



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, November 16, 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.

The attachments for Agenda Items #2, 3, and 4 are larger than the maximum size allowed to be posted.

If you would like a copy of the complete board packet, please email me at amanda.murphy@dfa.ms.gov and I'll be glad to send you a copy.

Thank you,

Amanda Murphy

Staff Officer

Office of Insurance

Department of Finance and Administration

amanda.murphy@dfa.ms.gov

601-359-5006

P.O. Box 24208 Jackson, MS 39225
501 North West Street, Suite 901B
Jackson, MS 39201

State and School Employees Health Insurance Management Board

November 16, 2022

1. Minutes of October 26, 2022 Standing Monthly Board Meeting – Ms. Liz Welch, Chairman
2. GASB Statements 74 and 75 Reports – Actuarial Analyses of Other Postemployment Benefits (OPEB) Liability as of June 30, 2021 – Mr. Ed Koebel, EA, FCA, MAAA, Consulting Actuary – Cavanaugh Macdonald Consulting, LLC
3. State and School Employees' Life and Health Insurance Plan Financial Audit Report for the year ended June 30, 2021 – Mr. Wil Crawford, CPA, Accounting and Auditing Assistant Director – FORVIS, LLP
4. *2023 Plan Document* – Ms. Cindy Bradshaw, State Insurance Administrator, Office of Insurance
5. Financial Statements – Mr. Chris Shaman, Deputy Director, Office of Insurance
6. General Schedule – Mr. Chris Shaman, Deputy Director, Office of Insurance
7. Old Business
8. New Business

Next Meeting: At the call of the Chair

Agenda Item 1

Minutes of October 26, 2022 Standing Monthly Board Meeting

Ms. Liz Welch, Chairman

Description

The minutes of the standing monthly Board meeting held on October 26, 2022.

Action Requested

Approval of the minutes

State and School Employees Health Insurance Management Board

Standing Monthly Meeting October 26, 2022

The standing monthly meeting of the State and School Employees Health Insurance Management Board convened Wednesday, October 26, 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. Christopher Burkhalter, Vice-Chairman
Dr. Kim Benton (*Represented by Dr. Felicia Gavin*)
Mr. Mike Chaney
Mr. Mark Formby
Mr. Larry Fortenberry (*Via telephone*)
Mr. Kelly Hardwick
Mr. Ray Higgins
Dr. Alfred Rankins (*Via Teams*)
Mr. Kell Smith (*Represented by Jason Carter*)

Non-Voting Members Present

The Honorable Walter Michel – Chairman,
Senate Insurance Committee
The Honorable John Read – Chairman,
House Appropriations Committee

Voting Members Absent

Non-Voting Members Absent

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

Department of Finance and Administration Staff Present:

Ms. Cindy Bradshaw
Mr. Chris Shaman
Ms. Amanda Murphy
Ms. Carlotta Edwards (*Via Teams*)
Ms. Christina Young (*Via Phone*)

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 September 28, 2022 Standing Monthly Board Meeting

Chairman Welch announced that the minutes of the Board's September 28, 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. Kelly Hardwick for the Board to approve the minutes as presented. Mr. Mark Formby seconded the motion. The motion passed by a 9 – 0 vote, with members Burkhalter, Carter (designee for member Smith), Chaney, Formby, Fortenberry, Gavin (designee for member Benton), Hardwick, Higgins, and Rankins voting affirmatively.

Agenda Item 2: HIPAA Exemption Election

Chairman Welch recognized Ms. Cindy Bradshaw, State Insurance Administrator with the Office of Insurance, who advised that staff recommends that the Board continue to elect an exemption of the State and School Employees' Health Insurance Plan from certain federal regulations under the Health Insurance Portability and Accountability Act (HIPAA). Ms. Bradshaw explained that although the Board has consistently elected to generally comply with the intent of the HIPAA requirements voluntarily, it has nonetheless voted annually to exempt the Plan from regulation under these provisions for the past twenty-four years. She advised that should the Board elect to continue this exemption for 2023, notification of this election would be filed with the U. S. Department of Health and Human Services, and likewise provided to participants as a part of the *Plan Document*. Mr. Hardwick moved to approve the exemption election. The motion was seconded by Mr. Chris Burkhalter. The motion passed by a 9 – 0 vote, with members Burkhalter, Carter, Chaney, Formby, Fortenberry, Gavin, Hardwick, Higgins, and Rankins voting affirmatively.

