

>> LET US REVIEW IT AND WE CAN BRING THAT BACK AND WHAT WE MIGHT DO AT THE JUNE MEETING IS TAKE A FEW MINUTES AND ALLOW DON TO WALK THROUGH THAT PIECE OF LEGISLATION AND EXPLAIN ANY CHANGES OR DIFFERENCES. WE TALKED ABOUT THAT LAST TIME BUT WE'LL PUT THAT ON FOR JUNE. >> THIS MIGHT BE SOMETHING ALONG THAT LINE AS WELL. HOUSE BILL 2325, WHAT CHANGES OR IMPACTS DO WE ANTICIPATE HAVING TO BE WHAT WE DEAL WITH? >> I DON'T KNOW THAT WE ANTICIPATE ANY BUT WE CAN TAKE A LOOK AND MAKE SURE THAT THERE'S NOTHING THAT WE'RE MISSING THERE. I DON'T REMEMBER US -- >> WE DID NOT PROVIDE ANY INFORMATION ON THAT OR WE WERE NOT ASKED TO PROVIDE ANY INFORMATION ON THAT DURING THE FISCAL -- JOHN, I DON'T KNOW IF YOU HAVE ANYTHING TO ADD. >> NO. >> COMMISSIONERS, AS A REMINDER, I APOLOGIZE, THIS IS SECRETARY BURNS WALLACE TO REMEMBER TO IDENTIFY OURSELVES FOR OUR LISTENERS. >> THANK YOU. WE'LL TAKE A LOOK AT 2325 TO MAKE SURE AND, YOU KNOW, WE -- IF THERE'S ANYTHING ELSE, WE'LL LET YOU KNOW. >> THAT COVERS IT FOR ME. THANK YOU. >> THANK YOU. MADAM CHAIR. VICKIE SCHMIDT. I WANTED TO POINT OUT A COUPLE THINGS. YOU KNOW, THERE WERE 18 METRICS THAT ARE GIVEN HERE. NINE OF THEM WERE NOT MET. YOU DO THE PERCENTAGE ON YOUR OWN. BUT NINE WERE NOT MET. AND I THINK THAT SOME OF THE ONES THAT WERE MET BECAUSE OF THE FIRST PIECES OF THEM THAT WERE NOT MET ABOUT THE PERCENT OF ELIGIBLE PEOPLE THAT ACTUALLY TOOK ADVANTAGE OF IT WERE SO LOW, IT MADE SUCH A SMALL AMOUNT BECAUSE A LOT OF THE METRICS ARE OF THE CLINIC UTILIZERS. SO IT'S NOT REALLY OF THE WHOLE POPULATION. IT'S JUST OF THE INDIVIDUALS THAT UTILIZED THE CLINIC. I THINK IF WE MOVE ON WITH MARATHON WE OUGHT TO LOOK AT THOSE PERFORMANCE GUARANTEES IN A LITTLE BIT DIFFERENT LIGHT. THE OTHER THING I WOULD POINT OUT IS THAT THE ONE GUARANTEE THEY MET ON PAGE 10 WHICH IS THE MARATHON PERFORMANCE GUARANTEES 5 OF 5, THE FIRST ONE ON PAGE 10 IS 100% A CONTRACT ON SITE CLINICAL SERVICES BE FULLY OPERATIONAL

AND SPECIFIED IN THE CONTRACT. WELL, THEY MET THAT ONE A LONG TIME AGO. SO THAT ISN'T REALLY A CURRENT ONE THEY MET. SO IF YOU TAKE THAT OFF AND ACTUALLY THEY MET NINE OUT OF 17 WHICH IS EVEN NOT AS GOOD AS 50%. THE OTHER THING I WANTED TO ASK IS THAT ON PAGE 11 WHEN I ASKED ABOUT WHAT -- HOW IS N DEFINED IN ONE OF THE CHARTS AND HOW ARE THOSE ELIGIBLE PATIENTS -- I JUST WANTED TO CLARIFY THAT IN THE DISCUSSION THAT WE HAD WE TALKED ABOUT A 30 MILE RADIUS WITHIN THIS INDICATES IT'S A FIVE COUNTY AREA THAT ARE SELF IDENTIFIED BY THE EMPLOYEES AND I JUST WANTED TO MAKE SURE THE 30 MILE DOESN'T HAVE -- BECAUSE IN THE FIVE MILE -- FIVE COUNTY STATISTICAL AREA I THINK MUNCIE COUNTY MIGHT BE INCLUDED, MAYBE NOT. BUT IF IT'S INCLUDED IN THAT, SINCE I USED TO REPRESENT PART OF THAT, THE FAR WESTERN PART OF THE COUNTY WOULD BE MORE THAN 30 MILES OUT. SO I JUST WANT TO MAKE SURE IS IT 30 MILES WITHIN THOSE FIVE COUNTIES FROM THE TOPEKA AREA OR IS IT JUST THE FIVE COUNTIES? >> RESPONSE? >> 30 MILES, THE MAJORITY OF THE POPULATION BUT IT IS THE ENTIRE FIVE COUNTY MSN. >> APPRECIATE THAT. AS I -- AND THAT IS A SELF IDENTIFIED -- >> WHEN SOMEONE ENROLLS THROUGH OPEN ENROLLMENT THERE'S A QUESTION THAT ASKS IF YOU LIVE OR WORK IN THE FIVE COUNTIES. IF THEY ANSWER YES, THAT'S HOW THEY SELF IDENTIFY. >> GREAT. MOVING ON ON PAGE 12. AN UPDATE OF THE ANNUAL AUDIT AND I JUST THINK THERE OUGHT TO BE AN ASTERISK BY THE PHARMACY BENEFITS MANAGER THAT THAT DID NOT OCCUR EVERY YEAR. THAT DID NOT OCCUR -- THAT WAS THE END OF THE SECOND YEAR BEFORE THAT ACTUALLY OCCURRED. I UNDERSTAND I THINK THERE WERE SOME EXTENUATING CIRCUMSTANCES ABOUT WHY THAT DIDN'T OCCUR. >> WHAT I'M UNDERSTAND. >> BUT I THINK THERE OUGHT TO BE -- IT OUGHT TO BE NOTED. >> RIGHT. >> AND ON THE NEXT PAGE SO THE 2018 AND 2019 AUDITS ARE COMPLETE. THE VOTE HAS NOT BEEN RECEIVED FOR THE MONEY OWED BACK TO THE STATE. WE'RE MORE THAN TWO YEARS OUT, ALMOST THREE YEARS OUT FOR THE 2018 AND WE STILL HAVEN'T GOT THE

MONEY BACK. WHAT IS THE -- WHY DON'T WE HAVE THAT REFUND BACK? IS THAT BECAUSE WE JUST DID THE AUDIT AND THE AUDIT WENT BACK TWO YEARS OR -- >> TWO YEARS. BUT I'M NOT SURE. I'LL HAVE TO CHECK. WHAT'S TYPICAL AS FAR AS THE TIMING OF GETTING THE PAYMENT TO US, MIGHT YOU HAVE ANY INSIGHT ON THAT? >> SHE WAS CORRECT WITH THE AUDITS JUST BEING COMPLETED AND FINALIZED. THE PAYMENT WILL BE FORTHCOMING. >> WELL I'M PRETTY SURE WHEN CVS CAREMARK TAKES MONEY BACK IT HAPPENS WITHIN THE WEEK. I THINK IT'S NOT A GOOD BUSINESS PRACTICE IF THEY HOLD THE MONEY BECAUSE THIS AUDIT WAS ACTUALLY COMPLETED IN I BELIEVE MARCH, THE MIDDLE OF MARCH AND NOW WE'RE THE MIDDLE OF MAY TWO MONTHS LATER. SO SOMEBODY OUGHT TO BE CALLING CVS AND TELL THEM TO GIVE US THE MONEY. THEY OWE US THE MONEY AND TO ME, IT'S ANOTHER -- IT IS AN ADDITIONAL BLACK MARK ON IF YOU CAN'T REPAY US THE MONEY THAT YOU OWE US. BECAUSE THE AUDIT AS I UNDERSTOOD IN READING THE AUDIT, THEY DID NOT DISPUTE THE AUDIT RESULTS. >> CORRECT. >> SO IF YOU DON'T DISPUTE IT, PAY IT. >> CAN WE PUT A NOTE SO THAT WE GET AN UPDATE ON WHERE THIS -- >> FINANCIALLY WE WILL DO THAT RELATED TO IT COULD BE BETWEEN THE VENDOR, THE AUDITOR AND CVS. I'M NOT SURE. YES, THAT WILL BE FOLLOWED UP. THANK YOU. GOOD POINT. >> THEN ON PAGE 14 ON THE ANALYSIS FOR THE RESERVE LANGUAGE IN 2218 COMMISSIONER DECHANT ALREADY SPOKE ABOUT THIS A LITTLE BIT BUT I WANT TO TALK A LITTLE BIT MORE ABOUT THIS WHEN WE GET TO THE MODELING PART OF THIS. I APPRECIATE MS. STANEK'S RESPONSE TO MY E-MAIL THAT SIEGLE STILL WORKING ON THAT CALCULATION BUT I THINK WE NEED THAT CALCULATION BEFORE WE PROCEED WITH SETTING -- BEFORE WE DO THE MODELING THAT WE'RE GOING TO DO TODAY. ALSO, ON THAT FIVE YEAR PROJECTED, THE FIVE YEAR PROJECTION ACCORDING TO THIS ANYWAY AND MY UNDERSTANDING OF THAT HOUSE BILL IS THAT IT'S TO INCLUDE THE ALTERNATIVES FOR COST CONTAINMENT AND BENEFIT COVERAGE NOT PROJECTIONS WHICH IS DIFFERENT THAN THE THREE YEAR OR FOUR YEAR

PROJECTIONS WE'RE DOING. JUST LIKE TO POINT THAT OUT. THAT CONCLUDES MY QUESTIONS AND/OR STATEMENTS ON THAT FOLLOW-UP. THANK YOU VERY MUCH, MADAM CHAIR. >> A COUPLE FOLLOW-UP ITEM THAT IS WE ANTICIPATE SEEING AT OUR NEXT MEETING ON TOP OF THE VIDEO QUESTION THAT IS COME AT THIS POINT. MOVING ON TO THE NEXT ITEM. WHICH IS DIVISION CONTRACT RECOMMENDATION. AND THIS WAS AN RFP AND I'M GOING TO TURN IT OVER TO JANET SO WE CAN WALK THROUGH THIS SO WE CAN THEN MOVE TO OUR POSITION. >> THIS IS THE HEALTH PLAN, PAGE 21 OF YOUR BOOKS. THIS WAS A RFP AS THE SECRETARY NOTED FOR A FULLY INSURED PRODUCT REVISION. THE DATES THAT THE ACTIVITY FOR THIS RFP STARTED ARE DENOTED ON PAGE 23 WITH THE BID CLOSING FEBRUARY 19th OF 2021. PAGE 24 OF LINES, THOSE BIDDERS WE RECEIVED INFORMATION FROM, VISAS, METROPOLITAN LIFE AND VISION SERVICE PLAN COMPANY A FINAL SUBMITTING WAS HELD WITH ALL FOUR COMPANIES WITH THE LEADERSHIP TEAM ALONG WITH COMMUNICATION BACK AND FORTH TO ADDRESS THAT. ON PAGE 25 A SLIGHT TYPO. THIS SAYS DENTAL PROGRAM AND COULD BE COPIED FROM THE LAST MEETING AND IT SHOULD SAY THE BID EVALUATION AND THE PROCESS USED ON THE FIRST NOTE SHOULD BE PROVISION. IT IS THE SAME PROCESS. ON PAGE 26, THE SERVICES THAT WOULD BE INCLUDED THE PLANS PROCESSES RECORDING, ET CETERA AS IS TYPICAL. THE NEXT PAGE 27 OUT LINES THE MONTHLY PREMIUM COST AND REMINDER THAT THE EMPLOYEE PAYS 100% OF THE PREMIUM. AS TO NOTE THE DIVISION PLAN FOR THE LAST SIX YEARS. AVESIS PROVIDED VISION DENTAL SOLUTIONS FOR OVER 40 YEARS. THERE'S AN OUTLINE OF HOW MANY CLIENTS THEY COVER ACROSS THE COUNTRY. ONE ATTRACTIVENESS TO THEM IS THEY HAVE 700 GOVERNMENTAL CLIENTS. THAT'S 36% OF THEIR TOTAL INSURED VISION MEMBERS AND 10% OF THEIR TOTAL CLIENTS. THEIR CURRENT GROUP VISION INCLUDES 13 GOVERNMENT WITH MORE THAN 5,000 MEMBERS AND THE STATE OF ARIZONA WHICH IS A 200,000 PLUS MEMBER PLAN HAS HAD AVESIS FOR 21 YEARS BASICALLY SINCE 2001. THEY OFFERED THE MEMBER WITH THE

LOWEST PREMIUM COST ALONG WITH THE CURRENT BENEFIT DESIGNED FOR MEMBERS. THE AVESIS HAS EXTENSIVE EXPERIENCE BUILDING NETWORKS ON DEMAND AND FOR IMPORTANT CLIENT PARTNERS. THE TIMING OF THE NETWORK BUILD IS IDEAL. THEY CURRENTLY ARE AUGMENTING THEIR KANSAS VISION PROVIDER NETWORK FOR A MORE PROMINENT MEDICAID PLAN IN KANSAS THAT HAS OVER 100,000 ENROLLEES. THEY ALSO CONTINUE TO BUILD THEIR NETWORK AND THEY HAVE STANDARD HOW THEY WILL RECRUIT AND CONTRACT PROVIDERS AND WE HAVE TALKED TO THEM ABOUT A MINIMUM NUMBER THAT NEED TO BE IN PLACE AND WHAT A PERFORMANCE GUARANTEE WOULD LOOK LIKE WITH THEM SHOULD THEY NOT MEET THAT. I WOULD NOTE THIS PROCESS WITH NEW VENDORS HAS OCCURRED RELATED TO HAVING TO BUILD THE PROVIDER NETWORK WITH EVERY CONTRACT THAT'S EVER BEEN OBTAINED. STEVE, YOU MUST BE FAMILIAR WITH THAT AND THE STAFF HERE AS WELL. MEETING THE NEEDS OF OUR MEMBERS SPREAD OUT THROUGHOUT THE STATE. WE ARE RECOMMENDING AVESIS BE AWARDED AND THEY WOULD START JANUARY 1, 2022. >> COMMISSIONERS, QUESTIONS ABOUT THE INFORMATION FROM THE RECIPIENTS FOR THE PART OF THE RECOMMENDATION? >> THIS IS STEVE. WHAT IS THE MINIMUM NUMBER OF PROVIDERS THAT SELECTED FOR THEM TO MEET THAT? >>Reporter: THE PROVIDER LOCATIONS. IT'S MORE ALONG THE LINES OF LOCATION. >> I THINK WHAT THEY'RE GUARANTEEING IS THEY ALE HAVE 85% THAT THEY PLAN CLAIMS OVER BY -- AND CONTINUE TO BUILD FROM THERE. 85% OF OUR CURRENT CLAIMS HAVE LANDED THEY WILL BE CONTRACTING WITH THOSE PROVIDERS FIRST AND FOREMOST TO GET THE GREATEST COVERAGE AND CONTINUE TO MOVE OUT FROM THERE. >> I EXPECT -- >> I CAN'T ANSWER THAT ONE. I THINK THEY WERE VERY CONFIDENT THAT THEY WOULD BUILD A ROBUST NETWORK THAT WOULD MEET THE NEEDS OF OUR CONSTITUENTS. THEY HAD A STRONG PRESENTATION. >> THANK YOU. I THINK MAYBE YOU ANSWERED PART OF THIS. BUT YOU KNOW, THE COMPLAINTS THAT WE HAVE RECEIVED AT THE INSURANCE DEPARTMENT IS

CONCERNING NETWORK ADEQUACY. WE HAVE MET WITH THE OPTOMETRIST ASSOCIATION MULTIPLE TIMES SINCE I'VE TAKEN OFFICE AND THE COMPLAINTS REMAIN THE SAME ON THE CURRENT -- WITH THE CURRENT VENDOR, THAT WE HAVE GREAT COVERAGE -- OR NOT GREAT. I WON'T SAY GREAT. WE HAVE SUFFICIENT COVERAGE IF YOU'RE IN JOHNSON COUNTY, WYANDOT, DOUGLAS, BUT WHEN YOU GET INTO THE RURAL PARTS OF OUR STATE WE STRUGGLE A LITTLE MORE. WE STRUGGLE A LOT ACCORDING TO THE OPTOMETRISTS AND THEY'RE NOT AS ANXIOUS TO CONTRACT WITH THOSE OPTOMETRISTS IN THOSE RURAL AREAS. I WAS HOPING SOMETHING IN THE PERFORMANCE GUARANTEE WILL ADDRESS THE RURAL PART OF OUR STATE, NOT JUST ADEQUACY IN OUR METROPOLITAN AREAS OF OUR STATE.

>> THAT WAS A PIECE OF MY THOUGHT IS THERE ANYTHING FOR MAYBE THE POTENTIAL OF A ASSESSMENT OF LIKE NOT JUST EVEN MAPPING ON TO OUR EXISTING BUT DOING SOME TYPE OF ASSESSMENT TO UNDERSTAND IF THERE'S ANY UNMET NEED IN OTHER AREAS THAT AS THEY BUILD OUT THEY COULD ALSO ADDRESS? JUST NOT MAPPING DOWN TO IT AS IT'S STATED THE 85% OF EXISTING CLAIMS, BUT DOING SOME TYPE OF BROADER ASSESSMENT OF ARE THERE SOME GAPS IN OUR CURRENT NETWORK THEY MAY BE ABLE TO ADDRESS AS THEY DO THEIR BUILD-OUT. >> WELL, IT'S NOT STATED HERE. OUR DISCUSSIONS WITH THEM DIDN'T DISCUSS THAT. I BELIEVE THAT'S WHAT THEY -- I MEAN, THEY HAVE TALKED ABOUT WHAT THEIR REPRESENTATION LOOKS LIKE AND HOW THEY GO OUT AND DO THIS. WE CAN GO BACK TO THEM AND GET A BETTER FEEL FOR EXACTLY WHAT'S BEEN DONE BUT I THINK PART OF THAT IS THEIR COMMENT IS BUILDING THE MEDICAID NETWORK OUT, TOO. THAT'S ABOUT UNMET NEEDS AS WELL. WE GO BACK. IT'S A GOOD POINT. YOU HAD A QUESTION. >> I'M COMMISSIONER AND DO HAVE A QUESTION ABOUT THE CREDIT. I UNDERSTAND THAT THE EMPLOYEES ARE ACTUALLY PAYING 100% OF THE PREMIUM BUT STATES THAT IN THE EVENT THE NETWORK IS DEFICIENT IN THE ABOVE STANDARD THAT THEY WILL ISSUE -- AVESIS WILL ISSUE \$35,000 CREDIT. SO SINCE THE EMPLOYEES ARE PAYING THAT

