to the typical timeframe regarding the receipt of payments.

Janet Stanek - The audits were completed in March and we are awaiting payment.

Commissioner Schmidt – feels that someone should be following up with payment due from Caremark.

Janet Stanek – We will follow up on that and let the commission know.

Commissioner Schmidt – regarding the HB 2218 requirements, she feels that the calculation referencing the 10% needs to be provided to the commission before any rate decisions can be made in June.

Janet Stanek – Noted that Segal was finalizing the calculation and historical analysis and staff would provide that information to the commissioners prior to the June meeting.

2. Vision Contract Recommendation

- Janet Stanek
- See attached slides

SEHP recommends Avesis for the 3-year Vision contract.

Commissioner Dechant – What is the minimum number of providers?

Janet Stanek - They guarantee 85% of our providers with claims will be contracted by October.

Commissioner Schmidt – Noted that the majority of complaints received through the insurance department and the optometrist’s association is regarding the availability of network providers in the rural areas.

Janet Stanek – while that is not included in the documentation here, that was discussed in negotiations.

Secretary Burns-Wallace – asked if staff could provide information or an analysis regarding the rural providers to be included in their recruitment efforts.

Dr. Brown-Ghoston – Inquired as to what would happen with any potential refund to the plan should the vendor not meet the performance guarantees since employees pay 100% of the premium?

Mike Michael – those funds go back into the SEHP fund as the administrators of the program.

Paul Roberts – less than 10% of eye exams are covered by the vision plan. Most are through the medical plan. What we really need to verify is the eyeglasses and materials coverage in the rural areas.

Commissioner Dechant – moves to award the contract to Avesis as recommended by staff.

No second.

Secretary Burns-Wallace – Requested specific information that commissioners would like to see brought back at the June meeting so that they would feel comfortable voting on the contract.

Commissioner Schmidt – requested the following be recorded in the minutes, “I appreciate Chair Burns-Wallace asking for information that commissioners may need prior to voting on the Vision Contract and the recommendation of the staff. At many HCC meetings, the Committee is called on to vote on awarding contracts without the opportunity to provide input into the need for such contracts or even the design of the contracts, including on such important matters like deliverables or the qualifications of bidders. Sometimes, the contracts involve millions of dollars, yet the HCC still does not have its own policies for the SEHP RFP process that would allow for

informed decision making. Instead, it appears the HCC's practice has been defaulting to the general procurement processes used by the Department of Administration. It does not appear the HCC has made the affirmative decision to use those processes, which given the exemptions set forth in K.S.A. 75-6504, seems like a matter that needs to be addressed by the full HCC. Once again, there was no opportunity for the HCC to ask questions of bidders in a meaningful timeframe. This is reflected by the questions posed today with regard to this contract. The guidelines utilized for the review of the bids have not been presented to the HCC and therefore a vote cannot be made without additional information. I cannot vote to award this or any other contract without making an informed decision. And without information I must vote no, especially considering the financial implications of such a contract."

Dr. Brown-Ghoston – would just like to see a formal response to where any claw backs will go and why.

Secretary Burns-Wallace – We will put the Vision contract on the June agenda. We will also add the procurement process as well. She clarified that the procurement procedures used are the state procurement statutes that the Department of Administration is tasked with following. They are not the Department of Administration's procedures.

Commissioner Schmidt – Noted that HCC commissioners are not allowed to ask questions of the bidders under the current process, something she would like the opportunity to do.

Secretary Burns-Wallace – Noted that under the procurement statutes, only members of the negotiating committee are allowed to do that. SEHP staff have provided the opportunity for commissioners to review and provide input to the RFP documentation prior to it being published for bid.

Commissioner Schmidt – Noted that the HCC is allotted exemptions under those statutes.

Secretary Burns-Wallace – Confirmed that the HCC is allotted exemptions and requested that the commission table this issue to the June meeting to allow staff the opportunity to pull the proper pieces of documentation.

Janet Stanek – Noted that this will put the HCC a month behind the anticipated contract date presented to the vendor and the bidder may not be able to meet the specific timeframes provided in their initial proposal.

Chair Burns-Wallace – can we confirm how claw backs are credited in other self-insured plans?

Commissioner Dechant – would like to receive a copy of the onboarding materials being prepared for new members.

Secretary Burns-Wallace – Yes, we will also demo the Microsoft Teams site where we plan to house these documents for commissioners.

3. Modeling Session

Secretary Burns-Wallace walked through the purpose and goals of modeling various plan design choices in the open meeting.

Commissioner Schmidt – Would like to be sure the commission sees and approves the annual report prior to it being sent to legislature.

Commissioner Schmidt expressed concerns with modeling without the 10% HB2218 calculation from Segal.

Secretary Burns-Wallace explained that this modeling session is to give commissioners a better understanding of how things move when various changes are made as the commission is not making any decisions today, but modeling to understand. When Segal gives the HCC the calculation, they can provide additional context and industry comparison/norms.

Commissioner Schmidt referenced her comments from last year at this time and expressed that she believes the state should increase their share of the cost of the plan and begin to make up for the nonpayment that occurred in the past.

Commissioner Schmidt – Would like to see what, if any, impact it would have on the plan if we were to eliminate Plan Q.

The commission walked through various options to illustrate how all of the various elements work together and how they could impact plan financials, including Out of Pocket Maximums, deductibles, reserves, surplus amounts, and contribution rates.

Commissioner Schmidt requested that staff provide new commissioners the percent increase historical chart so they can see the extreme fluctuations that occurred in the past.

Secretary Burns-Wallace – Requested that if commissioners would like to see specific things modeled to please let staff know.

4. Wellness Program Review Date

Secretary Burns-Wallace noted that a comprehensive review of the wellness program, HealthQuest, will need to be scheduled for August to help staff prepare for RFP.

The meeting adjourned at 5:03 pm.