

GROUP INSURANCE ADVISORY COMMITTEE (GIAC)

Meeting Minutes

April 25, 2022

A meeting of the State Group Insurance Advisory Committee was held on this date in the JRW West Conference Room, Boise, Idaho. Deputy Director Bailey called the meeting to order at 2:00 pm.

Members Present:

Steve Bailey, Deputy Director, Department of Administration

Paul Spannkebel, Business Support Manager, Veterans Services, Active Employee Member

Dick Humiston, State Retiree Member

Representative Lauren Necochea

Andrea Patterson, Judiciary Member

Members Absent:

Senator Kevin Cook

Others Present:

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

Valerie Bollinger, DOP Administrator

Lori Wolff, Division of Human Resources

Justin Seaman, OGI Benefits Analyst, Department of Administration

Kim Rau, Program Specialist, Department of Administration

APPROVAL OF MINUTES

MOTION: Mr. Humiston moved, and it was seconded by Ms. Patterson, that the minutes of the December 14, 2021, Group Insurance Advisory Committee meeting be approved as written. The motion passed unanimously.

DIVISION OF HUMAN RESOURCES PRESENTATION

DHR Administrator Lori Wolff shared with the Committee an overview of what the Division of Human Resources does and how the Office of Group Insurance impacts the work of DHR and the role OGI plays in recruitment and retainment, such as offering a competitive benefit package. The main goal of DHR is to administer the personnel system for the state, and the 25,000 state employees across Idaho, to include the rules and regulations surrounding human resources. Currently, Idaho's total compensation package lags behind the Idaho's private market by about 12.2% and falls behind other public sectors (county, city, etc.) by about 6.7%. Without the benefit package, our state wages are behind the private sector by 26% and behind other public sectors by about 7.6%. The state's benefit package narrows these gaps. Administrator Wolff also spoke to some of the other challenges the state has faced over the last year, to include one of the highest turnover rates ever as well as a 5% increase in vacancies.

OPEN ENROLLMENT/NEW PLAN YEAR UPDATE

Jennifer Pike, OGI Administrator, shared that today is the launch in open enrollment, which provides opportunity for employees to sign up for or make changes to their benefits.

Ms. Pike also shared that the legislature has set aside money at the Department of Education to assist school districts with buying in to the state's health insurance plan. School districts are evaluating if joining the state's plan is right for them. The OGI team has been busy with answering questions and providing information to school districts regarding this.

For the coming plan year, the State's health plan will continue to offer employees choice in the plan

design that best meets their needs while enhancing the covered services and plan structures.

FOR ALL ACTIVE MEDICAL PLANS:

- Coverage for FDA Approved Weight Loss Medications
- Smart Shopper Incentive Program
Promotes informed consumer decisions by financially incentivizing members to shop for and use lower cost providers and centers of care such as imaging, elective surgeries, etc.
- Pilot Project with Albertsons & Safeway Pharmacies for Office Visits at \$0 copay (PPO & Trad)
See a participating pharmacy for diagnosis and treatment of certain conditions at no cost to participants.
- Air Ambulance Services
Air Ambulance Services are covered at the In-Network benefit level and Air Ambulance Services accumulate toward the In-Network Out-of-Pocket Limit.

DENTAL BENEFIT CHANGES

- Removal of the Waiting Period for Major Dental Services.
Deferring dental services can result in issues that can become more severe because they were not treated early on. One-year waiting period for orthodontia remains.
- PPO-Only Network for Dental Providers. Traditional network providers will not be covered.
PPO networks have better provider rates and lower member copays which ultimately saves employees money and provides a more robust benefit.

FLEXIBLE SPENDING ACCOUNTS (FSA)

- Day Care FSA limits have returned to a maximum contribution of \$5,000 per household.
- Medical FSA maximum contribution limit increased to \$2,850.
- Medical FSA carryover increased to \$570.
- Remember, if you leave employment, you can also COBRA your FSA; otherwise, your FSA dollars can only be used for expenses incurred prior to your final date of employment.

FINANCIAL UPDATES

Medical: Chief Financial Officer Tami Humiston referred to the following chart and pointed out that claims and expenses have been \$216,779,225 to date this fiscal year. The reserve balance is at \$68,223,667. The FY2023 reserve projection of \$33,070,000 includes \$25,000,000 of ARPA money.