AMOUNT, WHAT DOES THAT CREDIT LOOK LIKE? IS THAT GOING BACK TO THE EMPLOYEES? >> NOT NECESSARILY. IT'S GOING BACK TO PLAN OPERATIONS BECAUSE WE ADMINISTER THE PLAN. >> MY QUESTION IS IF THE EMPLOYEES ARE PAYING THAT, HOW DOES THAT BENEFIT THE EMPLOYEES IN THE EVENT THIS DOES HAPPEN AND THERE APPEARS TO BE A CREDIT? >> I DON'T HAVE A GOOD ANSWER FOR THAT BECAUSE -- MIKE, GO AHEAD. >> THAT GOES BACK INTO THE FUND. IT DEPENDS ON WHAT YOU'RE LOOKING AT, WOULD IT BE A DIRECT -- THIS PAST YEAR WHEN WE WERE IN COVID WHERE A CURRENT VENDOR REACHED OUT AND PROVIDED A FEW DOLLAR REFUND TO THE MEMBERSHIP THAT WAS ENROLLED IN THE PROGRAM LESS OPERATE SOME PERFORMANCE GUARANTEES ON THE CONTRACTS WHEN THEY'RE MISSED AND THOSE MONIES GO BACK INTO THE FUND AND THAT WOULD BE ADDITIONAL FUNDS THAT WOULD BE IN THERE THAT WOULD CREATE SOMEWHAT OF A TRICKLE DOWN EFFECT OVERALL FOR ALL OF THE MEMBERSHIP. SO IT WOULDN'T BE A DIRECT BACK TO THE DIVISION. AS THE WAY IT'S SET UP TODAY. >> ADDITIONAL QUESTIONS? >> NO. >> COMMISSIONER SMITH. >> THANK YOU. I THINK IT'S AN EXCELLENT POINT. 100% OF THE SCHP DOES NOT HAVE VISION INSURANCE AND PEOPLE THAT DIDN'T PAY INTO THE VISION INSURANCE ARE GETTING THE CREDIT FOR THE PERFORMANCE GUARANTEES THAT WERE NOT MET. I THINK THAT'S AN EXCELLENT POINT TO BE MADE. BUT I ALSO THINK NOT ONLY GOING BACK AND TALKING TO THEM ABOUT THE NETWORK ADEQUACY BUT TO PUT THAT IN PERFORMANCE GUARANTEES BECAUSE I THINK THAT THE RURAL PART OF OUR STATE DESERVES THAT NETWORK ADEQUACY JUST AS MUCH AS THE POPULOUS COUNTY. >> COMMISSIONERS, MY QUESTION TO THIS GROUP IS WOULD YOU LIKE TO HEAR MORE RESPONSES IN RELATIONSHIP TO BEFORE YOU VOTE AND WE CAN BRING IT BACK IN JUNE OR ARE WE COMFORTABLE OF THESE THINGS BEING ADDRESSED AND MOVING FORWARD? JUST WANTING TO -- >> I GO FOR US MOVING FORWARD. >> COMMISSIONER CASTILLO? >> WANT TO APPEAR BACK -- [ INDISCERNIBLE ] >> CAN I JUST COMMENT THAT IN

DISCUSSIONS WITH THEM IN ORDER TO GET THEM BUILDING THEIR NETWORK THE LONGER WE WAIT THE MORE THAT'S GOING TO IMPACT THAT. I UNDERSTAND WHY YOU WANT TO HEAR BACK I JUST WOULD MAKE THAT COMMENT. >> CAN I ADD SOMETHING? >> YES. >> JUST -- >> IDENTIFY YOURSELF. >> THIS IS PAUL ROBERTSON. IN OUR DISCUSSIONS AS JANET MENTIONED, ONE OF THE THINGS THAT THEY'RE GOING TO DO IN THEIR OUTREACH IS THEY WILL REACH OUT TO IDENTIFY OPTOMETRISTS AND EYE PROVIDERS THROUGHOUT KANSAS BASED ON FEEDBACK FROM OUR MEMBERS. WE'RE GOING TO HAVE AN ADDITIONAL EFFORT OR PROACTIVE EFFORT MADE AT THAT TIME BUT KEEP IN MIND THAT EVEN THOUGH THIS IS THE MATERIALS 90% OF THE EYE EXAMS ARE COVERED THROUGH THE MEDICAL PLAN. SO THE OPTOMETRISTS ARE GETTING THE BENEFIT RIGHT NOW THROUGH THE MEDICAL PLAN. WE HAVE LESS THAN 10% OF OUR EYE EXAMS ARE COVERED UNDER THIS VISION BENEFIT. IT'S THE EYE MATERIALS THAT WE NEED TO MAKE SURE WE HAVE NETWORK ADEQUACY FOR MORE THAN ANYTHING ELSE. AND THAT'S OUR GOAL HERE. SO THE CONVERSATIONS WITH AVESIS TO SET THAT UP SO THEY IDENTIFY THE NEEDS OF OUR MEMBERS AS THEY GO OUT AND CONTRACT. >> I JUST WANT TO GET SOME CLARIFICATION ON THIS. SO BASICALLY AVESIS WOULD PROVIDE COVERAGE FOR THE MATERIALS, THAT'S IT. THE EXAM PORTION IS AVAILABLE BUT MOST OF THE COVERAGE COMES FROM THE MEDICAL SIDE OF THE INSURANCE? >> THAT'S CORRECT. YES. YEAH. THE WAY OUR PLAN IS SET UP, FOR PEOPLE ON MEDICAL, THE EYE EXAM IS COVERED AT 100% THROUGH THE MEDICAL PLAN. >> SO NOW THE ISSUE IS THEM FINDING VENDORS -- >> CORRECT. >> THE MATERIALS IN THOSE RURAL AREAS? >> AND THEY WILL IDENTIFY THE CURRENT PROVIDERS THAT WE USE AND TARGET THOSE AND THEN ALSO DO AN OUTREACH TO MEMBERS, FIND OUT IF THERE'S MISSING GAPS IF YOU WANT TO CALL THAT TO GET MORE PROVIDERS AND THAT'S THEIR GOAL BY OCTOBER 1st. >> QUESTIONS? >> I AGREE THAT SEEKING TO COVER OUR RURAL POPULATIONS IS AN IMPORTANT ASPECT. IT STRIKES ME THAT AS PERSONS WILL CONSIDER HAVING THE VISION BENEFIT,



THEY WILL PROBABLY TAKE A LOOK AT WHAT PROVIDERS THERE ARE THAT COULD MEET THEIR NEEDS, THEY MAY WELL SELF ELIMINATE THEMSELVES IF THERE'S NOT A GOOD CONTACT WHETHER IT'S IN PERSON OR BY MAIL. FOR ME, THAT KIND OF SPEAKS TO MAYBE WHEN YOU TALK ABOUT THE DIRECT REFUND, IF THERE'S A FALLBACK OF ANY KIND THAT FOLKS WHO CAN'T MAKE THAT WILL ACTUALLY PROBABLY MOVE UP THE DIVISION COVERAGE. JUST THOUGHTS I HAVE. >> COMMISSIONER SMITH, DID YOU HAVE A COMMENT? COMMISSIONER BROWN? ANY MORE QUESTIONS? SO COMMISSIONER -- GO AHEAD. I'M SORRY. COMMISSIONER CASTILLO, ARE YOU -- >> NO. I MEAN BASED ON HEARING WHAT YOU SAID. YES. >> PART OF THAT IS AGAIN, YOU KNOW, IT'S A CHALLENGE. BUT WE SEE PIECES OF IT BUT THE CONTRACTUAL DOCUMENTS ARE BIG AND SO THAT'S WHY I SAID WE ARE CLEAR ABOUT MAKING SURE THESE ARE ASPECTS COVERED IN THE CONTRACTUAL AGREEMENT ENSURING THESE ARE A PART OF IT BECAUSE WE HAVE RAISED THEM AS CONCERNS, I THINK IT SOUNDS LIKE THAT IS POSSIBLE. >> WE'LL TAKE IT BACK. >> WITH THAT COMMISSIONERS, I WOULD ENTERTAIN A MOTION. >> THIS IS STEVE DECHANT. I RECOMMEND WE AWARD AS RECOMMENDED BY STAFF. >> IS THERE A SECOND? HEARING NO SECOND, WE CAN'T MOVE IT FORWARD. SO FOR NOT MOVING FORWARD COMMISSIONERS LET'S BE CLEAR ABOUT WHAT INFORMATION WE WOULD LIKE TO SEE FOR THIS TO COME BACK FOR US TO MAKE THE DECISION AT THE JUNE MEETING. COMMISSIONER SMITH? >> THANK YOU MADAM CHAIR. WELL, I'M GOING TO VOTE NO BUT ON THE MOTION. BUT I WOULD LIKE TO GIVE YOU THE EXPLANATION OF MY VOTE SO YOU'LL KNOW WHAT I WANT WHEN WE COME FORWARD. >> YES. >> I WOULD HAVE VOTED NO ON THE AWARDING OF THE VISION BENEFIT CONTRACT MAINLY BECAUSE OF THE THINGS THAT WE HAVE JUST TALKED ABOUT. AT MANY HC MEETINGS THE COMMITTEE IS CALLED ON TO AWARD ON CONTRACTS WITHOUT THE OPPORTUNITY TO PROVIDE INPUT INTO THE NEED FOR SUCH CONTRACTS OR THE DESIGN OF THE CONTRACTS INCLUDING ON SUCH IMPORTANT MATTERS LIKE

DELIVERABLES OR QUALIFICATIONS OF THE BIDDERS. SOMETIMES THE CONTRACTS INVOLVE MILLIONS OF DOLLARS, THE HCC STILL DOES NOT HAVE ITS OWN POLICIES FOR THE SCHP, 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 A PERMANENT DECISION TO USE THOSE WHICH HAS GIVEN THE EXEMPTIONS SET FORTH IN 7504. SEEMS THE MATTER NEEDS ADDRESSED BY THE FULL HCC. THERE WAS NO OPPORTUNITY FOR THE HCC TO ASK QUESTIONS OF THE BIDDERS LIKE WE ASKED TODAY. THE GUIDELINES UTILIZED FOR THE REVIEW OF THE BIDS HAVE NOT BEEN PRESENTED TO THE HCC AND BOTH CANNOT BE MADE WITHOUT ADDITIONAL INFORMATION. I CANNOT VOTE WITHOUT MAKING AN INFORMED DECISION AND WITHOUT THAT INFORMATION I'M GOING TO BE VOTING NO FROM HEREON OUT ESPECIALLY CONSIDERING THE FINANCIAL IMPLICATIONS OF SUCH A CONTRACT. YOU KNOW, WE HAVE BEEN TALKING ABOUT THIS FOR OVER A YEAR. AND WE HAVE YET TO ADOPT THE RFP, THE DEPARTMENT ADMINISTRATION'S RFP CONTRACTS. WE JUST KIND OF FLY WITH IT HERE AND THESE QUESTIONS WE ARE ASKING TODAY, I WOULD HAVE ASKED IF I HAD BEEN GIVEN THE OPPORTUNITY TO ASK QUESTIONS OF THE BIDDER AND WE'RE NOT GIVEN THAT OPPORTUNITY AND YET, WE'RE EXPECTED TO MAKE THESE FIDUCIARY DECISIONS ON THE FLY HERE. AND YOU SAID YOURSELF WE DON'T SEE ALL THE CONTRACTUAL THINGS. WELL, THERE MAY BE COMMISSIONERS THAT DON'T WANT TO SEE THOSE BUT THIS COMMISSIONER DOES WANT TO SEE THOSE. >> THIS IS COMMISSIONER BROWN. MY BIGGEST ISSUE I JUST THINK ABOUT FROM THE CONSUMER'S PERSPECTIVE. [ INDISCERNIBLE ] IF I'M PAYING SOMETHING AND THAT'S HAPPENED BEFORE WHERE PATIENTS COME IN AND THEY'LL HAVE \$5 OFF VOUCHER FOR, YOU KNOW, \$200 TREATMENT, THAT REALLY DOESN'T AMOUNT TO ANYTHING BUT MY QUESTION IS, YOU KNOW, YOU KIND OF MENTIONED EARLIER THAT I BELIEVE -- IS IT MIKE? >> YES. >>

THAT IT JUST KIND OF TRICKLES DOWN. I WOULD JUST LIKE TO KNOW DEFINITELY WHERE THAT MONEY IS GOING AND HOW THAT MONEY WILL BE FUNNELED BACK TO THE CONSUMERS. THAT'S MY BIGGEST CONCERN. >> ANY OTHER QUESTIONS OR ISSUES THE COMMISSIONERS WOULD LIKE BEFORE THIS COMES BACK TO THE COMMISSIONERS? SO WE WILL PUT AGENDA ITEM BACK ON THE MEETING AND IT SOUNDS AS IF FROM COMMISSIONER SMITH'S COMMENTS THAT WE HAVE AGAIN A LARGER CONVERSATION ALONG RFPs. JUST FOR CLARITY PURPOSES, AND WE WILL AGAIN PULL INFORMATION, WE CAN HAVE THIS IN THE LARGER JUNE MEETING SO THAT WE CAN HAVE THAT CONVERSATION AROUND -- AND I UNDERSTAND THE COMMISSIONERS WANTING AN AFFIRMATIVE VOTE AROUND THE POLICIES. I WILL SAY AND JUST SO WE'RE CLEAR THE PROCUREMENT PRACTICES AND POLICIES WE ARE FOLLOWING ARE NOT DEPARTMENT OF ADMINISTRATION'S. THEY ARE THE STATE PROCUREMENT STATUTES THAT THE DEPARTMENT OF ADMINISTRATION IS GIVEN THE AUTHORITY TO MAKE SURE THEY ARE ENFORCED. THEY'RE NOT CREATED BY THE DEPARTMENT OF ADMINISTRATION. THEY ARE THE STATUTES THAT THE LEGISLATORS PUT IN PLACE AND DESIGNED TO BE THE STATUTES USED. WE DO HAVE THE ABILITY AND WILLING TO DO -- HAVE SOME VARIATION IN THAT BUT WE WILL PUT THIS ON AS AN AGENDA ITEM FOR DISCUSSION SO WE CAN MAKE SURE THERE'S AGAIN BACKGROUND INFORMATION AND THAT IS PULLED AND WE CAN HAVE THIS DISCUSSION AT THE JUNE MEETING AND EVERYONE CAN BE INFORMED AROUND THAT. BUT WE WILL ALSO PULL OR PROVIDE NECESSARY INFORMATION FOR THIS PARTICULAR RFP CONVERSATION. IS THAT ADEQUATE? >> YES, COMMISSIONER SMITH. >> MADAM CHAIR, THAT'S ADEQUATE ABOUT PART OF THIS BUT YOU KNOW, IT STILL DIDN'T GIVE US AS COMMISSIONERS THE OPPORTUNITY TO ASK QUESTIONS OF THE BIDDERS. >> CORRECT. BECAUSE THE CURRENT -- BECAUSE WE ARE FOLLOWING THE STATE STATUTE WHICH PASSED THAT PROCESS BEFORE JUST THE PNC COMMITTEE AND THOSE NAMED TO THE PNC COMMITTEE IN THAT NEGOTIATION. THAT'S WHY WE

TOOK CERTAIN STEPS OVER THE LAST FEW MONTHS TO MAKE SURE ALL OF THE COMMISSIONERS HAD ACCESS TO THE RFP SO WE COULD SEE WHAT WAS BEING ASKED FOR, WHAT WAS EVALUATED IN THAT. WE ALSO OFFERED TO THE COMMISSIONERS IF THERE WAS A PIECE OF THIS THAT -- REMEMBER WE TALKED ABOUT USING IF NECESSARY MBAs IF THERE WERE PIECES OF INFORMATION THAT WAS A PART OF BID PACKAGES THAT WE NEEDED TO SEE OR PULL AND WE CAN'T DO THAT IF WE NEED TO AND CAN WORK WITH LEGAL COUNSEL TO MAKE SURE WE'RE DOING THAT PROPERLY. I DON'T WANT TO -- I DON'T DISAGREE AS MUCH AS WANTING TO MAKE SURE THAT EVERYONE IS INFORMED THAT WE THINK ABOUT IF THERE IS STILL A LARGER QUESTION AROUND OUR RFP PROCESS THAT WE HAVE THAT CONVERSATION AND THEN WE ALSO MAKE SURE WE'RE LOOKING AT AND CAN MAKE AN INFORMED DECISION ABOUT A PARTICULAR RFP SO IT SOUNDS LIKE BOTH CONVERSATIONS ARE NEEDED. >> MADAM CHAIR, VICKY SCHMIDT. THE HCC IS PROVIDING EXEMPTIONS UNDER THE KANSAS STATUTES IS THAT NOT CORRECT? >> IT IS. >> SO WHAT EXEMPTIONS DO WE EXERCISE? >> AGAIN, THAT'S WHERE I ASK THAT WE TABLE THIS UNTIL JUNE SO WE CAN PULL ALL THAT NECESSARY INFORMATION AND MAKE SURE ALL THE COMMISSIONERS ARE WORKING FROM AN UNDERSTANDING AND WE CAN HAVE LEGAL COUNSEL MAKE SURE THAT WE HAVE THE APPROPRIATE STATUTES, WHAT THOSE EXEMPTIONS ARE AND HAVE THAT FULL CONVERSATION. DOES THAT MAKE SENSE? BECAUSE I CAN'T RATTLE THEM OFF BUT I ALSO DON'T WANT TO INACCURATELY SAY THESE ARE THE ESSENTIALS AND THESE ARE NOT AND MAKING SURE WE'RE HAVING THAT WITH INFORMATION TO HELP INFORM THAT CONVERSATION. >> MADAM CHAIR, I APPRECIATE THAT VERY MUCH. I THINK THAT ACCURACY IS IMPORTANT ESPECIALLY IN MATTERS LIKE THIS. BUT I ALSO WOULD STATE THAT WE HAVE A NEW COMMISSIONER HERE TODAY THAT PROBABLY -- THAT MAY OR MAY NOT BE FAMILIAR WITH THAT PROCUREMENT PROCESS IN THE STATE. BUT WE'RE ALSO GOING TO HAVE TWO BRAND-NEW COMMISSIONERS AFTER JULY 1st. YOU KNOW, WE'RE GOING TO

HAVE TO GO THROUGH -- WE SHOULD, NOT WE'RE GOING TO HAVE TO, I APOLOGIZE FOR THE CHOICE WORDS. >> WE HAVE BEEN WORKING ON IS ACTUALLY AT YOU ALL'S RECOMMENDATION OVER THE LAST FEW MONTHS IS ONBOARDING MATERIALS AND ONBOARDING MEETING SO EACH OF THE NEW COMMISSIONERS ARE GETTING BACKGROUND INFORMATION, UNDERSTANDING THE PROCESSES AND UNDERSTANDING THAT DIFFERENT COMMISSIONERS ARE GOING TO HAVE DIFFERENT BACKGROUND WITH SOME ASPECTS THAN COMMISSIONER BOSTON. THE STAFF HAS BEEN STARTING TO PREPARE THAT TO GET THEM UP TO SPEED BECAUSE I THINK WE'RE ALL STILL LEARNING ON VARIOUS ASPECTS OF IT. I THINK ALSO EVEN TODAY MAKING SURE THAT OUR THINGS ARE RECORDED AND MAKING SOME OF THOSE AVAILABLE FOR THOSE NEW COMMISSIONERS. WHAT I WOULD SAY IS THAT I THINK THAT FROM A PERSPECTIVE THEY'RE TRYING TO BE THOUGHTFUL ABOUT PULLING PIECES OF INFORMATION TO LEAST BACKGROUND THIS SO THE NEW COMMISSIONERS HAVE SOME INFORMATION AND WE WILL HAVE TO INFORM THE REST OF IT. I RECOGNIZE IT AND APPRECIATE THAT BECAUSE WE WANT THE COMMISSIONERS TO FEEL COMFORTABLE MAKING THE DECISIONS. THE ONE THING AND I WOULD SAY AGAIN WITH THIS ONE AND UNDERSTANDING OF COMMISSIONER SMITH'S STANCE AROUND CONCERNS AROUND THE RFP PROCESS, WE ARE MOVING INTO A SEASON WHERE WE REALLY ARE GOING TO RUN UP TO SOME TIGHTNESS IN RELATIONSHIP TO MAKING SOME DECISIONS IN TIME ENOUGH TO BE ABLE FOR THE NEXT PLAN YEAR AND SO ONE TO BE CONSCIOUS OF THAT AND SO JUST MAKING SURE WE'RE CLEAR ON THAT BUT ALSO AS ALWAYS TRYING TO MAKE SURE EVERYONE HAS AND FEELS COMFORTABLE ABOUT THE INFORMATION THEY'RE RECEIVING. IT'S A BALANCE. WE'RE STILL NOT IN A PERFECT SPACE BUT HOPEFULLY WE'RE GETTING CLOSER. >> I WOULD JUST -- THIS IS JANET. TO KNOW THAT THIS WOULD PUT US A MONTH BEHIND THE VENDOR'S REQUEST TO BUILD THEIR NETWORK. THEY MAY COME BACK AND NOT BE ABLE TO AGREE TO WHAT WE HAVE IN FRONT OF US. THAT WILL BE OUR PROBLEM. BUT I WILL JUST SAY THAT IF WE COULD GET

