



State and School Employees Health Insurance Management Board

Public Meeting Notice

The next meeting of the State and School Employees Health Insurance Management Board will be held at 9:00 a.m. on Wednesday, October 26, 2022. The meeting will be held in Room 117 in the Woolfolk Building in Jackson, Mississippi. As deemed necessary, board members may participate in this meeting virtually.

For further information, contact the Office of Insurance, Department of Finance and Administration at 601-359-5006.

State and School Employees Health Insurance Management Board

October 26, 2022

1. Minutes of September 28, 2022 Standing Monthly Board Meeting – Ms. Liz Welch, Chairman
2. HIPAA Exemption Election – Ms. Cindy Bradshaw, State Insurance Administrator, Office of Insurance
3. Life Insurance Premium Analysis – Ms. Cindy Bradshaw, State Insurance Administrator, Office of Insurance
4. Financial Statements – Ms. Angela Inman, Deputy Director, Office of Insurance
5. General Schedule – Mr. Chris Shaman, Deputy Director, Office of Insurance
6. Old Business
7. New Business

Next Meeting: November 16, 2022

Agenda Item 1

Minutes of September 28, 2022 Standing Monthly Board Meeting Ms. Liz Welch

Description

The minutes of the standing monthly Board meeting held on September 28, 2022.

Action Requested

Approval of the minutes

State and School Employees Health Insurance Management Board

Standing Monthly Meeting September 28, 2022

Minutes

The standing monthly meeting of the State and School Employees Health Insurance Management Board convened Wednesday, September 28, 2022, at 9:02 a.m., in Room 117 of the Woolfolk Building located at 501 North West Street in Jackson, Mississippi. The meeting was held in person with some Board members and vendors joining the meeting virtually using Microsoft Teams®. The presiding officer was Ms. Liz Welch, Chairman of the Board. A quorum was present.

Voting Members Present

Ms. Liz Welch, Chairman
Mr. Chris Burkhalter, Vice-Chairman *(Via Teams)*
Dr. Kim Benton *(Represented by Dr. Felicia Gavin)*
Mr. Mike Chaney *(Represented by Mr. Bob Williams)*
Mr. Mark Formby
Mr. Kelly Hardwick
Mr. Ray Higgins
Dr. Alfred Rankins
Mr. Kell Smith *(Via Teams)*

Non-Voting Members Present

The Honorable Walter Michel – Chairman,
Senate Insurance Committee

Voting Members Absent

Mr. Larry Fortenberry

Non-Voting Members Absent

The Honorable Henry Zuber - Chairman,
House Insurance Committee
The Honorable John Read - Chairman,
House Appropriations Committee
The Honorable Briggs Hopson – Chairman,
Senate Appropriations Committee

Department of Finance and Administration Staff Present:

Ms. Cindy Bradshaw
Mr. Chris Shaman
Ms. Angela Inman
Ms. Amanda Murphy

Ms. Carlotta Edwards *(Via Teams)*
Ms. Krista Robinson *(Via Teams)*
Ms. Stacie Sheriff *(Via Teams)*
Ms. Christina Young *(Via Teams)*

Attorney General's Office Staff Present:

Ms. Liz Bolin, Esquire

Call to Order

The meeting was chaired and called to order by Ms. Liz Welch, Chairman of the Board.

Agenda Item 1: Minutes of the August 24, 2022 Standing Monthly Board Meeting

Chairman Welch announced that the minutes of the Board's August 24, 2022 standing monthly meeting had been provided to all Board members for their review in advance of today's meeting. A motion was made by Mr. Mark Formby to approve the minutes as presented. Mr. Bob Williams (designee for member Chaney) seconded the motion. The motion passed by a 8 – 0 vote, with members Burkhalter, Formby, Gavin (designee for member Benton), Hardwick, Higgins, Rankins, Smith, and Williams voting affirmatively.

