**M E M O R A N D U M**

**TO:** Health Care Commission

DeAngela Burns-Wallace Ed.D

Steve Dechant

Ximena Garcia, M.D.

Vicki Schmidt

Heather Young

**FROM:** Natalie Yoza, President of the Employee Advisory Committee

**DATE:** February 5, 2020

**Subject:** **Proposed Amendments to the Employee Advisory Committee Bylaws**

The Health Care Commission established the State Employee Health Plan Employee Advisory Committee (EAC) to advise the Commission on matters relating to health care benefits of state officers and employees and to assist the Commission in the development of policy related to those benefits. At its January 10, 2020, meeting, the EAC voted to recommend that the Commission amend the EAC’s Bylaws. The following summary addresses the substantive amendments to the Bylaws.

**I. Amendments to Article II – OBJECTIVES**: The EAC recommends adding a purpose statement, that the EAC will advise the Health Care Commission (Commission) on “matters relating to health care benefits of state officers and employees and assist the Commission in the development of policy with respect to such benefits,” which mirrors the language in the authorizing statute, K.S.A. 75-6510(b).

Second, the EAC recommends adding a requirement that EAC members be provided a copy of the Commission’s agenda and meeting materials in advance of the Commission meetings to the extent permitted by law. This provision is designed to better inform EAC members of the issues pending before the Commission.

**II. Amendments to Article III – MEMBERSHIP**: The EAC recommends amending Article III to limit the classes of persons eligible for participation on the EAC, establish term limits for non-direct bill members, place greater emphasis on representation by each branch of government, and add a conflict of interest provision.

**Membership Eligibility**: Section 1(A) of the EAC Bylaws addresses the number of EAC members. The draft amendments maintain the current distribution with 18 members actively employed by the State and three members that are covered through the direct billing system. The recommended change is to require that the 18 actively employed members be primary participants in the health care benefits program as defined by K.A.R. 108-1-1(b)(2).

K.A.R. 108-1-1(b)(2) defines primary participants in the health care benefits program as any “officer or employee of a state agency who meets both of the following conditions: (A) Is working in one or more positions that together require at least 1,000 hours of work per year; and (B) is not a variable-hour employee.” This change would exclude elected officials from serving on the EAC.

**Term Limits**: Under Article III, Section 1(C), each EAC member serves a three-year term, but there are currently no term limits. The EAC recommends establishing a three-term limit for all actively employed committee members effective for all appointments beginning after January 1, 2020. The EAC does not recommend imposing term limits on members covered through the direct billing system because of concerns that recruitment and retention would be more challenging for those members.

**Membership Diversity**: The Commission is charged with appointing the EAC’s members. Under the current Bylaws, the Commission strives to diversify EAC membership in terms of “level of earnings, age, gender, geographic location, type of health plan and State agencies.” The EAC recommends deleting the level of earnings factor because the health plan no longer has tiers that base a participant’s premium on their salary.

The EAC also recommends that the Commission strive to appoint at least three members from the Executive Branch, three members from the Board of Regents and six State universities, one member from the Legislative Branch, and one member from the Judicial Branch. Representation from each branch is not mandatory. If the Commission is unable to fill these positions after reasonable attempts to recruit, the Commission may appoint members from any State agency. But the EAC’s hope is that this amendment will create an opportunity to recruit members from each branch.

The number of slots allotted for each entity is based on the percentage of employees by employer as demonstrated on the following chart.

|  |  |
| --- | --- |
| **Branch** | **Enrolled in Medical** |
| Executive | 15,008 |
| Judicial | 1,562 |
| Legislative | 226 |
| Board of Regents, ESU, FHSU, KSU, PSU, KU, KUMC, WSU | 16,229 |
| **Total** | **33,095** |

**Conflict of Interest:** The EAC also recommends adding a conflict of interest position that precludes membership on the EAC if the EAC applicant/member directly reports to a member of the Commission. For the Commission member that is a state employee in the classified service, this provision would also preclude EAC membership for anyone that directly supervises the Commission member.

**III. Amendments to Article IV – OFFICERS:** To better inform EAC members of Commission action, the EAC recommends requiring that the EAC President or designee notify EAC members of action taken by the Commission after each Commission meeting. The draft amendments also impose term limits on EAC officers, so that no individual may serve for more than 3 years in the same position.

**IV. Amendments to Article V – MEETINGS**: Consistent with recent practice, the EAC recommends reducing the number of mandatory EAC meetings from three to two.

**RECOMMENDATION:** The EAC recommends that the Commission adopt the Bylaws amendments.