INFORMATION THAT QUICKLY FROM THEM LIKE NEXT WEEK AND GET THAT TO YOU ALL, IF YOU CONSIDER A SPECIAL FIVE MINUTE MEETING TO EITHER YAY OR NAY THIS THAT MIGHT BE SOMETHING I WOULD ASK YOU ALL TO CONSIDER BEFORE THE JUNE MEETING. IF WE DECIDE ON AVESIS THEY CAN GET GOING TO FORMALLY BUILD THEIR NETWORK FURTHER INCLUDING THE REQUEST TO MAKE SURE AND ASSURE US THEY ARE ADDRESSING THE GAPS THAT EXIST WITH THE CURRENT VENDOR. SO I'M JUST THROWING THAT OUT AS A STATEMENT THAT I WOULD LIKE CONSIDERED. THANK YOU. >> WE GET INFORMATION BACK, WE'LL CONSIDER IT BUT THERE MAY BE A LARGER ISSUE OR CONVERSATION WE MAY NEED TO HAVE. >> I UNDERSTAND. >> WHAT I WOULD SAY IS LET US GATHER THE INFORMATION AND LET'S MAKE SURE WE'RE CIRCULAING THAT TO THE COMMISSIONERS, CAN'T MAKE ANY OTHER COMMITMENTS. >> NO PROBLEM. >> THANK YOU MADAM CHAIR. I WOULD SUBMIT THE DOCTOR'S QUESTION HAS NOTHING TO DO WITH THE CONTRACT. >> YEAH. AS PART OF THAT THAT NEEDS TO BE ANSWERED WHERE THE -- TRADITIONALLY WHEN THOSE TYPE OF DOLLARS HAVE BEEN GIVEN BACK HOW DOES THAT GO AND WHERE DOES THAT MOVE. >> I'LL FIND A LINE ITEM FOR YOU BUT TO -- I WILL JUST SAY TO PARSE IT OUT AND GIVE IT BACK TO EMPLOYEES IS NOT A MODEL THAT'S BEEN IN PLACE AND I WOULD HAVE TO GO TO SOMEBODY AND REVENUE OR SOMETHING TO TALK ABOUT HOW THAT MIGHT WORK. WE ARE SELF INSURED SO THAT FUND MONEY IS MANAGED BY THIS COUNCIL. WE HAVE A LOT OF LINE ITEMS IN OUR BUDGET AND IT PROBABLY JUST GOES BACK TO THE GENERAL FUND AND THAT WE GET -- IT HELPS WITH OTHER PROGRAMS AND I WOULD ALSO SAY THAT NOT 100% THAT COMMENT WAS MADE PEOPLE HAVE VISION INSURANCE BUT NOT 100% USE THE WELLNESS PROGRAM AND WE HAVE PERFORMANCE GUARANTEES WHERE MONEY COMES BACK ALL THE TIME. BLUE CROSS, ETNA. SO IT'S KIND OF A TEAM SPORT I GUESS RELATED TO WHERE THE MONEY FLOWS. SO WE DON'T PARSE OUT AND GIVE THE MONEY BACK TO INDIVIDUAL EMPLOYEES. I WOULD NOT THINK THAT'S HAPPENING ON ANY SELF INSURED PLAN BUT I

DON'T KNOW THAT FOR SURE. >> MAYBE WE CAN CONFIRM WHAT TYPICALLY IS THE INDUSTRY STANDARD OR WHAT HAPPENS WITH THOSE IN THAT NATURE THEN THAT WOULD HELP, TOO. >> GET YOU A BETTER ANSWER. >> MRS. SCHMIDT. >> I HATE TO PUSH BACK ON THAT BUT I'M GOING TO BECAUSE THE DENTAL PLAN IS A PERFECT EXAMPLE OF WHEN THE DENTAL MONEY WAS GIVEN BACK THE PREMIUMS WERE REDUCED FOR OUR BENEFICIARIES THAT CARRIED THE DENTAL INSURANCE. IN COVID WHEN DELTA DENTAL ISSUED REFUNDS OR REBATES BACK TO THE PEOPLE TO THE INSURED, THAT WAS NOT GIVEN BACK THROUGH REVENUE OR TO THE FUND AND THROUGH THE TPA. THAT WAS GIVEN DIRECTLY BACK TO INDIVIDUALS THAT HAD DELTA INSURANCE CLAIMS. THIS WOULD BE \$35,000 THAT NEED TO BE REBATED BACK TO THE INDIVIDUALS THAT PAID THEM. THIS WOULD BE THE SAME SCENARIO THAT WE JUST DID IN THE PAST SIX MONTHS. >> WE RUN THAT DOWN AND GET IT BACK TO THE COMMISSIONERS. >> WE CAN DO THAT. >> THANK YOU COMMISSIONERS. COMMISSIONER DECHANT. >> STEVE DECHANT. YOU'RE TALKING ABOUT THE ONBOARDING. I ASSUME THERE'LL BE A PACK OR FOLDER. I WOULD LIKE A COPY. CAN I MAKE A GOOD CONDENSED REFERENCE SO IT MIGHT BE HELD TO ALL OF US JUST AS A REFERENCE ITEM. >> YEAH. ONE OF THE THINGS AT THIS MEETING I THINK IT'S FOR OUR JUNE MEETING, THE TEAM IS GOING TO MODEL THE TEAM SITE WHERE MICROSOFT TEAM SITE, SORRY, BUT THE MICROSOFT TEAM SITE WHERE THE GOAL IS TO BEGIN TO BE ABLE TO HOUSE THE VARIOUS MATERIALS AND CATEGORIZE THEM IN A WAY WHERE YOU HAVE THE ABILITY TO GO INTO THAT SITE AND BUY THAT MATERIAL AND SO FOR INSTANCE WHEN THAT DOCUMENT IS DONE, IT WOULD BE IN THERE AS WELL BECAUSE I THINK WE ALL FELT SOMETIMES IF WE GET THE E-MAILS AND YOU HAVE TO SEARCH AND FIGURE OUT WHAT E-MAIL IT WAS IN. SO I THINK THAT ON THE JUNE MEETING THAT WE WERE GOING TO MODEL THE TEAM SITE SO THAT COMMISSIONERS COULD UNDERSTAND. REMEMBER HOW TO NAVIGATE IT AND WE'LL DO FOLLOW-UPS THERE. YES, COMMISSIONER, DECHANT. OKAY. ANY MORE

QUESTIONS HERE BEFORE WE -- SO WE ARE MOVING THIS ITEM FORWARD AND ADDING AN ADDITIONAL ITEM AROUND RFP CONVERSATION FOR THE JUNE MEETING. ANY OTHER DISCUSSION, COMMISSIONERS IN THIS SPACE BEFORE WE MOVE ON TO A LARGER AGENDA ITEM AT HAND? ALL RIGHT. WE ARE GOING TO MOVE INTO WHAT WE'LL SPEND THE REST OF OUR AFTERNOON DISCUSSING IS OR WORKING -- THIS IS MORE OF LIKE A -- IT'S A DISCUSSION BUT MORE LIKE A WORKING SESSION. OOH, THAT IS TINY. I'M GOING TO ASK OUR TECH TEAM TO SEE IF WE CAN ENLARGE IT JUST A LITTLE BIT. I KNOW WE HAVE -- SOME OF US, WE HAVE PAPER COPIES IN FRONT OF US BUT THIS IS ACTUALLY A DYNAMIC SCREEN. SO AS WE HAVE THIS CONVERSATION AND MAKE CHANGES WE MAY HAVE TO BLOW UP PIECES OF IT SO WE CAN SEE WHAT'S GOING ON HERE. THE NEXT PERIOD OF TIME THAT WE HAVE LITTLE OVER AN HOUR THE GOAL IS TO BEGIN TO DO SOME MODELING TO TALK THROUGH SOME OF THE THINGS PRIORITIES BASED ON THE INFORMATION THAT WE HAVE RECEIVED AND COLLECTING. THE AC AS WELL AS FORMER DATA IN THE PLAN. AND THINGS THAT WE HAVE LOOKED AT. SO THERE ARE -- JANET, YOUR TEAMMATE MAY WALK US THROUGH THIS MORE. MY UNDERSTANDING IS FROM MY COMMISSIONERS, YOU KNOW, THERE'S REALLY KIND OF -- WELL, THERE'S THREE TABS. BUT YOU KNOW, THERE'S KIND OF TWO TABS WHERE WE CAN REALLY PLAY WITH THAT MODELING. RIGHT. SO THIS FIRST TAB IS LIKE AT THE TOP USES OUR ASSUMPTIONS AND TRENDS AND GIVES U US THE CONTRIBUTION RATES. AND SHOWING US WHAT '20 AND '21 WERE AND THEN AS WE LOOK TO MAKE CHANGES INTO THAT CONTRIBUTION IN '22 IT WILL -- IF YOU ALL REMEMBER IT WILL ADJUST BASED ON OUR ASSUMPTIONS TO CORRECT FOR '23 AND '24. OR NOT CORRECT. ADJUSTMENT THAT'S THE WRONG WORD. ADJUST FOR '23 AND '24. THESE TABS ARE INTERACTIVE. BECAUSE WHAT WILL HAPPEN AS WE START TO MODEL WHEN WE MAKE A CHANGE ON THIS HALF THEY WILL NEED TO GO TO A DIFFERENT TAB SO WE CAN SEE HOW THAT IS IMPACTING THE RESERVE AND OTHER THINGS FROM A FINANCIAL STANDPOINT. SO WE'LL BE MOVING BACK AND FORTH BUT THIS IS



ONE SET OF LEVERS WHICH IS THE ACTUAL EMPLOYER/EMPLOYEE CONTRIBUTION LEVELS. THE OTHER SET OF LEVERS ARE THE THINGS WE TALKED ABOUT THAT ARE LEVERS, PRIORITIES, ISSUES OF CONCERN OR AREAS WHERE WE MIGHT WANT TO MAKE SOME ADJUSTMENT LIKE WE DID LAST YEAR WHEN WE MADE ADJUSTMENT TO THE DEDUCTIBLE. THANK YOU. I SWITCH THOSE WORDS SOMETIMES. I APOLOGIZE. THE DEDUCTIBLE AS WE MADE ADJUSTMENTS TO THE PLANNED DEDUCTIBLE LAST YEAR. SO THIS PARTICULAR CHART, IT WILL -- GIVES US THE OPPORTUNITY TO CHANGE SOME THINGS WITHIN WHETHER IT'S A DEDUCTIBLE, OUT OF POCKET, THINGS OF THAT NATURE. THIS WAS IF THE COMMISSIONERS REMEMBER WE HAVE SEEN SOME VERSIONS OF THIS BEFORE AND WE ALSO -- YOU ALSO RECEIVED IN YOUR PACKET A LETTER FROM THE EAC WHERE THEY TALKED ABOUT SOME OF THE PRIORITIES THAT CAME OUT OF THEIR SURVEY. THEIR SURVEY REFLECTED, YOU KNOW, 6% TO 7% OF PLAN USERS BUT IN THAT VOICE THEY BROUGHT THROUGH THAT SURVEY TALKED ABOUT HAVING SLIGHTLY LOWER -- HAVING LOWER OUT OF POCKETS, HAVING LOWER DEDUCTIBLES, RECOGNIZING THAT, YOU KNOW, YOU ALWAYS WANT LOWER EVERYTHING BUT ALSO RECOGNIZING THERE'S AN IMPACT ON PREMIUMS AND SLIGHT ADJUSTMENTS UP THERE IN RESPONSE. YOU ALL HAVE THAT LETTER, YOU SHOULD HAVE THAT AS PART OF YOUR PACKET. WHAT THEY HAVE BUILT OUT IS JUST A COUPLE OF DIFFERENT PRE-MODEL SCENARIOS THAT ADDRESS SOME OF THE THINGS WE HAVE TALKED ABOUT OR SEEN IN THE DATA OR SEEN IN TRENDS IN AND AROUND EITHER WHETHER IT'S A DIFFERENT PLAN, OUT OF POCKET DEDUCTIBLE AND COINSURANCE. I THINK THOSE ARE THE THREE BIG POCKETS OF THE DIFFERENT THINGS THEY MODEL HERE. RIGHT. THIS DOESN'T HAVE TO BE IT. THEY HAVE PRE-BUILT SOME TO HELP US PLAY WITH SOME THINGS AND TO UNDERSTAND HOW THE IMPACT CAN LOOK AND MOVE AND NONE HAVE TO BE LIKE FINAL, FINAL LAND. IT GIVES US AN IDEA OF WHEN WE MAKE SO MUCH ADJUSTMENT IN X, Y AND Z HOW IT'S GOING TO IMPACT OVERALL. GO TO THE LAST SLIDE FOR ME. SO AGAIN, WOO, NUMBERS. IT'S ALMOST LIKE I WANT TO STAND

UP AND WALK TOWARDS IT. NOW VICKIE HAS SPOTS. AS WE MAKE ADJUSTMENTS ON THOSE OTHER TWO, WE'LL COME BACK TO THIS PARTICULAR SLIDE BECAUSE IT WILL SHOW US THE IMPACT. CAN I GET SOMEBODY TO WALK US THROUGH WHAT WE'RE SEEING ON THIS? BEFORE WE START PLAYING WITH THINGS OR EVERYTHING I WANT TO MAKE SURE WE'RE ALL ON THE SAME PAGE OF UNDERSTANDING WHAT'S ON THIS ONE SO AS WE START TO COME BACK AND FORTH WE'RE REMINDING OURSELVES OF WHAT WE'RE SEEING HERE. >> THIS IS JANET STANEK. WHAT YOU'RE SEEING IS THE ACTUARY SIEGLE REPORT THAT WAS PRESENTED AT THE APRIL 2021 MEETING THAT SHOWS OUR ACTUAL REVENUE AND EXPENSES FOR '20, OUR PROJECTED FOR ACTUAL AND PROJECTED FOR '21 AND GOES THROUGH 2024. YOU GO DOWN TO THE BOTTOM FURTHER PETE. YOU WILL SEE THAT OUR TARGET RESERVE -- THE HEADERS THERE. SORRY. >> WANT TO GIVE ME A SEC. I CAN RE -- >> THANKS. THAT WILL BE EASIER. SO YOU'LL SEE THE TARGET RESERVE ACROSS THE VARIOUS YEARS AND AGAIN THE INCURRED BUT NOT REPORTED CLAIM RESERVE AVERAGES AROUND 30 PLUS MILLION AND THE CLAIMS FLUCTUATION RESERVES AND WE REPORT ON THAT EVERY MEETING, AND THEN WHETHER WE HAVE A SHORTFALL PROJECTED OR A SURPLUS AND AGAIN, JUST NOTING FOR TODAY'S DISCUSSION THAT WE ARE IN COVID YEAR AND THAT COVID CLAIMS REDUCTION IS SOMETHING THAT THE PLAN MEMBERS, OUR LEADERSHIP TEAM PROCEEDS WITH CAUTION ON BECAUSE WE DO NOT KNOW WHERE THAT'S GOING TO GO IN THE NEXT YEAR. BUT FOR THE MOST PART THAT'S NOTHING DIFFERENT THAN YOU HAVE HEARD FROM SIEGLE. THAT'S WHAT YOU'RE SEEING TODAY. >> AND ONE OF THE THINGS IF I REMEMBER CORRECTLY, SO PLEASE A MEMBER OF THE STAFF CHIME IN HERE, SO IT'S KIND OF AGAIN MULTIPLE PIECES OF THIS, RIGHT, WE START WITH A PARTICULAR BALANCE. WE HAVE THE TARGET RESERVE BASED ON THOSE TWO ITEMS, THE IBNR AND THE CLAIMS FLUCTUATION AND THEN WE HAVE A SHORTFALL OR A SURPLUS AND THE WAY THE MODEL, QUOTE, UNQUOTE IS BILLED IS THAT IT PUSHES US BACK TO HIT THAT RESERVE. REMEMBER

WE BROUGHT THIS DOWN FROM TEN YEARS TO MAKE IT CLOSER TO FOUR TO MAKE IT MORE -- I DON'T KNOW, REALISTIC IS MY WORD. I DON'T KNOW IF THAT'S THE RIGHT WORD BECAUSE THE TENURE JUST KEPT PULLING THE THING OUT AND IT WASN'T ACTUAL. THIS IS SHOWING US RIGHT NOW LIKE BASED ON HOW THE MODEL IS SET UP RIGHT AT THIS MOMENT THAT IF YOU WERE TO LEAVE EVERYTHING AS IS, THIS IS WHERE WE WOULD KIND OF THAT SURPLUS WOULD START TO BE EATEN SLIGHTLY AWAY AND AUTO CORRECT ITSELF OR LINE UP TO 2024. I JUST MENTION THAT BECAUSE WE'RE GOING TO COME BACK TO THIS SCREEN BECAUSE AS WE START TO LOOK AT EMPLOYEE AND EMPLOYER CONTRIBUTIONS, AS WE START TO LOOK AT MAKING CHANGES INTO THE -- YOU KNOW, MAKING ANY CHANGES INTO THE OUT OF POCKET AND DEDUCTIBLE, WE'LL COME BACK TO THIS SCREEN AND THESE NUMBERS WILL CHANGE. SO THE ONLY THING I ASK AND I DON'T KNOW IF THERE'S A DIFFERENT WAY TO DO THIS, BECAUSE THIS IS A LIVE MODEL, THE MOMENT YOU GUYS START PLAYING ON ONE OF THE OTHER ONES THIS IS ALL GOING TO CHANGE. CAN YOU COPY THAT TAB OR SOMETHING SO THAT AT POINTS IN TIMES WE CAN DO THAT COMPARISON OF -- IF WE EVER WANT TO LOOK BACK SO YOU DON'T HAVE TO GO ONE CLICK AND UNDO EVERYTHING, THAT THERE'S A STANDING COPY OF THIS ORIGINAL TAB THAT WE START WITH. >> CAN I MAKE ONE MORE COMMENT. GO BACK TO THE -- I THINK IT'S THE FIRST ONE THAT HAS THE PERCENTAGES. YEAH. SO FOR 2022 IF YOU STUCK TO THAT COLUMN AS AN EXAMPLE. THOSE NUMBERS THAT ARE PROJECTED OUT AND I'M GOING FORWARD ARE ALL BASED ON A 4.6% EMPLOYEE CONTRIBUTION AND A 4.6% EMPLOYER CONTRIBUTION. SO AS WE MOVE THOSE NUMBERS, THAT'S WHAT WILL TRIGGER THE NUMBERS ON THE FOLLOWING PAGE THAT YOU ASKED BE FROZEN TO CHANGE. TO LEVEL-SET WHY THE PROJECTIONS LOOK LIKE THOSE ARE THE NUMBERS ARE BASED ON NOW. PROBABLY YOU ALL KNOW THAT BUT I'M JUST RESETTING BASE. >> IF WE DYNAMICALLY CHANGE THINGS THE PERCENTAGES WILL CHANGE AS WELL IS THAT CORRECT? >> SO IF WE CHANGE IT -- >> WE'LL SEE THE NECESSARY -- >> RIGHT.