Agenda Item 2: Fiscal Year 2022 Actuarial Report

Chairman Welch recognized Mr. Wm. Lynn Townsend, FSA, MAAA, Consulting Actuary for the Board, who presented the key points from the Fiscal Year 2022 Actuarial Report. Copies of the *FY22 Actuarial Report Highlights* and *Actuarial Report Fiscal Year 2022* were provided to Board members prior to the meeting. No action was required or taken by the Board on this item.

Agenda Item 3: Benefit Changes for 2023

Chairman Welch recognized Ms. Cindy Bradshaw, State Insurance Administrator with the Office of Insurance, who presented the proposed benefit changes for 2023. Ms. Bradshaw explained the proposed benefit changes and the projected savings or additional costs to the Plan associated with each one. A handout entitled *Evaluation of Potential Benefit Changes for Calendar Year 2023* had been provided to all Board members for their review in advance of today's meeting. Ms. Bradshaw reported to the Board that the proposed 2023 benefit changes had been presented to the State and School Employees Health Insurance Advisory Council at their September 22, 2022 meeting.

Ms. Bradshaw presented the following staff recommendations:

1) Modify Prescription Drug Coverage

Staff does not have a recommendation

2) Modify Medical Deductibles, Coinsurance and Out-of-Pocket Maximums

a. **Modify Medical Deductibles:** Staff does not recommend changes.

b. **Modify Coinsurance Maximums – Select and Base Coverage:** Staff does not recommend changes.

c. **Modify Out-of-Pocket Limits:** Staff does not recommend changes.

3)

Add Dental Services for Participants with Congenital Defects

N/A

The Advisory Council recommended Scenario 1 with an increase of the medical deductible by \$300 for the Select Coverage in anticipation of the availability of a deductible reduction beginning in 2023 tied to completion of certain activities under the Plan's Wellness Incentive Program and to entertain increasing the premium rate that is paid by employees.

A motion was made by Mr. Kelly Hardwick to increase the Select Coverage deductible by \$300, to be offset by the completion of the Wellness Incentive. Mr. Ray Higgins seconded the motion. The motion passed by a 8 – 0 vote, with members Burkhalter, Formby, Gavin, Hardwick, Higgins, Rankins, Smith, and Williams voting affirmatively.

Agenda Item 4: Financial Statements

Chairman Welch recognized Ms. Angela Inman, Deputy Director with the Office of Insurance, who briefly reviewed the financial statements for the State and School Employees' Life and Health Insurance Plan for the month of August 2022. Copies of the financial statements were provided to Board members for their review prior to the meeting. No action was required or taken by the Board on this item.

Agenda Item 5: Old Business

There was no old business for the Board to consider.

Agenda Item 6: New Business

There was no new business for the Board to consider.

Adjournment

Chairman Welch announced that the next meeting of the State and School Employees Health Insurance Management Board is scheduled for 9:00 a.m., October 26, 2022, and that details regarding meeting format and access would be forthcoming.

As there was no further business, the meeting was adjourned at 10:05 a.m.

Liz Welch
Chairman
State and School Employees Health Insurance Management Board

Agenda Item 2

HIPAA Exemption Election

Ms. Cindy Bradshaw

Description

The Health Insurance Portability and Accountability Act (HIPAA) allows self-funded non-federal governmental plans such as the State and School Employees' Health Insurance Plan (Plan) to elect exemption from the following provisions under the Act:

- (1) Standards relating to benefits for mothers and newborns;
- (2) Parity in the application of certain limits to mental health benefits; and
- (3) Required coverage for reconstructive surgery following mastectomies

The Board has elected for the past twenty-four years to exempt the Plan from regulation under these provisions, although the Board has elected to generally comply with the intent of the HIPAA requirements voluntarily.

This exemption does not apply to HIPAA requirements related to certification and disclosure of an individual's creditable coverage, electronic transactions, nor privacy or security provisions. This exemption must be elected annually and notice provided to the appropriate federal agency and to Plan participants. Staff recommends continuing this exemption for 2023.