**State of Idaho - Department of Administration
Office of Group Insurance - Medical (Includes Rx, Vision & EAP)
As of March 31, 2022**

	Year to Date Actual FY2021	Year to Date Actual FY2022	% Increase	% to Projection	November Milliman Report FY2022 (4)	FY2023 Milliman Projections
Total Claims (1), Admin Costs (2) & Expenses (3)	201,297,771	216,779,225	8%	73%	297,740,000	314,660,000
<i>*Does not include employee cost sharing, copays & deductibles</i>						
Actual Ending Reserve Balance	86,938,016	68,223,667			54,730,000	33,070,000
					<i>End of FY2022</i>	<i>End of FY2023</i>
Required Reserves						
Base Contractual @ 10% of expected Premiums	28,440,000	29,690,000			29,690,000	31,150,000
Enrollees:						
Active Employee	18,952	18,568			18,875	19,053
Active Dependents	28,042	27,269			27,533	28,238
Retiree	632	604			629	629
Retiree Dependents	172	164			185	185
COBRA Enrollee	122	142			114	116
COBRA Dependents	72	63				
Appropriation Per Employee	11,465	11,425			11,425	12,267
State Cash Cost Per Enrolled Employee (5)	12,956				13,570	14,177

Notes:

- (1) Includes claims incurred in FY2022
- (2) Includes BCI Administrative Fees, Premium Tax, Health Care Reform Fees and COBRA
- (3) Includes dependent eligibility verification expense
- (4) Milliman Report, November 2021
- (5) Retiree subsidy included in the State Cash Cost Per Employee calculation

Dental: Claims to date are \$11,054,298 which is a year-over-year increase of 8%. The reserve balance is currently at \$2,556,008.

**State of Idaho - Department of Administration
Office of Group Insurance - Dental
As of March 31, 2022**

	Year to Date Actual FY2021	Year to Date Actual FY2022	% Increase	% to Projection	November Milliman Projection FY2022 ⁽³⁾	FY2023 Milliman Projections
Total Claims (1), Admin Costs (2) & Expenses (3)	10,195,153	11,054,298	8%	77%	14,390,000	16,010,000
Ending Reserve Balance	3,551,008	2,556,008			2,840,000	1,660,000
					<i>End of FY2022</i>	<i>End of FY2023</i>
Required Reserves						
Base Contractual @ 10% of expected Premiums	1,390,000	1,500,000			1,500,000	1,600,000
Enrollees:						
Active Employee	18,952	18,568			18,876	19,054
Active Dependents	26,400	25,810			26,559	26,816
COBRA	126	149			129	131
COBRA Dependents	77	81				
Appropriation Per Employee	185	225			225	233
State Cash Cost Per Enrolled Employee	246				268	316

Notes:

⁽¹⁾ FY2022 incurred claims in the previous plan year

⁽²⁾ Includes BCI Administrative Fees, Premium Tax, Health Care Reform Fees and COBRA

⁽³⁾ Milliman Report, November 2021

MEDICAL RFP/ITN UPDATE

Department of Administration’s Division of Purchasing Administrator Valerie Bollinger shared a presentation with the Committee on procurement priority ranking and process. The Office of Group Insurance (OGI) is working with the Division of Purchasing (DOP) on the re-procurement of the employee group health insurance plan for the state.

Ms. Bollinger had two requests of the Committee:

1. To approve the proposed procurement method and agree to participate by reviewing and approving the draft solicitation prior to posting:

OGI and DOP have engaged a consultant company, Simplar, to provide expertise and support through the procurement process. Simplar has decades of experience in public procurement and will provide expertise, operational support, and third-party review of the evaluation process. DOP intends to use a Solution-Based Invitation to Negotiate (ITN) as the procurement method for this project.

2. To approve a list of priority objectives for the employee group health insurance plan that can be communicated to suppliers and inform the evaluation of the solicitation

OGI has identified three overarching objectives related to the employee group health insurance plan. Suppliers have asked to understand priorities within/related to these objectives:

- Benefit Offering to Employees: Variety of networks, Variety of deductibles and copays/ coinsurance, and targeted health solutions.
- Cost: Controlling administrative costs, provider and pharmacy discounts/rebates, and fees for buy-up programs.
- Improving Employee Health: Targeted health solutions, incentivized wellness programs, and employee communication and engagement

Action Item: Approve Priority Ranking

MOTION: Representative Necochea moved, and it was seconded by Mr. Spannkebel that the committee supports the priorities of the group medical program to and that those be incorporated into the ITN that is being drafted by the Division of Purchasing, caveat that the Committee see evidence around the wellness programs and targeted health solutions.
The motion passed unanimously.

Action Item: Approve Procurement Process

MOTION: Mr. Humiston moved, and it was seconded by Representative Necochea, that the Committee support the process for remarketing as outlined by the Division of Purchasing Administrator and that they schedule a meeting in early June, once the Committee has had the chance to review the ITN document, to further discuss any questions we may have about the process.
The motion passed unanimously.

OTHER BUSINESS/NEXT MEETING

The next meetings of the GIAC are scheduled for:

August 23, 2:00 pm (amended)
December 13, 2:00 pm (amended)

ADJOURNMENT

MOTION: Mr. Spannkebel motioned, and it was seconded by Ms. Patterson, to adjourn the April 26, 2022, meeting of the Group Insurance Advisory Committee at 1:55 p.m. The motion passed unanimously.

Kimberly Rau, Program Specialist
Department of Administration