IF WE CHANGE 22 -- >> 22, IT WILL REBALANCE THE '23 AND '24 COLUMNS. >> AND IT WILL REBALANCE THE '22. >> WE WILL MANUALLY READJUST THE '22. IT WILL REBALANCE OUT '23 AND '24. >> IF WE ACTUALLY HARD COATED LIKE A 5% OR SOMETHING IN '22. LIKE IF WE DID THAT AND SAID 3% KIND OF THING AND REBALANCED THE REST OF THIS '23 AND '24, AT THAT POINT WOULD BALANCE OUT TO ADJUST SO THAT WE ZEROED OUT. >> THANK YOU. >> COMMISSIONER SMITH. >> THANK YOU MADAM CHAIR. WELL, I HATE TO BE THE ONE AGAIN. ARE WE GOING TO IGNORE WHAT THE LEGISLATIVE INTENT WAS IN THE HOUSE BILL OF -- WELL, I THINK THE LEGISLATURE WAS PRETTY CLEAR ALTHOUGH I UNDERSTAND THAT BILL DOES NOT TAKE EFFECT, HOUSE BILL 2218 DOES NOT TAKE EFFECT UNTIL JULY 1st BUT THE INTENT AS I READ IT AND AS I'VE TALKED TO SOME OF MY FORMER COLLEAGUES, THE INTENT OF THAT BILL IS TO GIVE A REPORT TO THE LEGISLATURE AND PROVIDE RECOMMENDATIONS ON WHAT TO DO WITH THE BALANCE WHEN THE RESERVE IS OVER 10% OF THE CLAIMS FOR THE LAST THREE YEARS AND THEN PROVIDER RECOMMENDATION TO THE LEGISLATURE ON HOW WE WOULD GET BACK TO 10% AND DECREASE OUR PREMIUMS OR COST SHARINGS. WE'RE ALREADY AT 13%. OUR IBNR AND CLAIM FLUCTUATION THE TOTAL OF THE 7.5, IT'S STILL LIKE 13%. WHICH IS 30% MORE THAN WHAT THE LEGISLATURE HAS ASKED US TO REPORT TO THEM ON. SO LIKE IF YOU HAD 400 -- LET'S SAY YOU HAD \$400 MILLION IN CLAIMS WHICH IS A LITTLE SHY BUT JUST FOR MY MATH PURPOSES, IT'S EASIER FOR ME TO -- OR WHATEVER. IF YOU HAD \$400 MILLION AVERAGE IN CLAIMS IN THE PAST THREE YEARS, THEN EACH PERCENT IS OBVIOUSLY \$4 MILLION. SO 10% WOULD BE LIKE \$40 MILLION AND ANY RESERVE BALANCE OVER THAT WE WOULD NEED TO MAKE A RECOMMENDATION TO THE LEGISLATURE. WE'RE JUST TOTALLY IGNORING THAT IN THESE PROJECTIONS IS THAT CORRECT? >> I WOULDN'T SAY WE'RE IGNORING IT. AND ALSO MY INTERPRETATION AND WE CAN HAVE COUNSEL WEIGH IN WAS ALSO THAT IT WAS NOT WRITTEN, IT SAID A RECOMMENDATION, IT SAID A REPORT AND THROUGH A FOUR YEAR RUNNING

BALANCE AND BECOMES EFFECTIVE ON JULY 1st AND THAT'S IRRELEVANT. IT'S NOT BECAUSE OF JULY 1st THAT WE WOULD IGNORE IT BUT IT ALSO DOESN'T SAY NECESSARILY THAT IT DOES NOT STATE THAT WE HAVE TO STICK TO A 10% IF WE DETERMINED OR MAKE A CASE THAT IT NEEDS TO BE DIFFERENT OR THE RECOMMENDATION IS IT NEEDS TO BE HIGHER BECAUSE, YOU KNOW, IBNR AND CLAIMS FLUCTUATION IS A STANDARD NORM AND WE'RE USING WITHIN RANGES. WHATEVER THAT IS. I DON'T KNOW THAT -- I GUESS I DON'T SEE IT AS AN ESSENTIAL DRIVER HERE AS WE MODEL. BUT I'M OPEN TO IF YOU FEEL IT IS AN ESSENTIAL DRIVER AS WE START TO DO THIS MODEL, IT DOES NOT STATE THAT WE MUST MATCH ON TO 10%. THEY ASKED FOR A REPORT AND AN UNDERSTANDING AND RECOMMENDATIONS BUT OUR RECOMMENDATIONS DON'T -- THAT IT DOES NOT STATE THAT WE HAVE TO BE AT 10%. IF YOU INTERPRET THAT DIFFERENTLY, PLEASE LET ME KNOW. >> I DO. >> OKAY. >> I DO. AS LONG AS WE'RE ON THIS TOPIC, YOU KNOW, ONE OF THE THINGS IS THAT I WOULD LIKE TO -- AS A REQUEST FROM ME IS THAT -- AND I DON'T KNOW HOW COMMISSIONERS FEEL ABOUT THIS. I'M ONLY SPEAKING ON MY BEHALF. I WOULD LIKE TO SEE THAT REPORT BEFORE IT GOES TO THE LEGISLATURE THIS TIME BECAUSE WE NEVER SEE THOSE REPORTS BEFORE THEY GO TO THE LEGISLATURE. WE GET A COPY OF THE REPORT THAT THE HEALTH CARE COMMISSION SENDS. >> YOU'RE TALKING ABOUT TWO DIFFERENT THINGS. WHAT THEY JUST ASK FOR HAS NEVER EXISTED BEFORE. >> UNDERSTOOD. >> SO YOU WOULDN'T HAVE SEEN THAT. THERE IS AN ANNUAL REPORT. >> THERE IS. >> THAT GOES TO THE LEGISLATURE THAT IS REQUIRED AND THAT IS -- >> I MIGHT NEVER SEE THAT REPORT UNTIL AFTER THAT'S PUBLISHED. I WANT TO SEE WHAT WE'RE GOING TO SUBMIT ON THE ANNUAL REPORT AND ALSO WANT TO SEE IT ON THIS REPORT OF HOW WE'RE GOING TO DO THAT. I THINK IT WILL BE INTERESTING TO SEE WHAT THE LEGISLATORS THAT ARE COMING ON THIS COMMITTEE THINK BECAUSE THEY WOULD HAVE TAKEN - - THIS LEGISLATION IS NEW ENOUGH THAT THEY WOULD HAVE BEEN PARTICIPATING IN THOSE DISCUSSIONS ABOUT THAT

INTENT AND I THINK THAT I SAID IT LAST TIME, I THINK IT'S DANGEROUS TO IGNORE IT. >> I DON'T PERCEIVE US AS IGNORING IT. >> WE DON'T EVEN HAVE THE NUMBERS HERE TODAY. >> AND WE DON'T BECAUSE THEY WEREN'T ABLE TO RUN THEM. WE WILL HAVE THOSE BEFORE WE MAKE OUR -- WE ARE MAKING NO DECISIONS TODAY. WE STILL HAVE A FEW WEEKS TO MAKE FINAL DECISIONS. SO WE WILL HAVE THAT AND IT COULD BE A PIECE OF WHAT WE TALK ABOUT THE DAY OF BECAUSE I SUSPECT WE'LL PROBABLY BE DOING MODELING THAT DAY, TOO. THIS WAS AN IN BETWEEN MEETING TO GET US TO DO SOME ADDITIONAL MODELING SO ALL THE CONVERSATION WASN'T HAPPENING AT THE JUNE MEETING SOME AND WE CAME INTO THAT READY. >> I UNDERSTAND THAT BUT THAT MEETING, THE LAST MEETING WAS ON APRIL 27th AND I ASKED FOR THIS 10% RESERVE BALANCE. I MEAN WE PAY SINGLE \$22,000 A MONTH. I CANNOT IMAGINE THEY COULD NOT HAVE FIGURED OUT THIS CALCULATION OF 10% OF THE PAST THREE YEARS CLAIMS AND GIVEN US THAT INFORMATION. I CAN ALMOST GO BACK AND DO THAT MYSELF FROM THE -- >> WHAT I WOULD ASK FOR THE PURPOSES OF TODAY WE DON'T HAVE THAT NUMBER. RIGHT. WHAT WE CAN DO IS USE WHAT WE HAVE. MY QUESTION IS FOR YOU COMMISSIONER SCHMIDT HOW DO YOU THINK THE MODELING WOULD BE DIFFERENT IF WE HAD THAT NUMBER? >> A LOT MORE MONEY TO PLAY WITH. WE HAVE MILLIONS OF DOLLARS THAT WE COULD USE TO EITHER DECREASE PREMIUMS, DECREASE OUR OUT OF POCKET EXPENSE, DECREASE DEDUCTIBLES, DECREASE OUR COINSURANCE. WE WOULD HAVE, YOU KNOW, I MEAN I WENT BACK TO A YEAR AGO ABOUT THERE TIME WHEN WE WERE TALKING ABOUT PLAN DESIGN AND, YOU KNOW, I UNDERSTAND PREDICTIONS ARE HARD TO MAKE, I GET THAT, BUT IF YOU GO BACK INTO THE FIGURES THAT WE HAVE BEEN SUPPLIED FROM A YEAR AGO, YOU KNOW, THEY PROJECTED THAT IN 2021 WE WOULD HAVE A \$62 MILLION ENDING BALANCE AND IN -- IN 2020. I'M SORRY. WE HAD A \$63 MILLION RESERVE ENDING BALANCE. NOW THEY'RE PREDICTING A \$64 MILLION IN THAT PROJECTION OR I'M SORRY. IN 2020. I'M GETTING MY DATES

CONFUSED. IN 2020 THEY PROJECTED A \$63 MILLION AND NOW THIS SAYS THE ACTUAL WAS A \$69 MILLION. >> BUT 2020 WAS ALSO COVID AND THERE'S AN ASTERISK IN THAT YEAR THAT THERE'S IMPACT THAT WE DON'T NECESSARILY KNOW. I THINK THAT'S ALSO WHY IF WE GO BACK TO WHERE THIS STARTED AS YOU STARTED THIS CONVERSATION ABOUT, YOU KNOW, WHAT THE LEGISLATURE IS PASSED FOR IT'S ALSO NOT FOR ONE YEAR AND WHAT THEY ASKED FOR IS A THREE YEAR WHICH WOULD ALLOW FOR WHAT MAY OR MAY NOT HAVE HAPPENED IN 2020 TO BE ABLE TO BE PARTIALLY SMOOTH BY WHAT IT LOOKED LIKE TWO YEARS BEFORE OR STARTING IF YOU HAD '19 '20 AND '21. IT'S NOT A ONE YEAR, IT'S A THREE YEAR. >> BUT IT'S A THREE YEAR RETRO. THE DIFFERENCE IS LEGISLATIVE INTENT OR THE LEGISLATIVE DIRECTIVE IS THREE YEARS OF PAST CLAIMS. SIEGLE DOES NOT LOOK AT -- >> THEY DO. >> THEY LOOK AT PAST CLAIMS TO BUILD AN INFLATIONARY FACTOR IN FOR FUTURE CLAIMS. THAT'S NOT WHAT THE REPORT THE LEGISLATURE HAS ASKED TO PROVIDE. >> WHAT I COULD ASK AND COMMISSIONER SCHMIDT, I UNDERSTAND, I WANT YOU TO KNOW THAT. I WANT TO MAKE SURE WE HAVE AN OPPORTUNITY TO DO SOME MODELING AND IF WE HAVE TO BRING ADDITIONAL INFORMATION, IF WE HAVE TO BUILD ADDITIONAL MODELS AS WE CONTINUE THIS CONVERSATION OVER THE NEXT FEW WEEKS INTO JUNE WE COMMIT TO DOING THAT. BUT I WOULD LIKE TO PAUSE A PIECE OF THIS SO WE CAN GET INTO LOOKING AT SOME OF THESE ASPECTS. AND AGAIN, FOR ME, I THINK A PIECE OF LIKE WHAT WOULD BE IMPORTANT AS WE ADDRESS, THINK ABOUT OR UTILIZE WHAT THE LEGISLATORS ARE ASKING FOR IS NOT JUST 10% BUT I ALSO WANT AND ASKED FOR SIEGLE TO GIVE AGAIN SOME REFERENCE OR UNDERSTANDING OF HOW THAT IS COMPARATIVE TO HOW THAT LOOKS IN OTHER MARKETS. BECAUSE WHAT THAT REALLY IS, IT WOULD BE REDUCING THE PERCENTAGES WE ARE USING OF THE IBNR AND THE CLAIMS FLUCTUATION AND WHAT I'M SAYING IS THAT I WANT SIEGLE AS THE -- TO ALSO WEIGH IN AT WHAT LEVEL OF RISK COULD OR COULD NOT CREATE FOR US USING A PERCENTAGE LEVEL WE

CURRENTLY DO AS WE THINK ABOUT THAT. AND SO IT'S NOT JUST A NUMBER BUT UNDERSTANDING WHAT THAT NUMBER DOES OR MEANS NOT JUST THERE'S MORE DOLLARS IN PLAY TO MAKE DECISIONS, BUT WHAT DOES THAT MEAN IN TERMS OF OUR OVERALL RISK, MORE LONG TERM IN COMPARATIVE TO MARKET AS TO -- BECAUSE IF I REMEMBER THE ORIGINAL -- WHEN WE DID THE RESERVE WORK WHEN THEY TALKED ABOUT THOSE PERCENTAGES, WE SEEM TO BE DEAD ON IN TERMS OF THE PERCENTAGES THAT WERE USED FOR THOSE TWO AREAS IN RELATIONSHIP TO OTHER SELF -- SORRY. SELF PLANS AND SO UNDERSTANDING WHAT THAT MEANS. SO THAT WE CAN ALSO ARTICULATE THAT IN RELATIONSHIP TO WHAT THAT 10% MEANS. WE'RE NOT IGNORING IT. WE JUST DON'T HAVE IT TODAY BUT I STILL THINK THAT WE CAN DO SOME WORK TO GET AN UNDERSTANDING, TAKE AWAY SOME ADDITIONAL THINGS THAT MAY NEED TO BE BROUGHT BACK AND REMEMBER, WE'RE NOT DECIDING ANYTHING TODAY AND WE ARE AT LEAST A GOOD THREE WEEKS OUT FROM OUR NEXT SCHEDULED MEETING TO CONTINUE THIS CONVERSATION. >> NO. I TOTALLY AGREE WITH WHAT YOU SAID ABOUT THIS PIECE OF IT. BUT I WOULD ALSO SAY THAT IN QUESTIONING SIEGLE AND HAVING THIS DISCUSSION I TAKE IT SIEGLE IS NOT ON THE LINE TODAY? >> THEY'RE NOT. OH, ARE THEY. THEY ARE AND ARE ABLE TO SPEAK IF WE WANT THEM TO BUT WE TOLD THEM THAT WE DIDN'T EXPECT THEM TO DO ANYTHING BUT IF YOU HAVE A QUESTION, WE CAN CALL HIM IN. >> WE ORIGINALLY HAD PLANNED FOR THEM TO. >> YOU KNOW, BUT FOR THE IBNR AND THE CLAIMS I KNOW WHEN WE HAD ALMOST A WHOLE SESSION ON THIS TARGET RESERVE, YOU KNOW, ONE OF THE QUESTIONS WAS I MEAN I KNOW THAT SOMEBODY -- I DON'T KNOW -- IS THAT INDUSTRY STANDARD, IS THAT 13%. BUT I BELIEVE THEY ALSO INDICATED BECAUSE STATE LAWS AND OTHER COMPANIES HAVE -- IT'S NOT LIKE EVERYBODY HAS THAT 13%. >> IF I REMEMBER AND I THINK IT'S SOMETHING WE CAN PULL THROUGH THE MATERIALS. THERE ARE ALWAYS GOING TO BE SLIGHTLY LOWER AND SLIGHTLY HIGHER BUT WE SET VERY -- I THOUGHT IF I REMEMBER CORRECTLY VERY FIRMLY



LIKE IN THE RANGE OF MOST GIVEN OUR SIZE AND ALL OF THAT TYPE OF STUFF. COMMISSIONER DECHANT. >> STEVE DECHANT. I WANT TO EXPRESS MY FRUSTRATION. IF WE'RE GOING TO STOP AT 4:30 WE HAVE TAKEN A GOB OF TIME DOES DISCUSSING THINGS THAT NEED DISCUSSED BUT THE MODELING AND I THINK I HEARD THE CHAIR COMMENT. WHAT WE DO IN TERMS OF LOOKING AT THE MODELING THINGS WILL LET US KNOW WHAT KIND OF IMPACTS ARE GOING TO BE HAD REGARDLESS THE TARGET RESERVE AND I WOULD LIKE FOR US TO BE ABLE TO SPEND A FAIR AMOUNT OF TIME ON DOING THAT AND DO THAT TODAY WHICH WAS A PRIMARY FUNCTION TODAY. SO I JUST WANTED TO EXPRESS MY FRUSTRATION WITH THE TIME WE'RE SPENDING ON MATTERS AROUND THIS THAT WE CAN STILL SEE WHAT'S GOING TO HAPPEN AND LET THAT BEGIN FORMING FOR US WHAT WE MAY BE DECIDING IN A MONTH FROM NOW. >> WELL, I CAN APPRECIATE YOU FEEL FRUSTRATED ABOUT THAT BUT I ALSO APPRECIATE THE FACT THAT WITH THE TARGET BALANCE, THE TARGET RESERVE DETERMINES WHAT ALL THE OTHER LEVERS THAT WE PULL ARE. YOU KNOW, I MEAN, PLEASE, FEEL FREE TO GO ON TO THE MODELING. I WILL BE QUIET BUT I'M GOING TO SAY ONE MORE THING AND THAT IS I PULLED THE MINUTES FROM A YEAR AGO AND THAT I THINK IT'S SIGNIFICANT THAT I HAD TALKED ABOUT SEEING EMPLOYEES AND I DIDN'T FEEL THE STATE HAS A HISTORY OF SUPPORTING STATE EMPLOYEES AND SOME DISCUSSIONS WE HAD A YEAR AGO WITH INCREASES TO THE STATE EMPLOYEE HEALTH PLAN, TO THE INSURANCE AND THINGS LIKE THAT. IT WAS NOTED THAT THIS WAS NOT A MOMENT FOR CORRECTIVE ACTION UNDER TEN YEARS OF HISTORY AND THAT WE WOULD REQUEST THAT MEMBERS TAKE THE NEXT YEAR TO GET DEEPER INFORMATION SO THEY CAN MAKE BETTER LONG TERM DECISIONS AND I WOULD SUBMIT WITH THE ENDING BALANCE THAT THE STATE IS PROJECTED TO HAVE OF OVER \$1 BILLION THAT THE STATE IS IN A MUCH BETTER POSITION THIS YEAR THAN LAST YEAR AND SO I THINK THE STATE OUGHT TO PONY UP TO START MAKING UP THAT \$60 MILLION THAT THEY DID NOT PUT IN FOR A COUPLE OF YEARS. AND I'LL BE QUIET NOW.

