

**GROUP INSURANCE ADVISORY COMMITTEE (GIAC)**  
Meeting Minutes  
March 23, 2020

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

**Members Present:**

Keith Reynolds, Director, Department of Administration (DOA) and Committee Chairman  
Dick Humiston, State Retiree Member  
Andrea Patterson, Human Resource Director, Judiciary Member (via video conference)  
Representative Brooke Green (via video conference)  
Paul Spannkebel, Business Support Manager, Veterans Services, Active Employee Member

**Members Absent:**

Senator Fred Martin

**Others Present:**

Jennifer Pike, Statewide Group Insurance Manager, Office of Group Insurance (OGI)  
Tyler Kapfhammer, Director of Analytics/Consultant, Propel Insurance (via video conference)  
Susan Buxton, Administrator, Division of Human Resources (DHR)  
Faith Cox, Administrator, Division of Insurance and Internal Support, DOA  
Jill Randolph, Analyst, Legislative Services Office (via video conference)  
Tony Eldeen, Analyst, Division of Financial Management (via video conference)  
Leslie Mickelsen, State Controller's Office (via video conference)  
Stephanie Wright, Blue Cross of Idaho (via video conference)  
Marusya Stoyanova, Boise State University (BSU) (via video conference)  
Camile Mick, BSU (via video conference)  
Rachel Sales, BSU (via video conference)  
Diane Blume, Program Specialist, DoA

**APPROVAL OF MINUTES**

**MOTION: Mr. Humiston moved, and it was seconded by Mr. Spannkebel that the minutes of the November 19, 2019 Group Insurance Advisory Committee meeting be approved as written. The motion passed unanimously.**

**COVID-19 RESPONSE UPDATE**

Although the financial impact is unknown, the state medical plan will cover all COVID-19 testing, Chairman Reynolds explained. To the best of his knowledge, he said, there has not been any claims related to COVID-19, but that will most likely change. Right now, because of the stay-home order, the plan is saving money due to deferred elective surgeries and procedures that will most likely be done later. Impacts to the plan will be monitored, he added.

Ms. Buxton inquired if Blue Cross will cover or cost-share antibody testing for COVID-19. Ms. Pike replied that so far there is not a test identified that can be covered; however, as soon as one is developed, it will likely be covered by the state's plan and the cost-share will be determined at that time.

Because elective procedures have been postponed and people will have money left over in their Flexible Spending Accounts (FSA), Representative Green inquired whether there will be an extension on the flexible spending year. Ms. Pike responded that a mandate from the federal government would be necessary to extend the timeframe for expending funds. However, two communication pieces have been distributed to all HR officers and posted on the website noting the federal government's expansion of items that can be purchased with FSA dollars, such as over-the-counter items like aspirin and feminine hygiene products, for example. OGI also sent out information about the FSA Store on the state's FSA vendor's (Navia Benefits Solution) website explaining how to purchase things from Band-Aids to breast pumps, she said. Nevertheless, \$500 or less can be rolled over on the medical FSA into the next plan year. Chairman Reynolds noted that Ms. Buxton has national HR contacts and could relay our request for an extended date for expending FSA dollars.

## **FY20 FINANCIALS AND PLAN PERFORMANCE (as of March 31, 2020)**

Ms. Pike referred to the medical financial statement and pointed out that at three-quarters of the way through the plan year, the state has spent \$204,710,601. This is 72% what Milliman had projected for this point in time. This time last year \$195,261,159 had been expended. The state's reserve is \$75,213,351 although the required amount is \$27,740,000. Some reserve dollars were used in previous years for premium holidays and in the current plan year they were used to supplement the annual appropriation. The same appropriation amount has been set for next year which will help to further draw down those excess reserve dollars.

As of March 31<sup>st</sup> there were 18,9348 active employees enrolled in the plan with 28,155 dependents; 642 retirees and 182 dependents; 110 COBRA enrollees and 50 dependents. Active employees tend to increase about 1% annually while retiree numbers continue to diminish, she explained.

As mentioned, the Legislature set the medical and dental appropriation at \$11,650 per employee again for next year, and Milliman's projected total cost for the plan is \$297,180,000 for FY21. Required reserve balance is projected at \$31,480,000. Director Reynolds pointed out that the actual cash cost per enrolled employee for next year is \$13,840 and the reserve balance will be used to supplement the \$11,650 appropriation. Mr. Humiston asked that staff provide him with year-end actuals for the last three years.

The dental plan is more predictable than the medical, Ms. Pike said, because of the \$1,500 maximum for orthodontic services. To date the state has paid \$10,301,498 in claims and expenses (74% what Milliman had predicted at three-quarters of the way through the year) compared to \$9,490,476 last year at this time. Ending reserve balance was \$2,984,143 although the required amount is \$1,390,000. Like the medical reserve, some of these excess dollars will be used to off-set the FY21 appropriation.

Dental coverage is optional for families, and to date there are 18,948 employees with 26,471 dependents. There are 125 COBRA enrollees with 74 dependents. Routine dental procedures will be deferred due to COVID-19, and these are costs that will not come back later, she said. For example, employees get one annual exam per year and two cleanings per year so if one or all are deferred, they cannot be banked for another time. Blue Cross has projected that usage of the plan will be back to normal about December.

