

GROUP INSURANCE ADVISORY COMMITTEE (GIAC)

Meeting Minutes

August 26, 2021

A meeting of the State Group Insurance Advisory Committee was held on this date in Room WW17, Idaho State Capitol Building, Boise, Idaho. Chairman Reynolds called the meeting to order at 2:00 pm.

Members Present:

Keith Reynolds, Director, Department of Administration and Committee Chairman

Dick Humiston, State Retiree Member

Andrea Patterson, Human Resource Director, Judiciary Member

Senator Fred Martin

Paul Spannknebel, Idaho Division of Veterans' Services

Absent and Excused:

Representative Brooke Green

Others Present:

Jennifer Pike, Statewide Group Insurance Manager, Office of Group Insurance (OGI)

Steve Bailey, Deputy Director/CFO, Department of Administration

Faith Cox, Administrator, Division of Insurance and Internal Support, Department of Administration

Justin Seaman, OGI Benefits Analyst, Department of Administration

Lori Wolff, Administrator, Division of Human Resources

Wes Trexler, Deputy Director, Department of Insurance

David Hahn, Division of Financial Management (via telephone)

Olga Voralik, Propel (via telephone)

Tyler Kapfhammer, Propel (via telephone)

This Committee is statutorily created within the Group Insurance enabling statute, Chairman Reynolds reviewed. It is to be comprised of representatives of the legislative and judiciary branches of state government and shall include one active and one retired employee representatives. The director shall consult with this Committee in carrying out duties of formulating and negotiating a plan or plans for healthcare coverage for all active personnel and their dependents. It also says the state will have a retiree plan that is rated along with active employees and their dependents.

APPROVAL OF MINUTES:

MOTION: Mr. Humiston moved, and it was seconded by Ms. Patterson that the minutes of the April 22, 2021 Group Insurance Advisory Committee meeting be approved as written. The motion passed unanimously.

DEPARTMENT OF INSURANCE OVERVIEW:

Deputy Director Wes Trexler, Department of Insurance, shared an overview and the mission of the Department of Insurance:

The mission of the Department of Insurance is to serve and protect Idahoans by equitably, effectively, and efficiently administering the Idaho Insurance Code and the International Fire Code.

The department fulfills its mission and duties through an administrative group and two divisions: The Insurance Division and the State Fire Marshal's Office. The Insurance Division consists of three regulatory bureaus as indicated below. The Deputy Director oversees the three bureaus and a technology business analyst position.

Support services are provided by an administrative group reporting to the Director. The responsibilities can be summarized as follows:

- **Administration:** The Director is responsible for the overall policy direction and management of the Department of Insurance. The Director's administration group includes the Deputy Director, the fiscal section, a public information officer and a human resource specialist for the Department of Insurance. The administration group provides oversight and support to the Insurance Division and the State Fire Marshal.
- **Insurance Division:**
 - **Company Activities Bureau:** This bureau monitors the financial condition of all insurance entities domiciled in the state of Idaho to assure that each complies with Idaho law and that the financial obligations of the company to its policyholders will be met. The bureau reviews all applications of insurers and qualifying self-funded healthcare plans seeking to do business in this state to determine eligibility for a certificate of authority to transact insurance or eligibility for registration as a self-funded healthcare plan. The bureau also licenses producers and third-party administrators.
 - **Consumer Services Bureau:** This bureau researches consumer and industry complaints and provides assistance to consumers and the insurance industry on matters involving insurance contracts and potential violations of the insurance code. This bureau is also responsible for investigating criminal and civil violations of insurance laws and referring cases involving criminal violations to the Attorney General or appropriate county prosecutor. Also within this bureau is Idaho's Senior Health Insurance Benefits Advisors (SHIBA) program which provides information, counseling, and assistance on Medicare coverage issues to Idaho's senior citizens through a network of over 100 volunteers and a call center staffed to service our toll-free telephone line.
 - **Market Oversight Bureau:** This bureau reviews insurance policy and self-funded rates and forms. The bureau meets the effective rate review standards for the individual and small group health insurance markets, retaining state-level regulatory authority. The bureau supports the Idaho Health Insurance Exchange in fulfilling the plan management requirements, reviewing, and certifying health plans that meet the Qualified Health Plan (QHP) standards. This bureau also regulates title agencies and performs market conduct analyses and examinations of insurers and self-funded plans doing business in Idaho.
- **State Fire Marshal:**
 - **The State Fire Marshal's Office** participates in and coordinates an integrated statewide system designed to protect human life from fire and explosions through fire prevention, investigation, and public education activities. The program involves fire prevention activities, fire/arson investigations, code enforcement and the operation of the Idaho Fire Incident Reporting System. The State Fire Marshal's Office provides assistance to local fire agencies throughout the state

NEW PROJECTS UPDATE:

Jennifer Pike
Statewide Group Insurance Manager

On-Site Clinic RFI Project: Just completed the RFI at Chinden Campus regarding the potential of an on-site medical clinic and possibly a downtown clinic. A Request for Information (RFI) was asked of the local community as to what they are looking for regarding this type of clinic. There were 11 responses, most feel benefits would include cost savings, time savings, and convenience. Project ongoing.