THANK YOU. >> COMMISSIONERS, LET'S DIVE IN HERE AND PLEASE BARE WITH ME. I APOLOGIZE FOR THOSE ON CAMERA BECAUSE I'M GOING TO GO OFF CAMERA. I CAN'T SEE. CAN WE -- COMMISSIONERS, THIS IS THE EDUCATOR IN ME. I'M A UNIVERSITY PROFESSOR. LET'S GO TO -- SO CAN WE GO BACK TO THE ASSUMPTION SURGERY FOR ME. REMEMBER AGAIN THIS IS -- WE HAVE THE EMPLOYER CONTRIBUTION. THE EMPLOYEE CONTRIBUTION. >> EMPLOYER/EMPLOYEE. >> THE NON-MEDICARE. >> NON-MEDICARE. RIGHT. THIS IS -- >> YOU DIDN'T FREEZE THE PANES. >> NO IT DIDN'T. >> SO THIS IS THE EMPLOYER CONTRIBUTION. >> YES, MA'AM. >> THIS IS THE EMPLOYEE CONTRIBUTION. SO COMMISSIONERS, AS YOU DIDN'T FREEZE THE PLANES, THIS IS '20 THE FIRST COLUMN AND THE NEXT COLUMN IS '21. REMEMBER IN '20 THE EMPLOYER, THE STATE DID A 4.5% AND WE HELD CONSTANT OR REDUCED A NUMBER OF THE EMPLOYEE AND THE NONBETTER CARE CATEGORIES AND IN '21 OUR CURRENT YEAR EMPLOYER WENT UP 3 AND WE HELD FLAT OR REDUCED AGAIN ACROSS THOSE TWO SPACES. SO AGAIN, THIS IS ONE LEVER. RIGHT. SO RIGHT NOW THE EMPLOYEE AND CONTRIBUTION, ARE SET AT 4.6%. >> RIGHT IT'S RIGHT THERE. AND THAT'S HOW IT'S -- BECAUSE CURRENTLY BASED ON OUR MODEL IN WHAT WE USE AS FAR AS OUR IBNR CLAIM FLUCTUATION AND ALL WHAT WE TAKE INTO ACCOUNT OUR PRACTICES, POLICIES, WHATEVER YOU WANT TO CALL THEM, THIS IS WHAT THE APRIL -- IT ACTUALLY WENT UP A NOTCH. WE WERE AT 4.5% AND CLAIMS PICKED UP. PHARMACEUTICAL PICKED UP. SO WE WENT UP TO 4.6%. >> SO WE HAVE THIS. THIS IS ONE THING THAT WE CAN CHANGE AS WE START TO MODEL AND THEN CLICK OVER TO THE PLAN CHANGE. AGAIN HERE ARE SOME THAT ARE PRE-BUILT AND THIS IS DONE BY PLAN A, C, J AND N AND THINGS CALLED THE DEDUCTIBLE, THE OUT OF POCKET AND THE COINSURANCE. COMMISSIONERS, BASED ON SOME OF THE FEEDBACK FROM THE EAC AND THE OTHER THINGS WE WANT TO SEE, WHERE WOULD YOU LIKE TO START MODELING? WHAT DO YOU WANT TO TRY TO GRAB FIRST? DO YOU WANT TO TRY TO PLAY WITH SOME OF THESE DEDUCTIBLES AND OUT OF POCKETS

FIRST IN COMBINATION WITH THE CONTRIBUTION LEVELS? >> WHAT I KIND OF LIKE TO SEE IS THAT WE TAKE ONE PERIOD AT A TIME. AND DO THE DEDUCTIBLE BUT WE NEED TO GO THROUGH ALL FOUR OR FIVE TO BE ABLE TO SEE THE FULL IMPACT AND THEN MAYBE DO THE OUT OF POCKET AT A SET LEVEL THROUGHOUT THOSE PLANS TO GET A SENSE OF THE IMPACTS BEING HAD. THEN AS WELL PUT THEM TOGETHER AND SEE WHAT THE IMPACT IS. I REALIZE THERE ARE DIFFERENT DEDUCTIBLE LEVELS I THINK UP THERE. AND THERE ARE DIFFERENT OUT OF POCKET. BUT I THINK WE CHOOSE ONE LEVEL OF DEDUCTIBLE THROUGHOUT AND DO IT ONE LEVEL OF OUT OF POCKET AND DO IT AND START GETTING A SENSE OF WHAT KIND OF IMPACTS ARE GOING TO HAPPEN GIVEN THE ASSUMPTIONS WE'RE OPERATING UNDER RIGHT NOW. >> IF I'M LOOKING AT THIS CORRECTLY AND AS FROM THE TEAM THEY HAVE TO CONTRIBUTE, THE ONLY ONE THAT SEEMS TO HAVE MODEL FOR A DEDUCT IS PLAN A. MODEL ANY OTHER -- >> THAT'S CORRECT. >> THAT'S CORRECT. >> THAT'S BECAUSE OF HOW THE PLAN -- [ TALKING OVER ONE ANOTHER ] >> THE HIGH DEDUCTIBLE RIGHT? >> PLAN J AND PLAN Q BELOW 500. >> GOT IT. AND THE DEDUCTIBLE IS WHAT WE ADJUSTED ON PLAN A LAST YEAR. >> YES. >> BRINGS TO TWO TIERTIERS. >> WITH THOSE TIERS BEING IN 2000. SO THIS IS PROPOSING A REDUCTION IN THE DEDUCTION FROM -- IT WOULD BE SPECIFICALLY -- THAT ONE IS 10%. THANK YOU. SO THAT'S THAT ONE. THE OTHER ONES, IT LOOKS LIKE THERE'S TWO OPTIONS FOR OUT OF POCKET. DOES SOMEONE FROM THE TEAM WANT TO WALK THROUGH. THERE ARE TWO DIFFERENT ONES OUT OF POCKET ON A, ONE FOR C, TWO ON J AND TWO ON N. >> THERE'S A Q ALSO ISN'T THERE? >> THERE IT IS. JUST THE OUT OF POCKET. >> SO THE OUT OF POCKET BASICALLY, I MEAN, YOU SEE WHAT IT'S REDUCED FROM, 6250, TO 5250 OR \$12,500 TO 10,500. >> IT'S A SINGLE VERSUS A FAMILY CORRECT. >> BETWEEN THE TWO. >> YES. >> YES. SORRY ABOUT THAT. YES. >> I THINK THAT'S WHAT IT IS. >> THE FIRST NUMBER IS THE SINGLE, THE SLASH AND THE FAMILY BEHIND IT. >> YOU CAN LOOK AT THE PERCENTAGES ON THE REST. ARE YOU JUST

STICKING OUT OF POCKET. >> JUST TALKING OUT OF POCKET. >> SO THE SAME DOWN IN PLAN C. >> CAN YOU MOVE THAT DOWN. LINE 11 HAS -- >> 1,000 PER SINGLE. 2,000 FOR -- SORRY. ALL RIGHT. SO 1,000 FOR SINGLE. 2,000 REDUCTION FOR FAMILY. >> ARE YOU TALKING ABOUT OUT OF POCKET? >> YES, ONLY ON OUT OF POCKET. >> WE'RE GOING TO START THERE. >> ONE BECAUSE ONLY ONE DEDUCTIBLE CHANGE REALLY WOULD MATTER. WE DID SOME WORK WITH THAT DEDUCTIBLE LAST YEAR NOT TO SAY WE DON'T DO MORE. HOW ABOUT WE HOLD THAT ONE FOR JUST A MINUTE BECAUSE THERE'S A POTENTIAL ACROSS ALL PLANS OUT OF POCKET LET'S DO SOME OUT OF POCKET MODELING FIRST. >> BETWEEN 11 AND 12 THE DIFFERENCE IS REDUCING IT \$250 ON A SINGLE PLAN TO \$1,000 ON A SINGLE PLAN ON THE INDIVIDUAL PLANS AND THEN CORRESPONDINGLY THE DEDUCTION FOR THE FAMILY PLAN. TWICE THAT FOR THE FAMILY PLAN. >> THEN THE PLAN C OUT OF POCKET LOOKS LIKE WHAT WAS BUILT IS JUST \$1,000. >> AND \$2,000 FOR FAMILY. >> AND \$2,000 FOR FAMILY. SIMILARLY FOR J AND N IT LOOKS LIKE WE TAKE IT DOWN ONE STEP, \$250 STEP IN ONE MODEL. AND THEN \$1,000 STEP IN THE OTHER OPTIONS. IF YOU LOOK AT LINE 23 AND LINE 24. >> I'M GOING TO ASK YOU TO FREEZE THOSE DO YOU MIND JUST BECAUSE YOU WANT TO SEE THE TOP OF THE COST SAVINGS. AS A COMPONENT THAT'S NOT EVERYTHING AS YOU KNOW. AS WE CLICK ON THESE TO YOUR POINT, STEVE, I NEED TO GO OVER TO SEE WHAT THAT DOES TO THE OUT YEARS ON THE RESERVE, OR THE PERCENTAGES. >> IF WE WERE TO REDUCE THE DEDUCTIBLE ACROSS ALL PLANS, MAKE A REDUCTION, CAN WE -- >> YOU SAID THE DEDUCTIBLE ONLY -- [ TALKING OVER ONE ANOTHER ] >> IF YOU WANTED TO START WITH THE FIRST ON EVERY PLAN JUST AS AN EXAMPLE. >> YES. >> ARE YOU FOLLOWING WHAT I'M SAYING? >> THE FIRST OUT OF POCKET. >> YEAH. ON EVERY PLAN. >> NOT AT THE LOWEST OR SMALLEST AMOUNT OF REDUCTION, RIGHT? >> YES. >> SO THAT'S THE POINT I WANT TO DRAW ATTENTION TO. THAT TAKES US WITH ALL THE ASSUMPTIONS SAYING THE SAME TO A 5.1% INCREASE OR A HALF PERCENT, HALF A POINT HIGHER FOR EVERYBODY, EMPLOYER AND

EMPLOYEES ALL THE WAY ACROSS. >> CAN YOU GO TO THE PROJECTION SUMMARY. IS IT REBALANCING HERE? OR DO WE SEE IT -- >> I THINK IT PRETTY MUCH KEEPS THE NUMBERS THE SAME THROUGHOUT ALL THE YEARS BECAUSE THAT'S AN ASSUMPTION. >> NO IT DOESN'T. THERE'S A LINE -- >> SORRY. >> THAT'S THE LINE. OKAY. >> IT'S REBALANCED AND THIS IS WHAT IT WAS WHEN WE WERE AT BASELINE 4.6%. >> I'M SORRY. WHICH ONE SHOWS -- >> THE ENDING BALANCE INITIALLY WAS 66 AND WITH THE CHANGE WE MADE THE ENDING BALANCE WENT TO 64 SO THAT COST US ABOUT \$2 MILLION TO BRING THOSE DOWN. SO BASED ON THE WAY THIS ONE IS TRIGGERED IT MEANS THAT WE - - BUT AGAIN, THE ASSUMPTION IS PUSHING US BACK TO EVEN. >> WELL -- >> IF WE'RE THINKING STRATEGICALLY ACROSS YEARS IN ONE GIVEN YEAR WE MIGHT WANT TO SPEND MORE AND DIP AND BALANCE IT OUT IN THE FUTURE RIGHT. IT DOESN'T -- I JUST WANTED TO MAKE SURE WE WERE JUST -- THAT'S THE ENDING BALANCE. AND THEN CAN YOU GO TO THE TARGET SURPLUS. BECAUSE THAT CHANGED, TOO DIDN'T IT? >> DO YOU HAVE THAT OTHER SHEET? DO YOU KNOW WHAT THAT WAS? >> THE BALANCE THERE. >> WHAT WAS IT BEFORE? >> I COPIED. >> WAS IT 12? >> RIGHT HERE. >> IT WAS 12 AND NOW IT'S 10. 121. AM I READING THAT RIGHT PETE? I'M SORRY. >> LET'S DO THIS. >> YEAH. OKAY. IT WAS \$12 MILLION. >> GO DOWN HERE. >> TO THE PLAN CHANGE MA'AM? >> YEAH TAKE ME BACK TO THE PLAN CHANGE. I'M SORRY. THE PROJECTION SUMMARY. SO AGAIN BECAUSE -- >> IT WENT TO \$10,000. >> AND IT WAS \$12,000 RIGHT. WE'RE CUTTING INTO OUR SURPLUS FASTER WHICH WE CAN DO. I MEAN LIKE IF THAT IS SOMETHING -- >> I WOULDN'T ADVISE IT BUT -- >> JUST SO THAT WE'RE UNDERSTANDING WHAT'S HAPPENING ACROSS THE MODELING. WE SPENT \$2 MILLION AND \$2 MILLION CAME OUT OF THAT SURPLUS SO WE'RE BRINGING THIS DOWN. TO VICKY'S POINT IF THIS WAS TO CHANGE OR IF WE WERE TO SAY THIS TARGET RESERVE IS LOWER IT MEANS THAT WE WOULD HAVE MORE SURPLUS, I.E., MORE TO BE ABLE TO LEVERAGE INTO. RIGHT? >> I MEAN, VICKY SCHMIDT, THAT'S WHAT I WAS HOPING TO COME OUT OF THIS. I WAS

HOPING THAT THE WORK WE DO TODAY THAT IT'S GEARED TOWARD THE RECOMMENDATIONS THAT WE WILL BE STATUTORYY BE REQUIRED TO MAKE IN 2020. >> I GUESS STATUTORILY MY INTERPRETATION IS THAT THE STATUTE DOES NOT SAY WE MUST HIT 10%. >> NO. IT TELLS YOU TO MAKE THE REPORT AND I GUESS WE CAN WAIT AND SEE WHAT THE LEGISLATURE DOES THE NEXT YEAR. I THINK YOU CAN EITHER START MOVING THAT DIRECTION OR WE CAN BE MANDATED TO DO THAT STATUTELY. >> THAT MIGHT BE A CHOICE WE MAKE AND DECIDE TO DO. >> I CAN -- I WANT TO BE REAL UPFRONT ABOUT THIS. THAT WILL NOT BE A CHOICE I WILL BE VOTING ON. >> UNDERSTANDABLE. >> I THINK IT IS A LARGER CONVERSATION. I THINK IT'S ONE THAT I ALSO WHILE THIS YEAR WE'LL BE MAKING THIS DECISION BUT I ALSO THINK IT GIVES US TIME PARTICULARLY ONCE THE LEGISLATORS JOIN US TO TALK MORE LONG TERM ABOUT THAT INTENT AND GET AN UNDERSTANDING OF WHAT THAT SHOULD AND COULD LOOK LIKE. >> MADAM CHAIR, VICKY SCHMIDT. THAT IS WHY I DON'T THINK THAT FINAL MEETING SHOULD BE HELD UNTIL THOSE LEGISLATORS COME ON THIS COMMITTEE AFTER JULY 1st. >> AND WE HAVE COMMUNICATED WITH THE LEGISLATORS AROUND THE TIMING OF THAT MEETING AND WHY IT'S SITUATED IN JUNE AND SO WE HAVE BEEN TALKING TO THEM AROUND THAT. >> DO WE KNOW WHO THOSE LEGISLATORS JOINING THIS COMMITTEE ARE? >> I HAVE NOT OFFICIALLY RECEIVED IT YET. I THINK THERE'S AN ENVELOPE ON MY DESK THAT'S UNOPENED. I THINK ONE MIGHT HAVE BEEN UNNAMED. >> I DON'T KNOW. I'M JUST ASKING. >> AS SOON AS WE DO WE'LL SEND OUT -- OUR NEWEST COMMISSIONER WILL SEND THOSE NEW NAMES. LET'S GO TO -- OKAY. LET'S LEAVE THE OUT OF POCKET SAYING WE'RE GOING TO DO A REDUCTION ACROSS PLAN. GO BACK TO ASSUMPTION SUMMARY. NOW, WHAT HAPPENED? WE WERE AT 4.5%. >> 4.6%. 5.1% REPLACED 4.6%. >> YOU CAN MANUALLY OVERRIDE THIS, CORRECT? MANUALLY OVERRIDE THE -- LET'S DO IT BLANKET FOR NOW. CAN YOU MANUALLY OVERRIDE THESE AND BRING THEM BACK DOWN TO 4.5 -- 4.6. I'M SORRY. >> BECAUSE IT WAS STUCK SO LONG AT

4.5 IS WHY. >> PART OF THEIR DIVISION BUDGET. >> SORRY. >> I APOLOGIZE. THAT'S ONLY THE GENERAL FUND. >> NO. IT IS -- >> 2.9. >> 1% IS \$2.9 MILLION. >> YES. >> AT THIS POINT IN TIME IT IS. >> WHAT IS THE EXCESS THAT IS PROJECTED -- WHAT IS PROJECTED TO BE AT THE END OF JUNE 30th? >> NO IDEA. >> WELL, IT WAS \$1.1 BILLION A COUPLE WEEKS AGO. >> I CAN'T SAY. >> I THINK WE OUGHT TO HAVE THAT FIGURE BEFORE THE NEXT MEETING ALSO. >> CAN WE SEE -- >> YOU WANT IT BALANCED? >> YES. PLEASE. NOW, NATURALLY WHEN WE MAKE -- WHEN THIS BALANCES SOMETHING HIT IT AT 5.1, IT PUSHING IT FORWARD IF WE BRING A PIECE OF THAT DOWN. I DID IT ARBITRARILY FLAT JUST TO SHOW US. >> I'M SURPRISED IT DIDN'T CHANGE THIS YEAR'S. >> NO BECAUSE WE MANUALLY OVERRIDE THIS YEAR'S. I FORCED THE NUMBER INTO THIS YEAR. >> FOR THE EMPLOYER. >> YES. >> DIDN'T CHANGE THE EMPLOYER PERCENTAGE. >> I DIDN'T. I JUST DID AN EXERCISE WHEN WE BROUGHT ALL THE THINGS DOWN IT NATURALLY PUSHED US TO 5.1. SO INSTEAD OF CHANGING EVERYTHING I LEFT THE EMPLOYER AT 5.1 AND SAID WHAT IF YOU DON'T TAKE THE WHOLE BRUNT OF IT OR ACROSS THE ALL LEAVE THE EMPLOYER AT 5.1 AND BRING THE EMPLOYEES DOWN. WE CAN MOVE WITHIN ALL OF THOSE IN VARIOUS DIRECTIONS, I JUST WANTED TO SEE -- >> IT BUMPED IT TO 5.3. >> IT BUMPED IT TO 5.3 TO SMOOTH IT. CAN WE SEE I THINK IT'S THE PROJECTION SUMMARY. >> QUICK QUESTION. I REALIZE WE'RE ONLY PROJECTING OUT A FEW YEARS. WOULD IT BE SEMI-SAFE TO ASSUME THAT 5.3 WOULD GO INTO SUCCESSIVE YEARS OFF OF OUR CHART? ALL THINGS STAYING ROUGHLY EQUAL. >> REDUCED TO 9.6 ON THE FUND BALANCE. >> THANK YOU. >> CHIPPING AWAY AT IT. WE WERE AT 12, 10, NUMBER 9 FUND BALANCE BECAUSE AGAIN AS WE MAKE THAT'S WHAT WE'RE REALLY DOING RIGHT NOW IS WE'RE UTILIZING THE SURPLUS. RIGHT. >> ABOVE THE CURRENT 13% RESERVE. >> RIGHT. >> MAYBE THIS IS A QUESTION FOR SIEGLE, MAYBE FOR SOMEBODY ELSE. WE GO TO YEAR 2025, IT'S NOT UP THERE. WE BEGIN WITH NO EXCESS RESERVE. AREN'T WE GOING TO HAVE TO LOOK AT A INCOME

ENHANCEMENT TO MAINTAIN? >> IT'S NOT A ROLLING -- >> NO, IT'S NOT A -- WE DON'T HAVE A ZERO RESERVE. SO THIS IS A SURPLUS. THIS IS THE MONEY THAT ALLOWS US TO DO SOME THINGS AND SMOOTH. WHAT WE WOULDN'T HAVE -- SO LIKE -- OKAY. LIKE FORCING THAT IN THERE AND CHANGING THAT RATE VERSUS WHAT THE MODEL PUSHES FOR HAVING THE CONVERSATION ABOUT OUT OF POCKETS OR DEDUCTIBLES. >> NO GIVE. >> NO GIVE FROM A SURPLUS STANDPOINT WITHOUT IMPACTING YOUR TARGET RESERVE BUT WE'RE NOT AT ZERO. IT'S NOT LIKE WE HAVE NOTHING. WE DO STILL HAVE THAT TARGET RESERVE BUT THAT'S WHY IT'S IMPORTANT TO UNDERSTAND WHAT OUR TARGET RESERVE IS AND WHAT THAT RISK IS AND IF WE ADJUST THAT AND ALL THOSE ASPECTS AND IF WE'RE TRYING TO HIT SOMEWHERE. >> \$61 MILLION. >> WE'RE NOT AT ZERO. THAT'S WHY THIS IS THE SURPLUS THAT ALLOWS US TO DO SOME THINGS. GIVES US SMOOTHING. >> ALSO IN CASE THERE WAS A PROBLEM WITH A LOT OF A BIG INFLUX OF CLAIMS THAT YOU DIDN'T EXPECT OR A PANDEMIC THAT DIDN'T GO QUITE LIKE THIS ONE DID THAT PEOPLE NEED. YOU KNOW WHAT I MEAN. THAT WOULD BE VERY RISKY. >> WE'RE NOT AT A ZERO. >> BUT I'M JUST USING THAT AS AN ILLUSTRATION. SORRY. >> COMMISSIONER SCHMIDT. >> SO ZERO WOULD BE RISKY WHEN YOU HAVE GOT 13%. YOU STILL GOT \$61 MILLION. >> DEPENDS HOW RISK DIVERSE YOU WANT TO BE. >> SIEGLE SAYS 13% IS THE TARGET RESERVE. >> THEY'RE BASING IT ON OUR TREND. REMEMBER, THEIR NUMBERS ARE BASED ON OUR TREND. THOSE NUMBERS ARE OUR NUMBERS. I DON'T KNOW HOW ELSE TO SAY IT. YOU COULD EITHER BELIEVE THE NUMBERS AND THE TREND OR YOU CAN SAY EVEN THOUGH THERE ARE NUMBERS WE'RE GOING TO DO SOMETHING ELSE. >> THE TARGET RESERVE TAKES INTO ACCOUNT THE TREND OF 8.5% OF THE PHARMACY CLAIMS GOING UP 8.5% AND TAKES INTO ACCOUNT WHERE'S THAT ONE SHEET? >> 5.5. >> AND TAKES INTO ACCOUNT THE DENTAL CLAIMS, VISION CLAIMS. THAT RESERVE BALANCE AT 13% IS TAKING INTO ACCOUNT ALL OF THOSE VARIABLES. I MEAN THAT'S LIKE SAYING I WANT -- WELL, ANYWAY -- >> DEPENDS HOW