Agenda Item 3: Financial Statements

Chairman Welch recognized Mr. Chris Shaman, 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 September 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 4: General Schedule

Chairman Welch recognized Mr. Shaman, Deputy Director with the Office of Insurance, who reviewed the schedule of major activities and actions to be taken by the Board for the next several months.

Agenda Item 5: Old Business

Chairman Welch recognized Ms. Bradshaw who reminded the Board they had voted at the September Board meeting to increase the Select Coverage deductible by \$300 to be offset by the completion of the Wellness Incentive. Ms. Bradshaw stated staff had received a request to allow spouses of employees to be included in that Wellness Incentive. A motion was made by Mr. Hardwick to extend Wellness Incentive Program to include spouses of employees. Mr. Mike Chaney seconded the motion. The motion passed by a 9 – 0 vote, with members Burkhalter, Carter, Chaney, Formby, Fortenberry, Gavin, Hardwick, Higgins, and Rankins voting affirmatively.

Agenda Item 6: New Business

There was no new business for the Board to consider.

Adjournment

Chairman Welch advised that in order to avoid conflicts with the upcoming Thanksgiving holidays, the next meeting of the State and School Employees Health Insurance Management Board is scheduled for 9:00 a.m., November 16, 2021. As there was no further business, the meeting was adjourned at 9:25 a.m.

Liz Welch
Chairman
State and School Employees Health Insurance Management Board

Agenda Item 2

GASB Statements 74 and 75 Reports – Actuarial Analyses of Other Postemployment Benefits (OPEB) Liability as of June 30, 2022

Mr. Ed Koebel, EA, FCA, MAAA, Consulting Actuary
Cavanaugh Macdonald Consulting, LLC

Description of Issue

Since 2007, the Governmental Accounting Standards Board (GASB) has required states to perform actuarial valuations of retiree medical and other post-employment benefit (OPEB) plans. The purpose of these valuations is to measure and report the unfunded accrued liability associated with the promised life insurance, medical and drug benefits of the State and School Employees' Life and Health Insurance Plan (Plan). Beginning with Fiscal year 2018, GASB has revised and replaced Statements 43 and 45 with Statements 74 and 75, significantly increasing the reporting requirements impacting the Plan, as well as the over 300 local employer groups (agencies, school districts, universities, etc.) participating in the Plan. A major component of these changes is the requirement that the local employer groups post liabilities and related transactions on their respective financial reports. Applying the guidelines and requirements set forth by GASB, the independent consulting actuary firm of Cavanaugh Macdonald Consulting, LLC has prepared the attached *GASB STATEMENT NO. 74 REPORT FOR THE MISSISSIPPI STATE AND SCHOOL EMPLOYEES' LIFE AND HEALTH INSURANCE PLAN PREPARED AS OF JUNE 30, 2022*, and *GASB STATEMENT NO. 75 REPORT FOR THE MISSISSIPPI STATE AND SCHOOL EMPLOYEES' LIFE AND HEALTH INSURANCE PLAN PREPARED AS OF JUNE 30, 2022 FOR FINANCIAL REPORTING AS OF JUNE 30, 2023*. Mr. Ed Koebel, EA, FCA, MAAA, Consulting Actuary with Cavanaugh Macdonald Consulting, LLC, will discuss these reports and their conclusions at the Board meeting.

Action Requested

None

Agenda Item 3

State and School Employees' Life and Health Insurance Plan Financial Audit Report for the year ended June 30, 2022

Mr. Wil Crawford, CPA, Accounting and Auditing Assistant Director - FORVIS

Description

FORVIS conducted a financial audit of the State and School Employees' Life and Health Insurance Plan for the period ended June 30, 2022. Mr. Wil Crawford, CPA, with FORVIS, will present the report and discuss their conclusions at the Board meeting.

Action Requested

None

Agenda Item 4

2023 Plan Document

Ms. Cindy Bradshaw

Description

In addition to containing the rules and regulations for the Mississippi State and School Employees' Life and Health Insurance Plan, the *Plan Document* provides a comprehensive description of how the Plan works, and includes a listing of covered, as well as excluded, services and benefits. The *Plan Document* is typically updated and revised annually to reflect approved benefit changes, as well as other modifications as needed to the Board's rules, regulations, and guidelines relative to enrollment, eligibility, claims administration, appeals, and related operational matters of the Plan.

