

GROUP INSURANCE ADVISORY COMMITTEE (GIAC)

Meeting Minutes

August 22, 2023

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

Senator Kevin Cook

Representative Lauren Necochea (via Webex)

Andrea Powers, Judiciary Member

Dick Humiston, State Retiree Member

Rob Sauer, School District Member (via Webex)

Others Present:

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

Bailey Peterson, Chief Financial Officer, Department of Administration

Kim Rau, Program Specialist, Department of Administration

Lori Wolff, Interim Director, Department of Administration

Frances Lippitt, Budget and Policy Analyst, LSO

Christine Otto, Budget and Policy Analyst, LSO

Olga Voralik, Propel (via telephone)

Tyler Kapfhammer, Propel (via telephone)

Bret Rumbeck, Blue Cross of Idaho

Dan Satterlee, Blue Cross of Idaho

APPROVAL OF MINUTES

MOTION: Mr. Spannkebel moved, and it was seconded by Ms. Powers, that the minutes of the April 25, 2023, Group Insurance Advisory Committee meeting be approved as written. THE MOTION PASSED UNANIMOUSLY.

INTRODUCTION OF NEW MEMBER, SCHOOL DISTRICT REPRESENTATIVE ROB SAUER

Deputy Director Bailey introduced GIAC's newest member, Rob Sauer. Rob is the Superintendent of the Homedale School District and will be the Committee's school district representative.

MEDICAL ITN UPDATE

Department of Administration's Division of Purchasing Administrator Valerie Bollinger shared that evaluators are going over the final medical ITN negotiation submissions. The expectation is that a contract should be awarded by early October, 2023.

FINANCIAL UPDATES

Medical: Chief Financial Officer Bailey Peterson referred to the following chart and pointed out that claims and expenses have been \$379,749,034 to date this fiscal year, which is a 27% increase from last year. The reserve balance is \$85,395,260. The FY2024 reserve projection of \$32,870,000 includes \$25,000,000 of ARPA money.

**State of Idaho - Department of Administration
Office of Group Insurance - Medical (Includes Rx, Vision & EAP)
As of June 30, 2023**

	Year to Date Actual FY2022	Year to Date Actual FY2023	% Increase	% to Projection	May Milliman Report FY2023 ⁽⁴⁾	
Total Claims ⁽¹⁾, Admin Costs ⁽²⁾ & Expenses ⁽³⁾	299,265,622	379,749,034	27%	99%	384,710,000	
<i>*Does not include employee cost sharing, copays & deductibles</i>						
Actual Ending Reserve Balance	59,938,836	85,395,260			51,680,000	
					<i>End of FY2023</i>	
Required Reserves						
Base Contractual @ 10% of expected Premiums	29,690,000	32,870,000			32,870,000	
Enrollees:						
Active Employee	18,657	24,017			23,020	School Breakout 4,893
Active Dependents	27,113	33,351			32,336	6,211
Retiree	601	684			725	
Retiree Dependents	166	137			170	
COBRA Enrollee	139	87			118	
COBRA Dependents	77	31				
Appropriation Per Employee	11,425	12,267			12,267	
State Cash Cost Per Enrolled Employee ⁽⁵⁾	13,764				14,390	

Notes:

- ⁽¹⁾ Includes claims incurred in FY2023
- ⁽²⁾ Includes BCI Administrative Fees, Premium Tax, Health Care Reform Fees and COBRA
- ⁽³⁾ Includes dependent eligibility verification expense
- ⁽⁴⁾ Milliman Report, May 2023
- ⁽⁵⁾ Retiree subsidy included in the State Cash Cost Per Employee calculation

Dental: Claims to date are \$18,551,103 which is a year-over-year increase of 27%. The reserve balance is currently \$2,372,785.

**State of Idaho - Department of Administration
Office of Group Insurance - Dental
As of June 30, 2023**

	Year to Date Actual FY2022	Year to Date Actual FY2023	% Increase	% to Projection	May Milliman Projection FY2023 ⁽³⁾
Total Claims ⁽¹⁾, Admin Costs ⁽²⁾ & Expenses ⁽³⁾	14,651,385	18,551,103	27%	95%	19,540,000
Ending Reserve Balance	2,523,002	2,372,785			1,350,000
					<i>End of FY2023</i>
Required Reserves					
Base Contractual @ 10% of expected Premiums	1,500,000	1,610,000			1,610,000
Enrollees:					
Active Employee	18,657	24,017			23,020
Active Dependents	25,628	31,479			30,600
COBRA	154	99			143
COBRA Dependents	88	51			
Appropriation Per Employee	225	233			233
State Cash Cost Per Enrolled Employee	293				323

Notes:

⁽¹⁾ FY2023 incurred claims in the previous plan year

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

⁽³⁾ Milliman Report, May 2023

SCHOOL DISTRICTS UPDATES

Ms. Pike shared the chart below showing the latest enrolled school districts.

District #	District Name	Benefit Eligible EE's
363	Marsing School District	102 78 enrolled
58	Aberdeen School District	88
383	Arbon Elementary School District	3
149	North Gem Schools	24
461	Taylor's Crossing Public Charter School	35
401	Teton Valley School District	250
92	Swan Valley School District	8

UPDATE ON NEW CARRIER FOR THE SICK LEAVE PROGRAM

Pacific Source submitted a MOU to Dept. of Administration and will have individual medical plans available for our under 65 retirees starting January 1.

HISTORY OF RETIREE BENEFITS OVERVIEW

Ms. Pike shared a handout reflecting the Retiree Medical Plan History, which details the historic timeline of the retiree medical plan from 2009 to current. Ms. Pike also shared a slide that had been used in the first 2009 presentation regarding projected liabilities and impact of recommended changes at that time. Discussion ensued.

Ms. Pike also shared the FY2024 Monthly Retiree Medical Premium Rates with the Committee reflected below:

FY2024 MONTHLY RETIREE MEDICAL PREMIUM RATES

For the plan year that runs July 1, 2023 - June 30, 2024

PPO PLAN

	Retiree Only	Retiree and Spouse	Retiree and Child(ren)	Retiree, Spouse and Child(ren)
No Medicare	\$1,227.70	\$2,455.40	\$1,841.56	\$3,069.26
One on Medicare	\$454.24	\$1,681.94	\$1,068.10	\$2,295.80
Two or More on Medicare	N/A	\$908.50	N/A	\$1,522.34

TRADITIONAL PLAN

	Retiree Only	Retiree and Spouse	Retiree and Child(ren)	Retiree, Spouse and Child(ren)
No Medicare	\$1,269.40	\$2,538.78	\$1,739.06	\$3,173.48
One on Medicare	\$469.68	\$1,904.08	\$1,104.36	\$2,373.76
Two or More on Medicare	N/A	\$939.34	N/A	\$1,574.04

HIGH DEDUCTIBLE PLAN

	Retiree Only	Retiree and Spouse	Retiree and Child(ren)	Retiree, Spouse and Child(ren)
No Medicare	\$761.92	\$1,523.84	\$1,043.84	\$1,904.80
One on Medicare	\$281.92	\$1,142.88	\$662.88	\$1,424.80
Two or More on Medicare	N/A	\$563.82	N/A	\$944.78

OTHER BUSINESS/NEXT MEETING

The next meeting of the GIAC is scheduled for:
December 19, 2:00 pm

ADJOURNMENT

MOTION: Mr. Humiston motioned, and it was seconded by Ms. Powers, to adjourn the August 22, 2023, meeting of the Group Insurance Advisory Committee at 2:38 p.m. The motion passed unanimously.

Kimberly Rau, Program Specialist
Department of Administration