MUCH -- YOU'RE MAKING THE POINT. >> YOU COULD SAY YOU COULD HAVE NOTHING BUT DO YOU WANT TO DO THAT AND WHAT DOES THAT MEAN AND I THINK THAT'S WHAT SIEGLE'S -- >> YOU HAVE NOTHING DOESN'T MEAN YOU HAVE NOTHING. YOU HAVE THE TARGET RESERVE STILL IN THERE AT \$65 MILLION BUT YOU CAN ADJUST OR WE CAN ADJUST IF WE DECIDE THAT THAT IS NOT WHERE WE WANT THE TARGET RESERVE. CHANGE OUR BASE ASSUMPTIONS AND WHAT SPEAKS TO THIS IDEA WHERE YOU WERE GOING WITH THE 10% AND THE LEGISLATORS ARE LOOKING AT THAT IF WE WERE TO USE 10% IT COULD POTENTIALLY BRING WHAT WE WOULD USE AS A TARGET RESERVE DOWN. IN A SHORT TERM IT COULD GIVE US MORE IN A SURPLUS LINE TO DO SOME THINGS BUT DOES IT ALSO IN A LONG TERM PUT US IN A DIFFERENT RISK CATEGORY BECAUSE WE'RE BELOW OUR AVERAGE WITH THOSE TWO SETS OF CLAIMS OR MAYBE IT'S NOT -- MAYBE IT'S ENOUGH AND IT'S NOT TERRIBLY IMPACTFUL. RIGHT. >> BUT FROM A MODELING STANDPOINT UNDERSTANDING THAT WE DO HAVE THIS SURPLUS, OUR RESERVE IS HOLDING BASED ON THE ASSUMPTIONS WHICH IS WHAT THOSE TWO PERCENTAGES THAT ADD UP TO 13% OF OUR PAST YEAR OR FEW YEARS -- >> OUR FUTURE. >> BUT IT'S BASED ON THREE YEARS PAST CLAIMS THEY COME UP WITH THOSE PERCENTAGES. THE PERCENT ON BOTH OF THESE, THE 5.5 AND 7.5 -- >> I'M SORRY. I WAS ON LEGISLATION. >> NO. THESE. DOESN'T GO BACKWARDS. IT GOES FORWARD. >> THE PERCENT THAT IS USED IT DOES GO - - >> THE CLAIMS TREND. >> IT COMES OFF WITH THE CLAIMS TREND. >> THEY'RE PROJECTING MORE CLAIMS IN THE TARGET RESERVE. >> RIGHT. >> THEY'RE NOT LOOKING BACK. THEY LOOKING FORWARD. >> YOU LOOK FORWARD BUT TO LOOK FORWARD TO BUILD A MODEL YOU STILL HAVE TO TAKE INTO FACT -- >> THEY'RE BASING IT ON WHAT'S OCCURRED. DO YOU KNOW HOW MANY YEARS THEY BASE IT ON? >> CLAIMS HISTORY AND CLAIMS BIG ENOUGH TO HAVE A TRUE TREND AND THEN WHEN YOU HAVE THAT NUMBER THEN THAT'S WHERE THE PROJECTIONS OF WE THINK MEDICAL WILL INCREASE BY 4% IN THE NEXT YEAR. >> IT COULD BE OFF. SOMETIMES WHEN THEY'RE

OFF GIVES US MORE OF A SURPLUS WE PREFER THEY'RE MORE ON OR ACCURATE AND WE HAVE TO DETERMINE WHERE OUR RISK OF LEVEL IS BEING LOWER THAN WHAT OUR CLAIMS TREND IS. MY POINT, WE'RE NOT AT ZERO. THIS IS JUST TALKING ABOUT THE SURPLUS THAT ALLOWS US TO DO SOME THINGS TO ENHANCE THE PLAN AND TO MAKE THE PLAN MORE FAVORABLE. WE LOSE SOME OF THAT THE MORE YOU WALK AWAY BUT CLAIMS CAN BE LOWERED AN OTHER THINGS THAT CAN PLAY INTO THAT, DOLLARS COMING IN, REBATE, ALL THOSE TYPES OF THINGS. >> CONNECTIVITY CONTRIBUTES TO WHERE IT STANDS TODAY. LESS CLAIMS. >> WHAT WE MODEL HERE IS THE LESSER OOP REDUCTION. >> DO YOU WANT TO SEE THE BIGGER ONE? >> UH-HUH. >> CAN YOU GO TO PLAN CHANGE SUMMARY? AND FOR PLAN A GRAB THE LARGER FOR PLAN C THERE'S ONLY ONE AND FOR THE OTHER ONES CAN YOU GRAB THE LARGER DECREASE. >> WHY IS THERE ONLY ONE FOR PLAN C? IS IT BECAUSE IT'S A HIGH DEDUCTIBLE AND THERE HAS TO BE A MINIMUM AMOUNT OF -- >> MINIMUM. >> I KNEW IT EXISTED. I TAKE IT THE CHANGE TAKES THE CAP. >> YEAH. >> JUST A POINT OF CLARIFICATION. WHEN WE WERE TALKING ABOUT THE OUT OF POCKET MAXIMUM VERSUS REDUCING THE COINSURANCE OR REDUCING, I DIDN'T THINK IT WAS JUST ON DRUGS, MAYBE IT WAS BACK UP IN THE DEDUCTIBLE BUT IT WAS A VERY SMALL PERCENTAGE OF PATIENTS OF OUR WORK FORCE THAT THIS WOULD IMPACT, RIGHT? >> I THINK SO. >> I REMEMBER THAT. >> THE OOP. OUT OF POCKET. >> THE ONE YOU WERE -- >> 3% OR LESS. >> BECAUSE ISN'T THERE A CHART? >> YES. >> IT'S LIKE A MULTI COLORED CHART WITH A LOT OF PIECES IN THE PACKET. >> THIS ONE. >> 33. >> PAGE 33 OF YOUR PACKET. RUNS AN OUT OF POCKET ANALYSIS. 2018 TO 2020. CAN SOMEONE WALK US THROUGH WHAT WE'RE LOOKING AT. >> YEAH. I WOULD APPRECIATE SOMEONE WALKING THROUGH. >> COULD SOMEONE. >> CAN I HAVE MIKE RUN THIS THROUGH BECAUSE HE CREATED SOME OF THIS CHART. PAGE 33 MIKE. WE HAD PRESENTED THIS AT A PREVIOUS MEETING. ARE YOU ON IT MIKE? >> UP THERE SO I CAN SEE IT. >> SORRY. >> 33. >> YEP. >> YOU HAVE 38 UP

THERE. >> 33 ISN'T PULLED UP. >> IT DIDN'T. >> TRY 31. >> THERE IT IS. >> CAN YOU MAKE IT -- >> NICE AND BIG. >> SLIDE IT OVER. SO LOOKING AT 18 BECAUSE IT FLOWS ACROSS BUT OUR PLANS WAS ON THE LEFT SIDE TOTAL MEMBER COUNT ENROLLED ON DECEMBER 1st WHETHER IT'S '19 OR '20 AND THE INDIVIDUAL MEMBERS WHO DID REACH THE OUT OF POCKET MAX ON THAT PARTICULAR PLAN AND IT RELATES JUST TO MATHEMATICAL \$1,400 DIVIDED BY THE 35,800, 3.9%, JUST OVER 4% REACHED. THE OUT OF POCKET MAX IN '18. 4.3 IN '19 AND WITH THE COVID YEAR IT WAS 3.2% OF THOSE MEMBERS WHO REACHED THE OUT OF POCKET MAX. SCROLL DOWN A LITTLE BIT PETE. THEN WE'RE LOOKING AT MEMBERS PLUS ONE OR MORE ON THEIR CONTRACT SO WHETHER I HAVE A CHILD, SPOUSE, REALLY ON THOSE PLANS TOTAL MEMBERS AGAIN NOT JUST OUR EMPLOYEES BUT YOU HAD 8,500 FOLKS AND OUT OF THAT 90 THAT REACHED 1.1 FLOWING THROUGH ALL THE PLANS ROUGHLY, 2%, 2.5% AND LOWER AT 20. >> WHAT WE'RE SEEING OVERALL ACROSS THE YEARS IS THAT IF I'M UNDERSTANDING CORRECTLY THE PERCENTAGE OF MEMBERS THAT ARE REACHING THEIR OUT OF POCKET ON AVERAGE IS LESS THAN -- ACROSS THE LAST THREE YEARS IS 2.9% NOT QUITE 3%. >> VICKY SCHMIDT. WHAT IS A DIFFERENCE BETWEEN THE TOP ONE WHERE IT SAYS TOTAL MEMBER ONLY FOR ACCOUNT ENROLLED DECEMBER 1st, 2018 AND LAST BOX TOTAL MEMBER ONLY ACCOUNT FOR ANYONE ENROLLED DURING. I DON'T UNDERSTAND THE DIFFERENCE IN THOSE TWO. >> THIS WOULD BE WHO WAS ENROLLED ON DECEMBER 1st AND FINISHED THE YEAR. THEN THIS WOULD BE I CAME ON AND WORKED FOR THE STATE FOR THREE MONTHS, MAYBE I HAD AN EVENT, HIT MY OUT OF POCKET MAX, MAYBE I DIDN'T. THIS WOULD BE EVERYBODY THAT FILTERED IN AND OUT OF THE PLAN OVER THE WHOLE YEAR BECAUSE THE STATE ON AVERAGE THE CHAIR CAN COMMENT TO THIS BUT IT'S USUALLY A FEW HUNDRED FOLKS LEAVE EMPLOYMENT AND A FEW HUNDRED FOLKS COME ON ON A MONTHLY BASIS. SO COME ON AND BRING THEIR DEPENDENT SPOUSE AND CHILDREN. THAT'S JUST TRYING TO LOOK AT THE TOTAL LIVES THAT WOULD HAVE BEEN ENROLLED AT

SOME POINT FROM 1/1 THROUGH 12/31. JUST A DIFFERENT LENS.  
>> AT THE VERY TOP OF THAT 2018, THE TOP BOX WHERE IT'S \$35,896,000 WERE THOSE THE PEOPLE WHO COMPLETED A FULL YEAR OF EMPLOYMENT? CLOSER WE GET TO 61,000 OF PEOPLE THAT FLOATED IN AND OUT OF THE PLAN? ALMOST DOUBLE? >> OF COURSE, THAT DEPENDENCY -- >> THAT INCLUDES TO ANYONE. >> THE FIRST ONE ONLY INCLUDED THE STATE EMPLOYEE THEMSELVES? >> JUST STABLE AND THESE NUMBERS ARE ALL DOWN HERE. YOU CAN SEE YOUR TOTALS. OF WHAT 80 AND 20. ABOUT 100,000. ABOUT 24,000 DIFFERENT TOTAL BELLY BUTTONS THAT HIT THE PLAN DURING THAT PLAN YEAR. IT'S JUST -- MIKE WAS ON THERE WITH THREE PEOPLE AND HE LEFT TO GO WORK SOMEWHERE ELSE AND SOMEBODY ELSE REPLACED HIM A SINGLE YEAR OR TWO AND BROUGHT IN THEMSELVES PLUS FIVE PEOPLE. >> SO THE MORE ACCURATE NUMBERS ARE PROBABLY THE TOP ONES AND THE MIDDLE ONES. >> CORRECT. >> OR REFLECTIVE OF THE FULL YEAR EMPLOYEE. >> YEAH, THE FULL 12 MONTHS. >> IT'S CONFUSING BECAUSE MY NUMBERS IN MY BOOK DO NOT MATCH THESE NUMBERS. MY NUMBERS IN MY BOOK ON THAT BOTTOM IT SAYS 61 -- 1401. MINE SAYS 1.3% AND YOU SAY 2.4%. I KNOW I'M QUIBBLING BUT THEY DON'T MATCH. >> IT IS A DIFFERENT DOCUMENT IN THE BOOK. WE MUST HAVE SENT -- POSTED THE WRONG ONE. I WOULD SAY FOR PURPOSES OF THE TOP -- IT'S OKAY. I'M JUST SAYING IT DOESN'T MATCH. >> NO. THANKS FOR POINTING THAT OUT. >> BOTTOM BOX -- >> THE BOTTOM LINE IS THIS ISN'T -- THE CHANGES -- I GUESS THE CHANGES ON THE OUT OF POCKET MAXIMUM DOESN'T IMPACT AS MANY STATE EMPLOYEES AND FAMILY MEMBERS AS MAYBE ONE OF THE OTHER BOXES THAT YOU HAVE AN OPTION TO CHECK. >> THE INTERESTING THING IS AGAIN WHEN WE GO BACK TO THOSE BOX, THE ONLY PLAN THAT HAS -- OR THE PLAN THAT WE CAN CHANGE A DEDUCTIBLE ON IS PLAN A BECAUSE THE OTHER ONE THE DEDUCTIBLES DON'T -- I DON'T WANT TO SAY WORK. >> YOU CAN'T CHANGE THEM. >> YOU CAN'T CHANGE THEM. LET'S THINK ABOUT THIS EVEN BEFORE WE CLICK THE BOXES. YOU KNOW, SOME OF THIS CONVERSATION CAME FROM EMPLOYEES SAYING

OUR OUT OF POCKETS AND DEDUCTIBLES BUT IT'S A SMALL PERCENTAGE OF INDIVIDUALS THAT ARE REACHING THEIR OUT OF THE POCKET. THE DEDUCTIBLES IN CERTAIN PLANS CAN'T BE CHANGED BECAUSE OF THE NATURE OF THE DEDUCTIBLES AND ONLY IN ONE. SO THOSE MAY NOT ACTUALLY BE LEVERS IF WE THINK ABOUT HOW TO, YOU KNOW, ENHANCE THE PLAN. >> YOU'RE LOOKING AT THE BIGGER PICTURE. >> RIGHT. THAT MIGHT SIGNAL A DIFFERENT KIND OF CONVERSATION. RIGHT. IF THE PEOPLE ARE THINKING THAT MY OUT OF POCKET IS A CONCERN, IT MIGHT BE MORE OF AN EDUCATION AND INFORMATIONAL MOMENT OF HOW MANY PEOPLE EVER REACH THEIR OUT OF POCKET TO HELP REDUCE ANXIETY AROUND THINKING I'M GOING TO REACH IT. IT MIGHT BE I THINK MY DEDUCTIBLE SHOULD BE LOWER BUT PART OF THE EDUCATION OF WHEN YOU SELECT YOUR PLAN YOU NEED TO UNDERSTAND THIS TYPE OF PLAN HAS A FIXED DEDUCTIBLE THAT COULDN'T CHANGE. THOSE THINGS MIGHT NEED TO BE ADDRESSED WITH OUR EMPLOYEES DIFFERENTLY THAN IT BEING TRUE LEVERS BECAUSE THERE MIGHT BE OTHER THINGS THAT CAN IMPACT A BROADER SWATH OF EMPLOYEES IN TERMS OF PLAN, CHANGE AND DESIGN. >> VICKY SCHMIDT, I WOULD SUBMIT IN THE EAC SURVEY THAT WAS DONE, THAT WASN'T DELINEATED OUT IN THE SURVEY. PEOPLE DIDN'T ANSWER THAT -- PEOPLE MIGHT ANSWER THAT DIFFERENTLY HAD THEY HAD THAT INFORMATION. >> CORRECT. RIGHT. AND AGAIN, NOT UNDERSTANDING OR KNOWING THIS CAN'T MOVE OR -- >> YES. >> IT IS. IT IS. RIGHT. BUT IT'S ALSO SOMETHING WE NEED TO NOTE BECAUSE AT LEAST WE NEED TO ADDRESS IT SO EMPLOYEES ARE UNDERSTANDING. BUT THAT SPEAKS TO -- IF WE CAN GO BACK TO THE OTHER ONE. THE ACTUAL MODELING TOOL. DO WE KNOW WHAT THE COINSURANCE AT LEAST HERE IT IS -- WE'RE TALKING ABOUT THE COINSURANCE ON BRANDED AND NONPREFERRED AND BRANDED DRUGS IS THAT SOMETHING THAT MORE WIDELY IMPACTS ACROSS THE PLAN? >> YES. >> IS THIS SOMETHING THAT -- VICKY I WOULD REFER TO YOU HERE. I DON'T KNOW AS MUCH ABOUT THIS AREA. WOULD LOVE TO HEAR -- >> VICKY SCHMIDT. >> WHAT DOES THIS

MEAN? >> RIGHT. I THINK IT PROBABLY DOES AFFECT MORE OF THE GENERAL POPULATION BUT IT COSTS US MUCH, MUCH LESS. SO THE ACTUAL IMPACT TO THE CONSUMERS IS MUCH, MUCH LESS THAN -- IT'S NOT A BIG TICKET ITEM TO DECREASE YOUR GENERIC OR YOUR NONPREFERRED BRAND NAMES FROM 65% TO 60%. MORE PEOPLE WILL -- OH, IT WENT DOWN \$2 BUT IT'S NOT A MAJOR TICKET ITEM BUT AS FAR AS AFFECTING MORE OF THE POPULATION BASE DEFINITELY. A BIGGER BANG FOR YOUR BUCK.

>> COMMISSIONERS, NOT DECISION MAKING TODAY BUT UNDERSTANDING, SO AS WE LOOK AT SOME OF THESE OUT OF POCKET, IT'S IMPACTING A SMALLER PERCENTAGE OF EMPLOYEES, RIGHT. IF YOU LOOK AT CHANGING ONLY ONE PLAN WILL HAVE A BENEFIT OF CHANGING A DEDUCTIBLE AND WE DID MAKE A CHANGE TO THAT DEDUCTIBLE A YEAR AGO. CONSOLIDATING THOSE LEVELS. THIS OTHER PIECE THAT HAS BEEN MODELED AROUND THE COINSURANCE COULD HAVE A MUCH MORE BROADER IMPACT IN TERMS OF NUMBER OF MEMBERS OF THE PLAN BUT MAY NOT BE AS MANY DOLLARS -- YOU KNOW MAY NOT BE AS MUCH IN DOLLARS BUT FROM A BROADER SWATH OF THEM COULD BE IMPACTED. NOW -- COMMISSIONER SCHMIDT. >> I WAS JUST WONDERING ONE OF THE THINGS THAT'S BEEN LOST ON THESE PLAN DESIGNS IS THAT WE DID HAVE A DISCUSSION ABOUT PLAN Q AT ONE TIME ABOUT THE SMALL NUMBER OF INDIVIDUALS THAT PICKED PLAN Q AND WHETHER WE WANTED TO CONTINUE TO OFFER PLAN Q. SO HOW DOES THAT IMPACT THE OTHER PLANS IF PLAN Q GOES AWAY. >> MINIMAL. >> WE PRESENTED THAT AND WE CAN DIG UP THAT SLIDE. >> THAT'S RIGHT. >> THEY JUST ROLL UP -- >> HALF A MILLION DOLLARS OR SOMETHING. I DIDN'T KNOW IT WAS THAT. >> THREE-TENTHS. >> IT WAS REALLY SMALL. >> IS THAT SOMETHING THAT -- >> ADMINISTRATIVE OVERHEAD IT'S ONE -- >> ONE LESS PLAN TO ADMINISTER IT AND THEY CAN GO TO PLAN A OR WHAT DID WE SAY, COULD GO TO -- WE HAD A SLIDE ON THIS. >> WOULD GO TO -- I DID THINK THEY WOULD GO TO A. WELL I DON'T KNOW. ANYWAY, BUT I THINK -- I JUST DON'T WANT TO LOSE SIGHT OF THAT DISCUSSION BECAUSE I THINK THAT'S