Action Requested

Approval of exemption request

Agenda Item 3

Life Insurance Premium Analysis

Ms. Cindy Bradshaw

Description

Premium rates for active employees were last adjusted in October 2013 to be effective January 1, 2014. The Board's life insurance policy with Minnesota Life will renew on January 1, 2023. Staff recommends the Board considers increasing the premium from \$.18 per \$1,000 of coverage to \$.20 per \$1,000 with employers and employees each being responsible for half of the premium.

Action Requested

Approval of increased life insurance premium rates

Agenda Item 4

Financial Statements

Ms. Angela Inman

Description

The September 2022 financial statements for the State and School Employees' Life and Health Insurance Plan are included in this section.

Action Requested

None

STATE AND SCHOOL EMPLOYEES' LIFE AND HEALTH INSURANCE PLAN
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND BALANCE
September 30, 2022

	<u>CURRENT YEAR</u>			<u>LAST YEAR</u>		
	<u>MONTH ENDING</u> <u>September 30, 2022</u>	<u>FY2023</u> <u>YEAR TO DATE</u>	<u>CY 2022</u> <u>YEAR TO DATE</u>	<u>MONTH ENDING</u> <u>September 30, 2021</u>	<u>FY2022</u> <u>YEAR TO DATE</u>	<u>CY 2021</u> <u>YEAR TO DATE</u>
RECEIPTS:						
PREMIUMS RECEIVED:						
HEALTH INSURANCE	\$69,379,182.44	\$200,601,170.66	\$600,526,029.36	\$67,830,077.49	\$192,969,810.17	\$567,792,849.32
LIFE INSURANCE	1,659,414.74	4,745,897.60	14,018,718.51	1,612,399.26	4,647,266.88	13,665,315.62
REFUNDS OF CLAIM OVERPAYMENTS	5,884.28	37,654.13	171,136.21	19,194.62	40,648.05	279,555.98
SUBROGATION RECEIPTS	153,441.98	272,871.44	1,231,192.46	102,503.93	193,745.50	689,590.26
LATE FEES RECEIVED	64.15	326.41	20,894.65	2,481.34	5,155.84	5,597.29
INTEREST RECEIVED	117,761.76	234,711.13	531,867.78	90,885.54	215,618.64	714,042.79
PHARMACY REBATE	0.00	37,802,686.52	104,313,816.92	28,751,773.00	28,865,333.80	92,432,095.85
TOTAL RECEIPTS	\$71,315,749.35	\$243,695,317.89	\$720,813,655.89	\$98,409,315.18	\$226,937,578.88	\$675,579,047.11
DISBURSEMENTS:						
NON-ADMINISTRATIVE:						
CLAIMS PAID-MEDICAL	51,761,113.22	154,738,645.44	447,978,999.78	52,244,334.22	156,697,405.29	449,782,153.94
CLAIMS PAID - PHARMACY	36,453,702.19	67,930,345.06	251,939,351.16	48,064,405.80	74,478,813.44	230,468,019.72
CLAIMS PAID - LIFE	1,373,608.00	2,829,143.00	12,750,480.81	1,827,586.96	3,400,747.98	15,928,598.91
PREMIUM REFUNDS	63,747.00	170,858.40	577,732.08	22,215.70	127,210.80	388,132.47
SUBTOTAL NON-ADMINISTRATIVE	\$89,652,170.41	\$225,668,991.90	\$713,246,563.83	\$102,158,542.68	\$234,704,177.51	\$696,566,905.04
ADMINISTRATIVE AND COST CONTAINMENT FEES:						
ADMINISTRATIVE EXPENSE - STATE	88,170.34	288,118.97	910,081.19	95,022.80	278,308.64	924,990.63
BKD - AUDITOR	0.00	0.00	6,000.00	14,500.00	14,500.00	27,500.00
CTI - MEDICAL CLAIMS/PERFORMANCE AUDIT	0.00	0.00	26,339.00	0.00	0.00	26,483.00
PILLAR- PHARMACY CLAIMS/PERFORMANCE AUDIT	8,885.94	8,885.94	75,260.49	0.00	0.00	91,250.00
CAVANAUGH MACDONALD - ACTUARY	0.00	0.00	15,000.00	0.00	0.00	9,898.00
LYNN TOWNSEND - ACTUARY	62,336.00	62,336.00	172,288.00	36,540.75	60,195.75	144,046.50
SEGAL - CONSULTANT	4,320.00	4,320.00	48,807.50	0.00	0.00	61,148.75
BLUE CROSS BLUE SHIELD OF MISSISSIPPI - TPA	1,550,154.00	3,080,758.00	13,923,061.50	1,570,313.50	3,148,841.50	14,150,457.00
PRIME - PHARMACY NETWORK	0.00	0.00	0.00	0.00	0.00	584,212.98
CVS CAREMARK-PHARMACY NETWORK	0.00	255,322.00	2,195,012.06	340,183.75	585,615.69	2,070,974.59
MINNESOTA LIFE - LIFE INSUROR	79,925.84	160,022.38	732,082.59	79,076.15	155,719.75	709,593.83
ACTIVEHEALTH - WELLNESS PROMOTION	238,905.45	470,222.70	2,515,232.69	270,610.65	522,410.31	4,286,983.03
KEPRO-UTILIZATION MANAGEMENT	190,841.19	379,613.34	1,694,102.11	0.00	187,680.56	187,680.56
HDMS - DECISION SUPPORT	0.00	20,153.17	161,225.36	20,153.17	40,306.34	181,378.53
AMERICANWELL -TELEMEDICINE	0.00	0.00	0.00	0.00	0.00	72,000.00
TRUSTMARK - BANK SERVICES	2,201.04	4,229.98	19,034.70	1,985.38	4,004.46	18,191.43
SUBTOTAL ADMINISTRATIVE	\$2,225,739.80	\$4,733,982.48	\$22,493,527.19	\$2,428,386.15	\$4,997,583.00	\$23,546,788.83
TOTAL DISBURSEMENTS	\$91,877,910.21	\$230,402,974.38	\$735,740,091.02	\$104,586,928.83	\$239,701,760.51	\$720,113,693.87
NET INCREASE (DECREASE) FOR PERIOD	(\$20,562,160.86)	\$13,292,343.51	(\$14,926,435.13)	(\$6,177,613.65)	(\$12,764,181.63)	(\$44,534,646.76)