A summary of the recommended changes to be effective January 1, 2023 will be presented at the Board meeting, along with a copy of the proposed *2022 Plan Document*.

Action Requested

Approval of *2023 Plan Document*

Agenda Item 5

Financial Statements

Mr. Chris Shaman

Description

The October 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
October 31, 2022

	<u>CURRENT YEAR</u>			<u>LAST YEAR</u>		
	MONTH ENDING October 31, 2022	FY2023 YEAR TO DATE	CY 2022 YEAR TO DATE	MONTH ENDING October 31, 2021	FY2022 YEAR TO DATE	CY 2021 YEAR TO DATE
RECEIPTS:						
PREMIUMS RECEIVED:						
HEALTH INSURANCE	\$67,642,995.03	\$268,244,165.69	\$668,169,024.39	\$64,550,913.00	\$257,520,723.17	\$632,343,762.32
LIFE INSURANCE	1,620,761.34	6,366,658.94	15,639,479.85	1,593,505.85	6,240,772.73	15,258,821.47
REFUNDS OF CLAIM OVERPAYMENTS	8,880.42	46,534.55	180,016.63	8,222.82	48,870.87	287,778.80
SUBROGATION RECEIPTS	32,507.22	305,378.66	1,263,699.68	37,177.32	230,922.82	726,767.58
LATE FEES RECEIVED	17.27	343.68	20,911.92	1,571.11	6,726.95	7,168.40
INTEREST RECEIVED	106,199.03	340,910.16	638,066.81	62,910.38	278,529.02	776,953.17
PHARMACY REBATE	642,160.56	38,444,847.08	104,955,977.48	154,214.15	29,019,547.95	92,586,310.00
TOTAL RECEIPTS	\$70,053,520.87	\$313,748,838.76	\$790,867,176.76	\$66,408,514.63	\$293,346,093.51	\$741,987,561.74
DISBURSEMENTS:						
NON-ADMINISTRATIVE:						
CLAIMS PAID-MEDICAL	48,623,396.05	203,362,041.49	496,602,395.83	51,194,992.09	207,892,397.38	500,977,146.03
CLAIMS PAID - PHARMACY	26,644,087.48	94,574,432.54	278,583,438.64	27,037,181.38	101,515,994.82	257,505,201.10
CLAIMS PAID - LIFE	1,466,563.52	4,295,706.52	14,217,044.33	1,407,317.00	4,808,064.98	17,335,915.91
PREMIUM REFUNDS	57,368.20	228,226.60	635,100.28	63,770.16	190,980.96	451,902.63
SUBTOTAL NON-ADMINISTRATIVE	\$76,791,415.25	\$302,460,407.15	\$790,037,979.08	\$79,703,260.63	\$314,407,438.14	\$776,270,165.67
ADMINISTRATIVE AND COST CONTAINMENT FEES:						
ADMINISTRATIVE EXPENSE - STATE	87,954.89	376,073.86	998,036.08	134,569.14	412,877.78	1,059,559.77
FORVIS - AUDITOR	49,400.00	49,400.00	55,400.00	28,500.00	43,000.00	56,000.00
CTI - MEDICAL CLAIMS/PERFORMANCE AUDIT	0.00	0.00	26,339.00	0.00	0.00	26,483.00
PILLAR- PHARMACY CLAIMS/PERFORMANCE AUDIT	0.00	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	19,264.00	81,600.00	191,552.00	0.00	60,195.75	144,046.50
SEGAL - CONSULTANT	5,040.00	9,360.00	53,847.50	14,288.75	14,288.75	75,437.50
BLUE CROSS BLUE SHIELD OF MISSISSIPPI - TPA	1,547,888.50	4,628,646.50	15,470,950.00	1,567,990.50	4,716,832.00	15,718,447.50
PRIME - PHARMACY NETWORK	0.00	0.00	0.00	0.00	0.00	584,212.98
CVS CAREMARK-PHARMACY NETWORK	730,368.11	985,690.11	2,925,380.17	255,820.00	841,435.69	2,326,794.59
MINNESOTA LIFE - LIFE INSUROR	85,039.48	245,061.86	817,122.07	77,610.30	233,330.05	787,204.13
ACTIVEHEALTH - WELLNESS PROMOTION	0.00	470,222.70	2,515,232.69	267,711.03	790,121.34	4,554,694.06
KEPRO-UTILIZATION MANAGEMENT	190,409.40	570,022.74	1,884,511.51	379,989.26	567,669.82	567,669.82
HDMS - DECISION SUPPORT	40,306.34	60,459.51	201,531.70	20,153.17	60,459.51	201,531.70
AMERICANWELL -TELEMEDICINE	0.00	0.00	0.00	0.00	0.00	72,000.00
TRUSTMARK - BANK SERVICES	2,121.25	6,351.23	21,155.95	2,284.17	6,288.63	20,475.60
SUBTOTAL ADMINISTRATIVE	\$2,757,791.97	\$7,491,774.45	\$25,251,319.16	\$2,748,916.32	\$7,746,499.32	\$26,295,705.15
TOTAL DISBURSEMENTS	\$79,549,207.22	\$309,952,181.60	\$815,289,298.24	\$82,452,176.95	\$322,153,937.46	\$802,565,870.82
NET INCREASE (DECREASE) FOR PERIOD	(\$9,495,686.35)	\$3,796,657.16	(\$24,422,121.48)	(\$16,043,662.32)	(\$28,807,843.95)	(\$60,578,309.08)