SOMETHING WE NEED TO TALK ABOUT AS A COMMISSION ON WHAT IMPACT DOES THAT HAVE IF ANY AND, YOU KNOW -- >> WHAT WAS YOUR QUESTION? >> ABOUT IF YOU -- HAD A SLIDE THAT INDICATED WHAT PLANS THEY GO TO IF WE GOT RID OF PLAN Q AT A PREVIOUS MEETING. >> CORRECT. >> AND THAT IS THE ONE WE FIGURED MOST WOULD GO TO. >> YEAH. >> WHICH IS CHEAPER PER THE PREMIUMS FOR THE MEMBER ANYWAY. >> RIGHT. SO IN SOME WAYS GETTING RID OF PLAN Q IT DID NOT HAVE A NEGATIVE EFFECT. >> IMPACT IS NEGATIVE. >> LET'S TRY NOT TO LOSE SIGHT OF THAT IN OUR PLAN DESIGN. >> I WOULD ALSO ADD COMMUNICATION WOULD BE A SYMPTOM. >> ONE LESS PLAN TO TALK ABOUT UNDERSTAND AND CHOOSE FROM. >> BUT STILL NOT REDUCING OPTIONS OR THINGS OF THAT NATURE. >> STILL CHOICE. >> CAN WE -- >> THESE ARE TWO DIFFERENT THINGS. ONE IS PREFERRED AND ONE IS NOT. >> THAT'S RIGHT. >> CAN WE UNCLIP THE OUT OF POCKETS AND CLICK ALL THE COINSURANCE. >> THE FIRST OR SECOND ONE? >> BECAUSE THEY'RE TWO DIFFERENT THINGS. >> ONE IS BRAND AND ONE IS NONPREFERRED BRAND. [ TALKING OVER ONE ANOTHER ] >> I'M SORRY. I WAS LIKE -- I THINK -- >> UNLESS YOU CHANGE IT THAT'S STILL LEAVING THE EMPLOYEE PERCENTAGE COST AT 4.6%. >> GO TO THE ASSUMPTION SUMMARY. RIGHT NOW BEFORE WE CHANGE ANYTHING BECAUSE THIS WAS THE LAST VERSION CAN YOU JUST REBALANCE IT AND THEN WE CAN COME BACK. NO. SORRY. NOT THAT. >> AS IT STANDS. >> YES, SIR. AND TAKE US BACK INTO PROJECTION. BECAUSE WE TOOK OUT OF THE OUT OF POCKETS. THAT'S COME BACK UP. WE HAD ALL THOSE OUT OF POCKETS OFF WITH THE 4.5 THAT HAD GONE ALL THE WAY DOWN TO I THINK WE WERE AT 8 OR 9. NOW WE TOOK THE OUT OF POCKETS OFF, PUT ON THE COINSURANCE BUT WE DIDN'T CHANGE OR PLAY WITH YET THE CONTRIBUTIONS. SO I RECOMMEND WE GO BACK TO THE PAGE AND LOOKING AT THE CONTRIBUTION MOVEMENT. DOES THAT MAKE SENSE? >> YES. >> I WANT TO GIVE SOME CONTEXT TO OUR NEWER COMMISSIONERS THAT WEREN'T HERE WHEN WE MADE THE DECISION LAST SUMMER. WHEN YOU SEE THIS, THIS

WAS -- SO IF YOU CAN SEE WE HELD FLAT THE EMPLOYEE AND THE EMPLOYEE PLUS CHILD AND WE MADE REDUCTIONS ON THE EMPLOYEE PLUS SPOUSE AND EMPLOYEE PLUS FAMILY THE LAST TWO YEARS. THAT WAS SOME OF -- AND STAFF PLEASE CHIME IN, WHEN WE LOOKED, YOU KNOW, TRYING TO USE THE DATA STANCE ON THIS, WHEN WE LOOKED ACROSS THE YEARS THERE HAD BEEN A DISPROPORTIONATE INCREASE ACROSS THE VARIOUS CATEGORIES, ACROSS YEARS AS THOSE CONTRIBUTIONS HAD GONE UP, THE STATE HAD -- OUR PLAN HAD DISPROPORTIONATELY HIT THOSE TWO AND WE WERE I THINK EVEN OFF COMPARATIVELY NATIONALLY. INSTEAD OF HOLDING EVERYONE FLAT WE WERE TRYING TO PULL THEM BACK IN LINE FROM A HISTORIC VIEWPOINT OR TREND AND SO WE HAD DECIDED TO ACTUALLY NOT JUST KEEP THOSE TWO FLAT BUT TO BRING THEM DOWN ACROSS THE LAST TWO YEARS. BECAUSE IT'S JUST AN ANOMALY I WANT TO MAKE SURE THOSE NOT HERE ARE PART OF THE CONVERSATION. DID I EXPLAIN THAT FULLY MIKE? >> YES. >> THAT'S WHY YOU SEE THIS NOT JUST BEING ZERO, ZERO, ZERO, ZERO, THESE TWO CATEGORIES ACROSS THE NUMBER OF YEARS WENT UP AT A HIGHER RATE THAN THE EMPLOYEE, EMPLOYEE PLUS CHILD. VICKY. >> YOU KNOW, I THINK IT WOULD BE HELPFUL FOR THEM TO SEE WHEN WE SAY DISPROPORTIONATELY WE MEAN LIKE 40%. THEY WENT UP 40% OR SOMETHING. I THINK THAT WOULD BE HELPFUL FOR THE NEW COMMISSIONERS TO HAVE THAT TEN YEAR CHART OR WHATEVER IT WAS THAT GRABS THAT. WHEN I THINK OF DISPROPORTIONATELY I THINK OF 10% OR 11%. BUT IT WENT UP ASTRONOMICALLY. >> THAT CHART IF STAFF AS THEY ARE PULLING INFORMATION CAN PULL THAT CHART. IT'S THAT ONE CHART AND GOES BACK TEN YEARS AND IT'S A CHART THAT SHOWS THE DIFFERENT INCREASES ACROSS THE CONTRIBUTIONS ACROSS LIKE THE LAST EIGHT OR TEN YEARS MAYBE. >> I JUST WANT TO MAKE SURE I'M UNDERSTANDING YOU CORRECTLY. THE REASON WHY WE'RE SEEING THE 6% AT THE EMPLOYEE PLUS SPOUSE AND EMPLOYEE PLUS FAMILY, WE SEE ZERO VALUES FOR THE EMPLOYEE AND EMPLOYEE PLUS CHILD BECAUSE WE'RE



TRYING TO BRING EVERYTHING BACK IN ALIGNMENT. THIS IS 2020. AND THIS IS THE CURRENT PLAN YEAR. SO THE HEADERS ARE NOT HERE. IN 2020 WHEN WE MADE OUR DECISION WHEN IT'S THE COMMISSION, I WASN'T ON IT, WHEN THAT DECISION WAS MADE WHEN THEY MADE THEIR PLAN DESIGN DECISION LIKE WE ARE GETTING READY TO DO AT A FUTURE MEETING, THEY DECIDED TO PUT THE EMPLOYER AT 4.5 AND THIS IS WHAT THEY DECIDED TO DO WITH THE EMPLOYEE AND THIS IS WHAT THEY DECIDED TO DO WITH THE RETIREE AND THAT WAS -- >> DECREASED. >> IT WAS DECREASED. >> DECREASED AT 6%. >> DECREASED OF THE CURRENT PREMIUM AT 6%. DECREASED IT 6% BUT KEPT THE OTHER TWO FLAT. AGAIN, THIS IS -- AND THEN LAST YEAR WE -- YOU KNOW IT WAS COVID. UNCERTAIN FINANCIAL TIMES. WE KNEW WE NEEDED TO HAVE THAT STATE CONTRIBUTION. SO WE DIDN'T MAKE IT ALL THE WAY TO 4.5. WE HIT 3. BUT ALSO BECAUSE OF COVID AND UNDERSTANDING THERE WAS A LOT OF FINANCIAL UNCERTAINTY. TRIED TO KEEP THE EMPLOYEES EVEN AND SO KEPT THOSE TWO FLAT AND AGAIN GET ONE MORE DECREASE IN THOSE OTHER TWO CATEGORIES. RIGHT. WHAT THAT DOES BASED ON THE MODEL PUSHING US BACK TO HIT OUR TARGET RESERVE ACROSS A FIVE-YEAR STRETCH PUSHES US -- OR THIS TURN -- IF YOU REMEMBER THIS WAS ALL 4.6. SO NOW WE ARE IN AND WE ARE WORKING WITH PLAN YEAR 2022. AND IF WE CAN -- I RECOMMEND WE START DOING SOME MANIPULATION IN HERE OR START TALKING ABOUT WHAT WE WANT TO SEE IN THE CONTRIBUTION SPACE TO SEE HOW THAT IMPACTS THE TRAJECTORY. ARE WE INTERESTED IN WHATEVER THE INCREASE OR WHATEVER THE CHANGE LOOKS LIKE KEEPING IT MORE FLAT ACROSS ALL OF THESE. AGAIN, THIS -- ARE WE STILL INTERESTED IN DOING SOME SLIGHT DIFFERENCES. >> THIS RIGHT NOW IS WITH THOSE OTHER ONES YOU HAVE JUST CLICKED. >> YES. RIGHT NOW WE HAVE THAT WITH ALL THE COINSURANCE. IF YOU ALL WOULD LIKE TO TAKE THAT OFF WE CAN. THE COINSURANCE ON THE DRUGS. THOSE ARE STILL CLICKED. >> JUST THE COINSURANCE ON THE DRUGS. RIGHT. >> THIS CURRENT MODEL WE HAVE THOSE IN PLAY. >>

DID YOU NOTICE THAT THE DRUG COINSURANCE HAS SO LITTLE IMPACT THE OUT YEARS IT INCREASES THE PERCENTAGE INCREASE. >> BECAUSE THOSE ARE NOT THE EXPENSIVE DRUGS. >> AND BECAUSE YOU'RE RIGHT, 5.1 STAYED FOR THIS YEAR ON THE EMPLOYER. SO WE BUILT UP ENOUGH OF ADDITIONAL RESERVE WHICH IS PROBABLY WHAT WE SEE WITH THE NUMBERS THAT EVEN THE EMPLOYERS WENT DOWN TO 4.5. >> 4.5. WHICH IS WHERE WE WERE IN THE ORIGINAL MODEL COMING INTO THIS YEAR BASED ON EVERYTHING WE HAD, BASED ON ALL THE ASSUMPTIONS WE CURRENTLY HOLD, THE MODEL WAS FORCING US TO 4.5. RIGHT NOW BASED ON EVERYTHING WE HAVE DONE IF WE WERE TO DO SOMETHING LIKE THIS THE MODEL STAYS AT THE 4.5 FOR FUTURE YEARS. IT'S JUST THE HARD PART. REMEMBER WE TALKED ABOUT THIS IDEA HOW DO WE START THINKING NOT FIGURATIVELY BUT ACROSS A FEW YEARS AND THINKING ABOUT WHAT COULD BE NOT JUST IN ONE YEAR BUT WHAT IS FUTURE YEARS LOOK LIKE IN TRYING TO BALANCE SOME OF THAT. RIGHT. I DON'T KNOW. COMMISSIONER SCHMIDT. >> YOU KNOW, I KNOW I'M A BROKEN RECORD BUT I WANT TO POINT OUT THAT THE MAJORITY OF STATE EMPLOYEES ARE NOT GOING TO RECEIVE ANY PAY INCREASE THIS YEAR. >> WE CONCUR WITH THAT BECAUSE THE LEGISLATORS DID NOT APPROVE THE PAY INCREASE. >> I 100% AGREE THAT WAS A LEGISLATIVE DECISION BUT WE CONTROL THIS PIECE OF THIS OR HCC CONTROLS THIS PIECE. EVEN 4.6% TO EMPLOYEES, YOU KNOW, FOR DR. -- THE \$60 MILLION THAT I WAS HARPING ABOUT EARLIER WAS PAST COUPLE YEARS WHERE THE STATE DIDN'T PUT IN THEIR PERCENTAGE. AND THE EMPLOYEES CONTINUE TO HAVE THE DEDUCTIONS TAKEN OUT OF THEIR PAYCHECK BUT THE STATE HELD OFF TO THE TUNE OF ABOUT \$60 MILLION. SO THINK HOW DIFFERENT THIS PLAN WOULD LOOK WITH \$60 MILLION OF INFLUX COMPOUNDED OVER THE PAST SEVERAL YEARS. I GUESS FOR ME, IN TRYING TO LOOK AFTER STATE EMPLOYEES WHICH I KNOW ALL OF YOU WANT TO, I DON'T HOLD THAT TORCH MYSELF AND I UNDERSTAND THAT, BUT I APPRECIATE THAT, BUT I THINK THAT WITH AN ENDING BALANCE LIKE THE STATE IS GOING TO HAVE AT

THE END OF 2020 THAT THE STATE CAN PONY UP SOME MORE THAT WE CAN INCREASE THE STATE'S CONTRIBUTION AND I THINK THAT WOULD BE A FAIR THING THAT OUR EMPLOYEE WITH NO RAISES WOULD APPRECIATE. BUT THAT'S JUST MY THOUGHT. >> RIGHT NOW WITH BE THIS MODEL IF WE WERE TO STRAIGHT BALANCE THE PROJECTION IS 4.6. RIGHT NOW WE'RE TILTING A LITTLE BIT AND GIVING A LITTLE MORE THAN THAT ON THE STATE SIDE. >> BUT THAT'S ABOUT \$1.5 MILLION OUT OF THE STATE'S \$1 BILLION PROJECTED INCOME. >> I UNDERSTAND AND I WANT TO BE VERY CLEAR BEFORE WE GO INTO -- VICKY YOU HAVE A DIFFERENT KNOWLEDGE OF STATE BUDGETING. SO I WILL COMMIT TO BRINGING SOME OF THAT INFORMATION BACK. I JUST WANT TO BE CLEAR BECAUSE AS WE START TO -- I DON'T WANT THIS COMMISSION MAKING ASSUMPTIONS ABOUT WHAT THE STATE BUDGET IS OR IS NOT AND WHAT THE REVENUES ARE AND WHAT IT MEANS AND I WANT TO MAKE SURE EVERYONE HAS INFORMED INFORMATION. SO WE COMMIT TO PROVIDING EVEN SOME SUMMARY INFORMATION ABOUT WHAT THAT STATE BUDGET LOOKS LIKE AND WHAT THOSE PROJECTIONS ARE AS YOU CONTINUE TO HAVE THAT. SO WE'LL ASK THE STAFF TO PROVIDE SOME OF THAT. >> I MEAN I APPRECIATE THAT. YOU'RE A CABINET LEVEL OFFICIAL. I THINK THAT DISCUSSIONS WITH THE GOVERNOR WOULD BE APPROPRIATE FOR YOU TO UNDERTAKE TO GIVE SOME GUIDANCE FOR AND YOU CAN ON BEHALF OF THE GOVERNOR ALSO. >> WE DO AND HAVE. >> I MEAN JUST TO EXPRESS HOW I SEE THIS. BUT YOU KNOW, I APPRECIATE THE FACT THAT AS A CABINET LEVEL OFFICIAL YOU HAVE ACCESS TO INFORMATION THAT WE DON'T HAVE. >> AND WE ARE IN THIS RANGE. I THINK THAT THERE'S ALSO JUST FINANCIAL REALITIES AROUND LIKE THIS NUMBER IS NOT GOING TO BE 10%. THAT COULD BE VERY MUCH A -- I WOULDN'T SAY CHALLENGE BUT IT'S A BIGGER WORD THAN THAT. >> I'M SORRY? >> THE EMPLOYER. >> OH, THE EMPLOYER. >> I MEAN REALISTICALLY. MY QUESTION GOES BACK AGAIN, VICKY EXPRESSED SHE FEELS THE STATE NEEDS TO PONY UP MORE OR ANTE UP MORE WHICH I FEEL ACROSS THE YEARS THE STATE HAS HAVING GONE AS FAR AS

SOMETIMES I THINK THE COMMISSION MAY HAVE WANTED BUT AS REVERSED THE IDEA OF NOT GIVING OR PUTTING IT ALL ON THE BACKS AND STARTING TO DO MORE OF THAT BUT I WOULD LIKE FOR US TO GET ENGAGED IN HERE. WHAT ARE PEOPLE FEELING AROUND. WHAT DO YOU WANT MODELED FOR WHAT THE EMPLOYEE CONTRIBUTION WOULD LOOK LIKE SO WE CAN SEE WHAT THE IMPACT IS. 4.6 TOO HIGH. WHAT WOULD YOU LIKE TO SEE? >> 3. >> 3 WHERE. ACROSS ALL THE EMPLOYEES. >> YES. >> AND WHAT ABOUT AS MY RETIREE REPRESENTATIVE WHAT ABOUT HERE? WHAT WOULD YOU LIKE TO -- AGAIN, WE'RE JUST MODELING. >> I WAS THINKING 3 ALL THE WAY DOWN. >> ALL THE WAY DOWN. BRING IT DOWN. BALANCE IT AND LET'S LOOK. WANT THIS TO BE A SMART SCREEN. NOW YOU KNOW YOU HAVE A SMART SCREEN. AS THE INSTRUCTOR YOU CAN TACK ON -- OKAY. SO THIS WAS BEFORE -- WHEN WE HAD 5.1 AND 4.6 AND THOSE COINSURANCES FOR PRESCRIPTIONS, THIS A MINUTE AGO WAS 12. 12 SOMETHING. I DIDN'T WRITE IT. BUT IT WAS 12. IN DOING WHAT WE JUST DID. THIS BRINGS US DOWN TO 10 IS. FOR INSTANCE. 10. SOMETHING IN THAT RANGE. >> GO BACK TO THE -- WHAT IS THAT? >> ASSUMPTION SUMMARY OR THE PLAN? ASSUMPTION. >> HERE'S 3 AND 4. WE'RE UP TO 4.9. >> DO YOU WANT TO PLAN IT OUT. MOVE THIS YEAR 4.5 FOR ME. CAN YOU. '23. >> LEAVE THE 3.0. >> LEAVE EVERYTHING IN '22. FORCE '23 TO BE 4.5 STRAIGHT DOWN. >> STARTING WITH THE EMPLOYER. >> STARTING WITH THE EMPLOYER. I'M FORCING THE MODEL BACK. >> NO, NO. THERE YOU GO. THANK YOU. >> WE SEE IT IN THERE. >> 4.1 NEGATIVE IN THE YEAR '24. >> IT'S NOT CORRECTING. >> YEAH, IT DID. IT WENT TO MINUS 4.1 ON THE CHART. >> ON THE LAST ONE. >> GOT IT. >> SO IT IS GRABBING IT HERE. IT'S NOT MAYBE CHANGING WHATEVER THAT LAST. >> WELL, YOU KNOW WHAT, GO BACK. BECAUSE SEE, BEFORE WE CHANGE THIS, WASN'T THIS 4.9? STICK 4.9 BACK IN THERE FOR ME. NOW WE'RE JUST PLAYING. BALANCE. GO THERE. >> \$60 MILLION IN TARGET. >> CORRECT BECAUSE THAT IS YOUR -- AGAIN THIS COLUMN IS SHOWING SURPLUS AND SHORTFALLS. BASED ON WHAT WE HAVE NOW, BASED ON THE PROJECTION AND

VARIOUS ASPECTS OF THE MODEL AND WE STILL HAVE -- WE'RE STILL -- THIS WOULD SHOW US HITTING JUST SHY OF OUR TARGET RESERVE. OR DOES IT FORCE US BACK TO THE TARGET? >> IT WAS JUST SHY OF THE TARGET RESERVE. >> WHICH MEANS TO FEEL COMFORTABLE WITH JUST MAKING SURE WE KNOW WHAT WE'RE LOOKING AT. SO WE ARE THIS MUCH SHORT OF WHAT THE MODEL SAYS OUR TARGET RESERVE SHOULD BE IN THAT. >> IT IS ONLY WITH THE -- DID WE HAVE ANY PLAN CHANGES OR DID WE TAKE ALL THEM OFF? >> JUST THE DRUGS. >> WHICH IS A -- >> IT IS. IT'S JUST THE DRUGS. IS THERE SOMETHING ELSE ANYBODY WOULD WANT TO PUT BACK IN. >> I WOULD LIKE TO SEE WHAT THE FOP OF THE DEDUCTIBLE DOES IT TO. I THINK THAT'S GOING TO MAKE QUITE A CHANGE IN THINGS. DO YOU WANT THE DRUGS REMOVED OR IN ADDITION TO? >> THEY'RE SO NEGOTIABLE IN THEIR IMPACT. >> I'M JUST ASKING. >> WE TALKED ABOUT THE DRUGS AFFECTING PEOPLE, I THINK WHAT AFFECTS PEOPLE ARE THE CO-PAYS AND DEDUCTIBLES. THAT AFFECTS MOST PEOPLE. >> BUT AGAIN, THE DEDUCTIBLES IS ONE PLAN, PLAN A. HOW MANY MEMBERS DO WE HAVE ON PLAN A? >> 50%. >> YOU'RE TALKING ABOUT 50%. >> THAT'S WHY I ALSO SAID CO-PAYS. THAT GENERALLY AFFECTS MOST EVERY PERSON THROUGH THE COURSE OF A YEAR OR SOME FASHION WHEREAS THE OUT OF POCKET WILL ONLY AFFECT ABOUT 5%. >> PLAN Q YOU HAVE THE OUT OF POCKET UNCHECKED. >> TAKE IT OFF FOR JUST A SECOND. >> GO UP TO A AND GRAB THE FIRST ONE. >> LET'S SEE WHAT THAT DOES. SO ALL THE WAY DOWN TO DEDUCTIBLE. >> WE HAVE THE INSURANCES IN THERE AND RIGHT NOW WE HAVE A 4.5 RIGHT HERE. LIKE ACROSS ALL 4.9. WHAT WE DID IS FROZE YEAR '23 TO 4.5 SO THE IMPACT IS SHOWN IN 2024. >> BUT WE FORCED THIS. THE MODEL IS NOT DOING THIS. >> I DON'T UNDERSTAND THAT MODELING. >> SOMETHING IS CHANGED IN WHAT WE HAVE DONE. >> THE LAST COLUMN IS NOT REACTING. >> IT'S DISREGARDING THE THIRD YEAR. >> THANK YOU. >> IT'S GOTTEN -- >> I WISH I HAD ASKED NATALIE ONE OF THE COMMENTS IN THE LETTER ON THE THIRD ITEM REDUCTION OR MAINTENANCE OF SEMI-MONTHLY