STATE AND SCHOOL EMPLOYEES' LIFE AND HEALTH INSURANCE PLAN
STATEMENT OF ESTIMATED UNOBLIGATED CASH
September 30, 2022

CASH AND CASH EQUIVALENTS:

TREASURY FUND 3153
CLAIMS BANK ACCOUNT - NET (LESS OUTSTANDING CHECKS)
TREASURY FUND 3154
TREASURY FUND 3144
RETIREE INSURANCE TRUST (OPEB) - TREASURY FUND 3645

TOTAL CASH AND CASH EQUIVALENTS

ESTIMATED OBLIGATIONS:

OUTSTANDING CLAIMS - HEALTH (INCURRED BUT NOT REPORTED)
OUTSTANDING CLAIMS - LIFE (INCURRED BUT NOT REPORTED)
OUTSTANDING CLAIMS - HEALTH (INCURRED BUT NOT PAID)
ADVANCE PREMIUMS
FORVIS - AUDITORS (SEPTEMBER)
CTI - MEDICAL CLAIMS/PERFORMANCE AUDIT
PILLAR-PHARMACY CLAIMS/PERFORMANCE AUDIT (SEPTEMBER)
CAVANAUGH MACDONALD - ACTUARY
WM. LYNN TOWNSEND - ACTUARY (SEPTEMBER)
SEGAL - CONSULTANT (AUGUST, SEPTEMBER)
BLUE CROSS BLUE SHIELD OF MISSISSIPPI - TPA (SEPTEMBER)
PRIME - PHARMACY NETWORK
CVS - CAREMARK - ADMIN (AUGUST, SEPTEMBER)
MINNESOTA LIFE - LIFE CLAIMS/FEES (SEPTEMBER)
ACTIVE HEALTH - WELLNESS PROMOTION (SEPTEMBER)
KEPRO-UTILIZATION MANAGEMENT (SEPTEMBER)
HDMS - DECISION SUPPORT SYSTEM (AUGUST, SEPTEMBER)
AMERICANWELL - TELEMEDICINE
TRUSTMARK - BANK SERVICES (SEPTEMBER)