STATE AND SCHOOL EMPLOYEES' LIFE AND HEALTH INSURANCE PLAN
STATEMENT OF ESTIMATED UNOBLIGATED CASH
October 31, 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 (OCTOBER)
 CTI - MEDICAL CLAIMS/PERFORMANCE AUDIT
 PILLAR-PHARMACY CLAIMS/PERFORMANCE AUDIT (OCTOBER)
 CAVANAUGH MACDONALD - ACTUARY (OCTOBER)
 WM. LYNN TOWNSEND - ACTUARY (OCTOBER)
 SEGAL - CONSULTANT (OCTOBER)
 BLUE CROSS BLUE SHIELD OF MISSISSIPPI - TPA (OCTOBER)
 CVS -CAREMARK -ADMIN (OCTOBER)
 MINNESOTA LIFE - LIFE CLAIMS/FEES (OCTOBER)
 ACTIVE HEALTH - WELLNESS PROMOTION (SEPTEMBER,OCTOBER)
 KEPRO-UTILIZATION MANAGEMENT (OCTOBER)
 HDMS - DECISION SUPPORT SYSTEM (OCTOBER)
 AMERICANWELL - TELEMEDICINE
 TRUSTMARK - BANK SERVICES (OCTOBER)

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 10/31/2022	LAST YEAR at 10/31/2021	VARIANCE
83,925,892.25	83,430,873.68	495,018.57
43,608,464.07	65,895,845.82	(22,287,381.75)
3,000,928.56	780,302.04	2,220,626.52
458,469.43	311,603.42	146,866.01
1,052,319.94	1,046,113.04	6,206.90
\$132,046,074.25	\$151,464,738.00	(\$19,418,663.75)
(36,789,459.00)	(28,116,867.00)	(8,672,592.00)
(364,302.00)	(5,101,829.00)	4,737,527.00
(25,237,596.00)	(20,130,489.00)	(5,107,107.00)
(9,697,654.00)	(12,041,345.00)	2,343,691.00
(6,500.00)	(18,000.00)	11,500.00
0.00	0.00	0.00
0.00	0.00	0.00
(7,500.00)	0.00	(7,500.00)
(7,561.00)	(39,779.50)	32,218.50
(5,000.00)	(10,000.00)	5,000.00
(1,560,254.00)	(1,566,082.00)	5,828.00
(318,619.00)	(252,914.00)	(65,705.00)
(1,577,419.00)	(1,505,374.00)	(72,045.00)
(508,810.00)	(261,574.00)	(247,236.00)
(191,243.00)	(189,800.00)	(1,443.00)
(20,153.00)	(20,153.00)	0.00
0.00	0.00	0.00
(2,000.00)	(2,000.00)	0.00
(\$76,294,070.00)	(\$69,256,206.50)	(\$7,037,863.50)
\$55,752,004.25	\$82,208,531.50	(\$26,456,527.25)
(23,100,000.00)		
(\$23,100,000.00)		
\$32,652,004.25		

*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 6

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
November 2022**

January Board elects Vice-Chairman

February Board reviews Calendar Year 2022 Actuarial Report preliminary projections

March Board proposes potential benefit changes for Calendar Year 2024
Board reviews Calendar year 2022 Actuarial Report