

STATE OF KANSAS - STATE EMPLOYEES HEALTH CARE COMMISSION

MEETING MINUTES

May 17, 2022 - 9:00 AM

KPERS Board Room, 611 S. Kansas Ave., Topeka, KS

The Kansas - State Employees Health Care Commission (HCC) meeting was called to order on Tuesday, May 17, 2022, at 9:07 am. The meeting was conducted in person at the KPERS Board Room, in Topeka, KS with a virtual video broadcast available to the public using GoTo Webinar following publication to the State of Kansas's Public Square web portal and SEHP website.

The following members were present:

- Chair DeAngela Burns-Wallace
- Commissioner Steve Dechant
- Commissioner Vicki Schmidt
- Commissioner Brenda Landwehr
- Commissioner Carolyn McGinn (virtual)
- Commissioner Anthony Hensley (virtual)
- Commissioner Rebekah Gaston (virtual)

The following staff members were present:

- Jennifer Flory, SEHP, Interim SEHP Director
- Mike Michael, SEHP Deputy Director
- Pete Nagurny, SEHP Sr. Manager, Data & Finance
- John Yearly, Department of Administration Chief Counsel
- Paul Roberts, SEHP Sr. Manager, Health Plan Operations
- Patrick Klein, Segal Consulting
- Eileen Pincay, Segal Consulting
- Scott McEachern, Segal Consulting

The following attended virtually:

- Dr. Courtney Marsh, EAP President
- Courtney Fitzgerald, SEHP Marketing Manager
- Ken Vieira, Segal Consulting

Topic	Discussion	Action	Follow-up
Welcome and Introductions	<p>Chair Burns-Wallace called the meeting to order at 9:07 am. She welcomed the commissioners and those listening in. She reminded all commissioners to please identify themselves when speaking for those listening on the phone.</p> <p>She gave a short summary of how the flow of the meeting will go.</p>		
1. Approval of Minutes April 14, 2022 [Action Item]	<p>Chair Burns-Wallace opened the floor for any comments or edits. No edits were suggested.</p>	<p><i>Commissioner Dechant made a motion to approve the minutes for 4/14/22.</i></p> <p><i>1st – Commissioner Dechant</i> <i>2nd – Commissioner Schmidt</i></p> <p><i>All in favor, none against, the motion passed to approve the minutes as presented.</i></p>	
2. EAP Contract Recommendation [Action Item]	<p>Jennifer Flory presented information regarding the RFP for the state’s Employee Assistance Program. See meeting materials.</p> <p>Staff noted that utilization figures were located in Appendix G.</p>	<p><i>Commissioner Dechant made a motion to approve a three-year contract for ComPsych to administer the State’s Employee Assistance Program.</i></p> <p><i>1st – Commissioner Dechant</i> <i>2nd – Commissioner McGinn</i></p> <p><i>All in favor, none against, the motion passed to approve the minutes as presented.</i></p>	<p>Commissioner Schmidt asked that a quarterly report be provided to the commission.</p> <p>Commissioner McGinn would like to see a breakout of how many counseling appointments are virtual vs. in-person.</p> <p>Commissioner Landwehr asked if the EAP is contracted with state mental health facilities.</p>

Topic	Discussion	Action	Follow-up
<p>3. Pharmacy Benefit Manager Contract Recommendation [Action Item]</p>	<p>Jennifer Flory introduced Eileen Pincay and Scott McEachern from Segal Consulting to present information regarding the RFP and bids submitted for the state's Pharmacy Benefit Manager program. See meeting materials.</p> <p>A discussion was had regarding the mid-contract market check. Staff explained this happens in year 2 of the contract. Previous pricing changes have been implemented in September of year two of the contract. Both Caremark and BCBS noted in their bids that they would implement pricing changes within 90 days of the completion of the market check. OptumRx noted that they would implement any pricing adjustment in January of year three of the contract.</p> <p>A discussion was had regarding an Open vs Exclusive PBM agreement for Specialty drugs. BCBS and Caremark noted that their admin fees would not increase should the state switch to an Open specialty agreement. Optum noted their admin fees would be 2.5 times higher. Segal staff noted that the delta between the current agreement and Optum would be \$5 million over the life of the contract.</p> <p>There was a discussion regarding the potential formulary and network disruption. Compared to today's formulary, BCBS has the potential for the largest impact with Optum having a lesser impact. There would be no change for Caremark as the formulary is currently in place. It was noted that all providers adjust formularies throughout the year, often quarterly.</p>	<p><i>There was no vote. The item will be carried over to the June meeting.</i></p>	<p>Commissioner Schmidt requested information on how the new PBM law that goes into effect July 1 would impact the administration of the state's PBM contract.</p> <p>Commissioner Schmidt would like to see the difference in claims costs with an open specialty agreement between vendors, not just the difference in admin fees.</p> <p>Commissioner Schmidt would like to see information regarding any members impacted positively by a potential network change.</p> <p>Commissioner Schmidt would like to see the number of members per month charged to use the Drug Savings Review noted on page 31.</p> <p>Commissioner Schmidt would like to see the number of appeals and external reviews that have taken place under the current contract.</p> <p>Commissioner Schmidt would like to see how the state has used any allowances in our current PBM contract (slide #38). She would also like to know what ideas are for the BCBS Innovation fund and who/how that would be administered.</p> <p>Commissioner Schmidt asked that the commission receive a cost comparison with the optional services and allowances included.</p>
<p><i>The commission took a break at 11:00 to return at 11:08 am.</i></p>			