TOTAL ESTIMATED OBLIGATIONS

TOTAL ESTIMATED UNOBLIGATED CASH (PRIOR TO PREMIUM DEFICIENCY RESERVES)

PREMIUM DEFICIENCY RESERVE - ESTIMATE FOR FY 2022

TOTAL ESTIMATED PREMIUM DEFICIENCY RESERVES

TOTAL ESTIMATED UNOBLIGATED CASH*

CURRENT YEAR at 9/30/2022	LAST YEAR at 9/30/2021	VARIANCE
83,843,510.67	83,392,203.68	451,306.99
55,335,655.29	78,791,705.61	(23,456,050.32)
692,023.36	3,790,084.68	(3,098,061.32)
619,284.30	488,691.32	130,592.98
1,051,286.98	1,045,715.04	5,571.94
\$141,541,760.60	\$167,508,400.33	(\$25,966,639.73)
(47,315,289.00)	(36,500,363.00)	(10,814,926.00)
(364,302.00)	(5,101,829.00)	4,737,527.00
(21,561,658.00)	(19,083,523.59)	(2,478,134.41)
(19,008,976.00)	(9,336,729.00)	(9,672,247.00)
(49,400.00)	(28,500.00)	(20,900.00)
0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00
(19,624.00)	(15,313.50)	(4,310.50)
(5,040.00)	(20,000.00)	14,960.00
(1,547,889.00)	(1,567,990.50)	20,101.50
0.00	0.00	0.00
(630,368.00)	(255,820.00)	(374,548.00)
(1,551,603.00)	(1,579,076.00)	27,473.00
(267,032.00)	(262,197.44)	(4,834.56)
(190,409.00)	(189,818.05)	(590.95)
(40,306.00)	(20,153.00)	(20,153.00)
0.00	0.00	0.00
(2,000.00)	(2,000.00)	0.00
(\$92,553,896.00)	(\$73,963,313.08)	(\$18,590,582.92)
\$48,987,864.60	\$93,545,087.25	(\$44,557,222.65)
(27,900,000.00)		
(27,900,000.00)		
\$21,087,864.60		

*NOTE: OTHER THAN AMOUNTS LISTED IN THE RETIREE INSURANCE TRUST (OPEB) - TREASURY FUND 3645 SHOWN ABOVE, THE ESTIMATED UNOBLIGATED CASH AMOUNT DOES NOT INCLUDE ANY ADDITIONAL RESERVES FOR THE \$643,682,000 UNFUNDED ACTUARIAL ACCRUED LIABILITY FOR CURRENT AND FUTURE RETIREE LIFE AND HEALTH INSURANCE BENEFITS.

Agenda Item 5

General Schedule

Mr. Chris Shaman

Description

A general schedule of major activities associated with the Plan and actions to be taken by the Board in the next few months is included in this section.

Action Requested

None

State and School Employees' Life and Health Insurance Plan
General Schedule
October 2022

November Board votes on revisions to the Plan Document to be effective January 1, 2023
2023 Plan Document released
Fiscal year 2022 Financial Audit Report presented to Board
Fiscal year 2022 OPEB Actuarial Reports presented to Board

January Board elects Vice-Chairman

February Board reviews Calendar Year 2022 Actuarial Report preliminary projections