LUMA Phase 2: Benefits Module: Update:

Ms. Pike and her team have been attending trainings regarding the Luma benefits module and are excited about the development of the module. They have been working with the Luma team to identify and narrow down what our expectations are and what we need Luma to do regarding benefits. Project ongoing.

COVID-19 Utilization, Costs and Vaccination Efforts: OGI received \$13,000,000 from the Cares Act to offset COVID-19 related costs. A drive through vaccine clinic was offered at the Chinden Campus. Positive feedback included 3 people choosing to get vaccinated after seeking information from one of the clinic workers. There is potential for future drive through vaccine clinics.

Review of programs implemented July 1:

- **Weight management program**
Partnering with Wondr Health (formerly Naturally Slim) in a lifestyle intervention program, at no charge or members who participate in the program, that uses technology and online resources to engage members and develop healthy habits around food and activity with the goal of lowering weight and improving health.
- **Diabetes lifestyle management program**
Partnering with Livongo in a program that uses technology and dietary coaching for lifestyle intervention and physical activity. Testing supplies and program apps are provided at no charge to members who participate in the program.
- **Exclusive specialty pharmacy**
All specialty prescriptions will be filled via mail order with IngenioRx's exclusive specialty pharmacy.
- **Other previously excluded coverages now added**
Services including acupuncture, breast reduction surgeries, nutritional formula, cranial helmets, wigs, diabetic shoes, and orthognathic (jaw) surgeries. Refer to the SBC's and plan documents for detailed information.

FISCAL REPORT: FY22 FINANCIALS UPDATE

**Steve Bailey, Deputy Director
Department of Administration**

Deputy Director Bailey gave a FY22 financial update: The following chart provides a year-over-year look at the medical plan status. As of June 30, 2021, 97% has been expended of the year's total projection by Milliman. The state has spent \$282,693,716 in total claims compared with \$267,738,117 spent last year at the same time. The difference can be partially explained by the postponement of procedures this year due to Covid, such as orthopedic surgeries.

The reserve is about \$85,268,971 which is significantly above the required \$28,440,000 reserve balance. The Legislature has drawn down this balance with the FY22 appropriation per employee for medical/dental insurance.

State of Idaho - Department of Administration
Office of Group Insurance - Medical (Includes Rx, Vision & EAP)
As of June 30, 2021

	Year to Date Actual FY2020	Year to Date Actual FY2021	% to Projection	OCTOBER Milliman FY2021 ⁽⁴⁾
Total Claims ⁽¹⁾, Admin Costs ⁽²⁾ & Expenses ⁽³⁾	267,738,117	282,693,716	97%	291,800,000
Actual Ending Reserve Balance	74,617,534	85,268,971		64,790,000 <i>End of FY2021</i>
Required Reserves				
Base Contractual @ 10% of expected Premiums	27,740,000	28,440,000		27,740,000
Enrollees:				
Active Employee	19,085	18,917		19,017
Active Dependents	28,194	27,917		28,445
Retiree	638	627		650
Retiree Dependents	171	175		178
COBRA Enrollee	101	107		103
COBRA Dependents	48	68		
Appropriation Per Employee	11,395	11,465		11,465
State Cash Cost Per Enrolled Employee ⁽⁵⁾	12,190	13,301		13,301

Notes:

- ⁽¹⁾ Includes claims incurred in FY2021
- ⁽²⁾ Includes BCI Administrative Fees, Premium Tax, Health Care Reform Fees and COBRA
- ⁽³⁾ Includes dependent eligibility verification expense
- ⁽⁴⁾ Milliman Report, October 23, 2020
- ⁽⁵⁾ Retiree subsidy included in the State Cash Cost Per Employee calculation

Dental services: At this point, the state has spent \$13,529,372 which is close to that spent last year at this time. The reserve is at \$3,216,194 which is also well above the required reserve amount. The balance was also considered when setting the appropriation for FY22.

State of Idaho - Department of Administration
Office of Group Insurance - Dental
As of June 30, 2021

	Year to Date Actual FY2020	Year to Date Actual FY2021	% to Projection	OCTOBER Milliman Projection FY2021 ⁽³⁾
Total Claims (1), Admin Costs (2) & Expenses (3)	12,768,991	13,529,372	95%	14,250,000
Ending Reserve Balance	4,415,332	3,216,194		2,660,000 <i>End of FY2021</i>
Required Reserves				
Base Contractual @ 10% of expected Premiums	1,390,000	1,420,000		1,390,000
Enrollees:				
Active Employee	19,085	18,915		19,016
Active Dependents	26,427	26,265		26,574
COBRA	125	118		127
COBRA Dependents	66	72		
Appropriation Per Employee	255	185		310
State Cash Cost Per Enrolled Employee	215	278		278

Notes:

- ⁽¹⁾ FY2021 incurred claims in the previous plan year
- ⁽²⁾ Includes BCI Administrative Fees, Premium Tax, Health Care Reform Fees and COBRA
- ⁽³⁾ Milliman Report, October 23, 2020

OTHER BUSINESS/PROPOSED MEETING SCHEDULE

Monday, December 14, 2021 @ 2:00 pm

ADJOURNMENT

The meeting of the Group Insurance Advisory Committee adjourned at 3:00 p.m.

Kimberly Rau, Program Specialist
Department of Administration