Topic	Discussion	Action	Follow-up
<p>4. Flexible Spending Account Contract Recommendation [Action Item]</p>	<p>Jennifer Flory presented on the RFP for the FSA program. See meeting materials.</p>	<p><i>Commissioner Schmidt made a motion to approve a three-year contract for ASI Flex to administer the State's Flexible Spending Account Program.</i></p> <p><i>1st – Commissioner Schmidt</i> <i>2nd – Commissioner Dechant</i></p> <p><i>Commissioner Gaston made a substitute motion to award a three-year contract to NueSynergy to avoid disruption to members.</i></p> <p><i>1st – Commissioner Gaston</i> <i>2nd – Commissioner Dechant</i></p> <p><i>Landwehr – No</i> <i>Gaston – Yes</i> <i>Dechant – Yes</i> <i>McGinn – Abstain</i> <i>Hensley – Yes</i> <i>Schmidt – No</i> <i>Burns-Wallace - Yes</i></p> <p><i>Four in favor, two against, the motion passed to award a three-year contract for Flexible Spending Account services to NueSynergy.</i></p>	

Topic	Discussion	Action	Follow-up
<p>5. Long Term Care Insurance Contract Recommendation [Action Item]</p>	<p>Jennifer Flory presented information regarding the RFP for Long Term Care Insurance. See meeting materials.</p> <p>There was a discussion regarding the possibility of repealing the statute that requires the SEHP to offer Long Term Care Insurance to members. Commissioner Schmidt noted that the industry has changed since this statute was implemented. She also said that members do not get any discount by purchasing through the SEHP and the same policies are available on the open market.</p>	<p><i>Commissioner Schmidt made a motion to approve a one-year contract for LifeSecure to administer the State’s Long Term Care Insurance Program and for staff to pursue the repeal of KSA 75-6522.</i></p> <p><i>1st – Commissioner Schmidt</i> <i>2nd – Commissioner Landwehr</i></p> <p><i>All in favor, none against, the motion passed to approve a one-year contract for LifeSecure to administer a Long Term Care Insurance Program for SEHP members and for staff to pursue the repeal of KSA 75-6522.</i></p>	<p>The commission asked that staff present a draft of the repeal of the KSA by October 1, 2022.</p>
<p>6. BCBS Senior Plan Medicare Rates for 2023</p>	<p>Jennifer Flory presented the 2023 rates for the BCBS Medicare Supplement Program. See meeting materials.</p>	<p><i>Commissioner Dechant made a motion to approve the presented rates for the 2023 plan year for the state.</i></p> <p><i>1st – Commissioner Dechant</i> <i>2nd – Commissioner Schmidt</i></p> <p><i>All in favor, none against, the motion passed to approve the 2023 rates for BCBS Medicare Supplement plans.</i></p>	

Topic	Discussion	Action	Follow-up
7. Financial Report	Patrick Klein from Segal Consulting presented the financial report. See meeting materials.		<p>Commissioner Schmidt would like to know where the funds that go into the administrative fund come from.</p> <p>Chair Burns-Wallace asked that staff update the deep dive deck that was used to unpack how the plan design process works.</p> <p>The Commission asked that future modeling include the \$10 million in reserve contribution allocated by the Governor's GBA. The Commission also requested that the modeling have an option to include the various options for future PBM contract savings.</p>
<i>The commission took a 5-minute break at 12:38 pm.</i>			
8. Director Report	Jennifer Flory presented a brief report. See meeting materials.		
9. EAC Report	<p>Dr. Marsh joined the meeting virtually; however, she had to leave before this agenda item came before the commission.</p> <p>See meeting materials for memo.</p>		

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10. Follow-Up Items	<p>Chair Burns-Wallace opened the floor for commissioners to ask any questions regarding the follow-up materials.</p>		<p>Chair Burns-Wallace asked that staff prepare additional background information regarding the wellness program, including a trend of members who earn the discount, claims costs for participants vs non-participants, and claims costs for members that earn a discount vs members that don't earn a discount.</p> <p>Commissioner Schmidt would like to know how many dependents ages 18-26 are covered by the plan, and which individual plans (A, C, J, N)?</p> <p>Commissioner Schmidt asked for staff to follow up with agencies listed in the Premium Recon Audit (page 133).</p> <p>Commissioner Schmidt asked for a 2021 top claims report.</p>
11. Case Update	<p>John Yeary noted that a settlement agreement has been signed. Counsel continues to work through the indemnification amount.</p> <p>Commissioner Dechant requested that John bring back information before agreeing to an indemnification agreement.</p>		
<p><i>The meeting was adjourned at 1:06 pm</i></p>			