PREMIUMS. IT STATES PLAN MEMBERS THE STUDY INDICATES A MODEST INCREASE IN PREMIUMS WOULD BE ACCEPTED. I'M CURIOUS WHAT THE THINKING WAS BY THAT EAP IS 4.6% A MODEST OR 3% A MODEST. >> I DON'T KNOW THAT THEY COULD HAVE ANSWERED YOU AS MUCH AS -- >> I LISTENED TO THAT CALL. I LISTENED TO THAT MEETING AND JANET WAS ON THE MEETING AND COURTNEY WAS THERE ALSO ON THE LAST MEETING AND YOU KNOW, I MEAN, THEY DID NOT ADDRESS THAT BUT THEY DID TALK ABOUT THE LACK OF A STATE EMPLOYEE RAISE AS BEING A CONSIDERATION. BUT I THINK WHAT THEY MIGHT TAKE AWAY FROM IT AND PLEASE CORRECT ME IF I'M WRONG OR IF YOU HAVE A DIFFERENT TAKE AWAY. THEY DON'T WANT A 2% INCREASE THIS YEAR AND A 12% INCREASE NEXT YEAR. THEY DON'T WANT THEIR BUDGETS TO BE ALL OVER. >> RECOGNIZING THAT AN INCREASE MAY COME BUT WANTING IT SMOOTH. >> I KNOW FOR A YEAR THE COMMISSION ATTEMPTED TO DO THAT, NOT HAVE 17, 18 ASIDE DO THAT BY AND LARGE AND TURN THE PERCENTAGE INCREASES. >> SURE. >> I WANTED TO COMMENT. IT'S KIND OF COLD AND HEARTLESS BUT I STRUGGLE WITH THE IDEA THAT WE'RE GOING -- THAT WE MAY SERIOUSLY CONSIDER OFF-SETTING A DECISION MADE BY THE LEGISLATURE NOT TO AWARD SALARY INCREASES IN THE PLAN. A DECISION MADE BY THAT BODY AND IT'S NOT THAT I WANT TO DISREGARD IT, BUT WE'VE GOT A PLAN TO KEEP SOLVENT, MANAGE MOST EFFECTIVELY IN TERMS OF A GOOD PLAN, EFFICIENT, EFFECTIVE, AND I STRUGGLE WITH THAT THOUGHT BECAUSE OF ACTION OVER HERE THAT WE'RE GOING TO SEEK TO ARTIFICIALLY KEEP THE THINGS LOW. I'M NOT SAYING I'M GOING TO VOTE AGAINST THAT BUT I STRUGGLE WITH THAT THOUGHT. WHEN I SEE -- >> FROM A EMPLOYER STANDPOINT SOMEBODY TRYING TO HIRE PEOPLE, WHEN I SEE FAST FOOD RESTAURANTS ADVERTISING \$12 AN HOUR OUT IN THE COMMUNITY THAT I LIVE IN, AND I'M TRYING TO HIRE A STATE WORKER, I'M LOOKING FOR ANY ADVANTAGE I CAN FIND. >> I THINK THAT GOES IN LINE WITH WHAT I JUST SAID. WE'RE SEEKING TO HAVE THE -- A VALUED PLAN THAT'S A VALUE TO THE EMPLOYEES, THAT IS THE

HEALTH INSURANCE AS EFFICIENTLY AS WE CAN. ONE OF THE CHART THAT IS I LOOKED AT THE STATE IS PUTTING IN ON A SINGLE PLAN I THINK \$600 A MONTH AND CHANGE AND THE SINGLE EMPLOYEE PUTTING IN \$70. WHEN YOU'RE TALKING ABOUT A SINGLE PLUS ONE OR A SPOUSE OR FAMILY I THINK IT'S OVER \$800 A MONTH. SO THERE'S A LOT OF VALUE, A LOT OF VALUE THERE. I DON'T WANT TO BELABOR. I JUST WANTED TO EXPRESS FOR ME IT'S SOMETHING, I STRUGGLE WITH THAT IDEA OF SEEKING TO -- THE LEGISLATURE DIDN'T GRANT AN INCREASE IN SALARY SO WE'RE GOING TO MAKE IT A POINT TO KEEP THINGS LOW WHEN WE KNOW THERE'S GOING TO BE A -- WE'VE GOT TO KEEP THAT IN MIND. >> THE CHART HE'S REFERENCING IS 34, ON THE OTHER SIDE OF THE NEXT PAGE AFTER THE CHART WHERE IT SHOWS THE BREAKDOWN OF WHAT THE EMPLOYER PAYS AND WHAT THE EMPLOYEES PAY. I ASSUME THIS IS CURRENT YEAR. >> THIS IS CURRENT YEAR PLAN. OKAY. SO THEY RESET THIS AND YOU ALL I WANT TO BE MINDFUL OF TIME. IT IS TEN UNTIL 5:00. WE SAID 4:30. I WANT TO RUN THIS MODEL QUICK AND SAY TAKE JUST A FEW MINUTES TO HEAR IF THERE ARE OTHER THINGS THAT WE MAY WANT TO MODEL AND THEN THINKING ABOUT HOW WE CONTINUE TO PREP FOR THAT JUNE MEETING. THIS WAS 3. >> WHILE YOU'RE DOING THAT THE OTHER THING I WANTED TO MAKE IS THAT I THINK WE HAVE BUILT SOME EXPECTATION IN EMPLOYEES' MINDS OVER THE LAST TWO YEARS BY AT WORST MAINTAINING AND HAVING NO INCREASE -- I DON'T WANT TO SAY WORST, NO INCREASE AND AS MUCH AS A MINUS 6% DECREASE. WHAT I'M SAYING IS WE HAVE GOT TWO YEARS OF HISTORY WHERE THERE'S BEEN NO INCREASE AND DRAMATIC DECREASE IN SOME CASES. EVEN AT 3% IS GOING TO BE A HEALTHY BITE FOR THE FOLKS WHO LAST YEAR SAW 2% DECREASE OR 6% DECREASE. >> TO OUR EARLIER CONVERSATION THAT PARTICULAR EMPLOYEE HAD BEEN HERE TEN YEARS THEY FELT WAY OVER HERE AND BACKED DOWN AND SO IT'S A BIT OF BOTH. RIGHT? OKAY. SO WE CHECKED ON THE PROJECT PLAN. ALL THE CONSURANCE FOR THE PRESCRIPTIONS. AND THE ONLY OTHER THING THAT IS CHECKED ON THAT IS THE DEDUCTIBLE FOR PLAN

A. I HAD THEM PUT BACK IN THE -- >> UNDER THE PLAN CHANGE RIGHT? >> UNDER THE PLAN CHANGE AND I HAD HIM PUT BACK IN WHERE WE WERE WHICH IS 5.1 AND 3.0 WHICH IS WHAT WE STARTED TO PLAY WITH. NOW IT'S WORKING AGAIN. THIS IS HOW IT PUSHES IT OUT. IT PROJECTS OUT 5.2. CAN YOU CLICK ON PROJECTION SUMMARY ONCE AND I'M GOING TO ASK YOU TO DO ONE MORE THING FOR ME. PROJECTION SUMMARY. YEAH, NOW IT'S CORRECTING. THIS IS 12. WE'RE AT 9. THE TOOL IS FIXING ITSELF NOW. REMEMBER WE KEPT SEEING THE NEGATIVES BECAUSE IT'S NOT SUPPOSED TO DO THAT. IT'S SUPPOSED TO BRING US BACK TO ZERO. AGAIN, HOLDING THE CURRENT ASSUMPTIONS AND HOLDING THE CURRENT PERCENTAGES OF THE TARGET RESERVE UNDER ASSUMPTIONS IT WOULD BRING US THIS 12, 9. SO THAT'S HOW MUCH OF THAT WE USE. RIGHT. CAN YOU GO -- EVERYBODY SEE THAT BEFORE I GO BACK AND HAVE HIM CHANGE ONE MORE THING? >> YES. >> HOPEFULLY I DON'T BREAK IT AGAIN. CAN YOU GO BACK TO THE ASSUMPTION SUMMARY. NOW, SEE IF YOU CAN GO IN AND FORCE THIS TO 4.5 FOR ME. AND HOPEFULLY I WON'T BREAK IT THIS TIME. SEE, IT DID IT AGAIN. SOMETHING IN THE WAY THIS IS BUILT. >> IT DIDN'T LIKE THAT. >> IT DIDN'T LIKE THAT. I JUST NEED YOU GUYS TO KNOW SOMETHING IN THIS WAY THIS MODEL IS BUILT BECAUSE THIS COLUMN SHOULD NOT DEFAULT TO 4.5. IT SHOULD GO UP. THIS A MINUTE AGO WAS 5.2. THIS SHOULD BE -- >> 5.5. >> I WAS THINKING 5.6 FROM A MODEL STANDPOINT. AGAIN, SO THE PROJECTION SUMMARY MAY NOT WORK BUT CAN YOU SHOW US THAT. ONE MORE OVER. THERE WE GO. 9 HERE. THIS WAS 5 A MINUTE AGO IF YOU GUYS REMEMBER. THIS WAS 5 A MINUTE AGO BEFORE WE DID THAT 4.5. THAT WAS ZERO. BUT NOW IT'S NOT CORRECTING CORRECTLY. IT MIGHT LOOK DIFFERENT. DOES EVERYBODY SEE? GO BACK TO ASSUMPTION SUMMARY. >> CERTAINLY IF THERE'S ANOTHER DRAMATIC INCREASE IN 2024 WE'RE GOING TO BE NEGATIVE TO THE TARGET. >> POTENTIALLY UNDERSTANDING THERE'S SOME THINGS THAT COULD CHANGE IN THE PLAN WHICH LIKE MORE SURPLUS COMES IN, SOME OTHER VARIATIONS, OUR PROJECTED UTILIZATION. THERE'S SOME



OTHER FACTORS THAT COULD IMPACT IT AGAIN TO COMMISSIONER SCHMIDT'S POINT. THIS IS LOOKING AT A SURPLUS AND SHORTFALL NOT THE PLAN OVERALL BECAUSE YOU STILL HAVE A \$61 MILLION RESERVE. AS WE THINK ABOUT THIS AND BEING STRATEGICALLY ABOUT THIS, MAYBE WANTING TO LEAN MORE INTO THAT FOR A PERIOD OF TIME TO SMOOTH THIS BUT TRYING TO MAKE SURE WE ALL HAVE AN AWARENESS OF WHERE THAT RISK AVERSION IS ABOUT HOW MUCH WE LEAN IN OR HOW MUCH MORE WE BRING THAT RESERVE DOWN TO BE ABLE TO DO SOME THINGS ACROSS THE NEXT TWO OR THREE YEARS. YES COMMISSIONER. >> TWO QUESTIONS. ONE BEING NEW. I'M WONDERING HOW IS THE SURPLUS GENERATED? WHERE IS THAT MONEY COMING FROM? NUMBER TWO, DO WE HAVE A TARGET WE'RE LOOKING TO ACHIEVE FOR IDEALLY. >> THIS IS PART OF WHAT WE'LL AS THE -- AS THE TEAM AS PART OF YOUR ONBOARDING PACK SET IS TO WALK THROUGH THE WORK WE DID EARLIER THIS YEAR AROUND THE RESERVE. AND HOW THAT -- HOW THIS IS CALCULATED BASED ON THESE TWO AND WHAT THOSE PERCENTAGES ARE AND BASED ON THE TREND AND THEN IN TURN, THEY SHOULD BE ABLE TO SHOW YOU WITH OUR BALANCE SHEETS HOW THE RESERVE -- OR THE SURPLUS HAPPENS. THERE'S ALWAYS A PROJECTION. THIS ONE IS MUCH HIGHER THIS YEAR OF WHAT WE'RE SEEING IN THE SURPLUS, CAME OUT MUCH HIGHER AFTER 2020 BECAUSE WHAT THEY PROJECTED IN TERMS OF OUR CLAIMS. >> CLAIMS ACTIVITY WAS DOWN. >> IT WAS DOWN. [ TALKING OVER ONE ANOTHER ] >> BASED ON WHAT WE'RE COLLECTING. RIGHT. BUT THAT IS PART OF -- GREAT QUESTION. WE HAVE SPENT THE BETTER PART OF THE YEAR HAVING ONGOING CONVERSATIONS ABOUT SOME PIECES OF THAT UNDERSTANDING THAT AND UNDERSTANDING BECAUSE THERE'S A SET OF ASSUMPTIONS THAT'S DRIVING THAT. THAT'S NOT THE DEDUCTIBLE OR OUT OF POCKET. THOSE ARE THE THINGS WE USE THE IBNR AND THOSE CLAIMS AT A CERTAIN RATE THAT SETS OUR TARGET OR THINGS OF THAT NATURE. SO THE UTILIZATION OF THE PLAN AFFECTS THE SURPLUS. >> IT CAN AS WELL, YES. AS WELL AS A NUMBER OF OTHER FACTORS AND

THAT'S PART OF THAT PRESENTATION. IT ACTUALLY LAYS OUT WHAT ARE THE DIFFERENT THINGS THAT AFFECT THAT PLAN AND WHAT COMES INTO IT. THE CONTRACTS DO. AS WE GO INTO CONTRACTS WHAT WE GET BACK, WHAT WE'RE PAYING ALL OF THOSE TYPES OF THINGS. YES. COMMISSIONER SCHMIDT. >> TO YOUR ORIGINAL QUESTION OF WHERE DOES THAT MONEY COME FROM, IT COME FROM THE EMPLOYEES PAYING INTO THE PLAN AND THE STATE PAYING INTO THE PLANS. IT COMES OUT OF THOSE NUMBERS THAT WE WERE MESSING WITH WITH THE 3% NUMBER BEFORE. >> GOT YOU. >> YOU KNOW, THAT EMPLOYER FUND IS THE STATE GENERAL FUND MONEY THAT COMES IN. >> THEN FOR INSTANCE WHEN WE WERE TALKING ABOUT EARLIER ABOUT THE 35,000 THAT WOULD COME INTO THE PLAN, THAT'S ANOTHER REBATES THAT ARE REFUNDS PART OF A CONTRACT OR SOMETHING THAT COULD ALSO BE A FACTOR INTO IT. COMMISSIONERS, THANK YOU FOR YOUR PATIENCE. I KNOW THIS IS PUSHING IN RULING BUT FOR THOSE THAT WERE HERE FOR THE LAST COUPLE OF YEARS I THINK THIS IS BETTER THAN WHERE WE WERE BECAUSE WE'RE HAPPY TO COVER THIS BEFORE JUNE AND UNDERSTAND HOW SOME OF THIS COMES TOGETHER. WHAT I AM GOING TO ASK, YOU GUYS HAVE SEEN THIS AND SEEN HOW IT WORKS, RIGHT, THE ONE THING IS IS THAT THERE'S A WHOLE BUNCH OF PIECES BEHIND IT BUT SOMETIMES I LIKE TO GO IN AND PLAY WITH IT MYSELF. I THINK WE HAVE -- DO WE HAVE THIS FILE? DO WE HAVE THIS FILE? WAS IT ONE OF THE FILES THAT WAS SENT -- NOT AS A PDF BUT AS AN ACTUAL EXCEL? >> WE CAN GIVE IT TO YOU. YOU WANT TO SAVE IT TO YOUR OWN DRIVE AND THEN, YOU KNOW. >> IT'S VERY COMPLICATED. IF IT DOESN'T WORK EXACTLY RIGHT THEN -- >> IT DOES A WONKY THING. >> A NARRATIVE TO BRING TO THE MEETING. >> HERE'S THE THING THOUGH, REMEMBER, IF YOU REMEMBER WITH OUR CONVERSATIONS EARLIER THIS YEAR, THEY MODEL -- PRE-MODELED A FEW THINGS FOR US. WHAT WAS ON THAT PLAN CHANGE SUMMARY WAS BASED ON OUR DATA AND BASED ON LOOKING AT MARKET AND BASED ON RESPONSES. THOSE AREN'T NECESSARILY FIXED. SO IF THERE ARE OTHER

THANKS WE NEED TO THINK ABOUT MODELING FOR AT A DIFFERENT LEVEL, THAT STILL CAN BE DONE AND INCORPORATED AND PREPARED AND IN LAST YEAR IN JUNE WE DID SOME LIVE MODELING. IT TAKES A LITTLE BIT OF TIME TO DO LIVE. IF THERE ARE ANY ERRORS WE CAN COME UP WITH AHEAD OF TIME WHERE WE COULD PRE-SET SO WE COULD SEE IT AHEAD OF TIME. IF THERE IS ANYTHING THAT YOU ALL FEEL THAT WE CAN PROVIDE BETWEEN NOW AND THE MEETING IN JUNE TO HELP YOU CONTINUE TO THINK THROUGH AND PREPARE AROUND THIS LET US KNOW. YOU MAY NOT KNOW TODAY, YOU MIGHT KNOW TODAY. LET US KNOW SO THAT WE CAN DO THAT. THERE'S A COUPLE PIECES OF INFORMATION WE TALKED ABOUT THAT WILL KICK OUT ON THE IN BETWEEN BUT I WANT TO MAKE SURE THERE'S OTHER THINGS WE CAN BE DOING MODELING OR PREPARING. MAKE SENSE? >> THIS WAS A GOOD FIRST MEETING BECAUSE IT WAS A TOUGH ONE. >> IT IS. THERE IS JUST SIMPLY -- THERE WAS ONE AGENDA ITEM THAT WAS ABOUT THE WELLNESS REVIEW PROGRAM DATE. THERE WASN'T TALK THERE. THIS IS MORE SO OF A HEADS-UP AND MENTION AGAIN IN JUNE. THIS IS ONE OF THE CONTRACTS DUE IN '22 AND WE PROBABLY ARE GOING TO HAVE TO HAVE SOME CONVERSATIONS THIS YEAR ABOUT IT. SO I WAS PUTTING IT ON YOU GUYS' RADAR AS PROBABLY A MORE IN-DEPTH CONVERSATION WE NEED TO HAVE IN PREPARATION OF UNDERSTANDING HOW WE WANT TO THINK ABOUT THE RP IN '22. HOW WE WANT TO ENHANCE IT, THINK MORE THROUGH IT. IT'S MORE SO ONE OF THOSE THIS IS THE WELLNESS PROGRAM THAT OUR CURRENT VENDOR IS. >> IS THIS HELP QUEST. >> THE HOME QUEST PROGRAM. >> I JUST WANT TO MAKE SURE. >> YES. AND THEN BY NOVEMBER AND THAT'S WHY HAVING A DISCUSSION AHEAD IS THE REQUEST. >> IS IT PUTTING ON EVERYONE'S RADAR WE ARE GOING TO NEED TO HAVE A DISCUSSION TO BE PREPARED TO THINK ABOUT IT, PREPARE THE RFP EVEN THOUGH IT IS A '22 CONTRACT. TRYING TO BACK SOME OF THIS UP SO WE'RE NOT RUNNING UP ON IT. WITH THAT, IF THERE ARE NO OTHER ISSUES, WE WILL MEET AGAIN IN JUNE. IF WE NEED TO DO SOME THINGS IN BETWEEN PLEASE LET US

KNOW. BUT OTHERWISE THANK YOU COMMISSIONERS FOR THE  
AFTERNOON AND I LOOK FORWARD TO CONTINUING THIS  
CONVERSATION. >> THANK YOU AND THANKS PETE AND TEAM.  
>> THANK YOU.