Mr. Spannknebel remarked that as medical elective procedures are deferred, future surgery times will be backed up. As a result, employees may be using more intermittent FMLA hours. Ms. Buxton responded there could be a spike in ADA accommodations as well.

Ms. Pike noted that since the start of the pandemic, MDLIVE, the state's telehealth services, has increased in usage. Many providers also have telehealth services to offer employees throughout the stay-home order.

## **FY21 MEDICAL/DENTAL RENEWAL**

In the new plan year, Ms. Pike announced, the Affordable Care Act fees are eliminated which will save the plan almost \$7 million in FY21. With the grandfather clause removed from the plan, more strategic changes can be made in FY21 to continue to provide access and education for members. One plan highlight is In-Network VSP Vision Benefits. Right now, it doesn't matter what provider is used, whether in or out-of-network, the member receives the same reimbursement. In FY21 there will be a VSP in-network benefit with a significantly lower co-pay amount and a higher reimbursement for frames when a VSP provider is utilized. Those who choose not to see a VSP provider will continue to get the current benefits, which is \$50 toward the exam.

Blue Cross has gone out to bid and selected a new Pharmacy Benefit Manager (PBM). CVS Caremark will be replaced with Ingenio RX and members will receive new member cards in July. This change will save the state's plan over \$2 million by realizing the reduced costs this company can offer.

A Nurse Advice Line is also being added at no charge to members, she continued. It is available 24/7, 365 days per year at a cost of \$25,000 to the state. Should a call require a higher level of medical intervention it will be handed off to MDLIVE, the state's telehealth provider.

CHOICEDOCs is being added to the PPO plan. Right now, any provider can be in the network if it accepts the rate criteria, she explained. There is now a next level of providers who have higher performance measures, lower allowable charges, and are working with the carrier for better outcomes overall. The zero co-pay (compared to \$20) for this alternative is to incentivize PPO members to choose a CHOICEDOC doctor.

The dental benefit language has been modified to allow for more flexibility in scheduling throughout the 12 months. Instead of specifying "one cleaning every 6 months" it now allows "two cleanings per plan year". The projected claims impact is \$23,000 because more individuals are expected to get their cleanings if the timing is more flexible. Another change in the dental plan is a shared cost for patients who require nitrous oxide in order to visit the dentist. Potential claim impact is \$120,000.

She pointed out that the state's Flexible Spending Account (FSA) maximum will match the federal maximum of \$2,750.

Use of the Employee Assistance Program (EAP) is anticipated to increase and will be tracked throughout the COVID-19 pandemic. Ms. Buxton mentioned that this program has been very important during the stay-home order. Ms. Pike commented that MDLIVE, the state's telehealth provider, also has a behavioral health component.

Premiums for the new plan year will be posted on the OGI's website later in the day, Ms. Pike said, and distributed to agencies tomorrow. Employee premiums will increase between \$1 and \$20 per month depending on the plan and enrollee category. Most employees are enrolled in the PPO plan and those rates will increase \$3 to \$15. Open enrollment begins April 27<sup>th</sup>, she said. A three-minute video describing open enrollment has been added to the OGI website.

Ms. Buxton complemented Group Insurance for being involved in conversations with higher education institutions who have had to furlough or lay off employees during this pandemic. She said Ms. Pike has helped them understand how the medical and dental coverage is affected.

## **COVERAGE FOR PHARMACIST SERVICES**

Pharmacists currently provide services in a pharmacy setting such as providing tests for strep and flu, for example, Mr. Pike explained. Because these services have not been compensated through an insurance plan, patients have been

charged cash. Beginning July 1, the state will participate in a pilot program launching the first program in Idaho that compensates pharmacists for services through an insurance plan. This provides another avenue that plan members can take for their health care.

### **UNUSED SICK LEAVE UPDATE**

The state is very close to being able to offer retirees a way to purchase medical insurance with their unused sick leave through short-term Access plans provided by Blue Cross of Idaho. Up until now, employees who were hired with the state after July 2009 had few things to spend their unused sick leave dollars on besides Medicare Advantage Supplement Part D, dental, and/or long-term care insurance.

By statute, the Unused Sick Leave Fund falls under the purview of the Group Insurance Advisory Committee, she said. Ms. Patterson expressed her enthusiasm for this new use of the Fund. There have been several retirees in the Judicial System who fall within the health care gap prior to Medicare eligibility.

**MOTION: Mr. Spannkebel moved, and it was seconded by Mr. Humiston that the Unused Sick Leave Fund be used for individual retiree medical plans. The motion passed unanimously.**

Ms. Wright noted that Access plans are underwritten and renewable annually for up to three years, with preventative services covered at no cost. Dental and some vision are included as well. They are also the most affordable compared to other similar plans in the market.

Ms. Buxton thanked the Committee on behalf of PERSI Director, Don Drum, who worked very hard on this project and hired a tax attorney to verify there would be no tax implications to retirees.

### **OGI STAFFING UPDATE**

Two of OGI's longest term employees retired about the time the pandemic hit – Cindy Dickinson and Nancy Regent. Recruitment has been underway, positions advertised, and one past employee has agreed to return. One vacant position was reclassified as a Group Insurance Benefit Analyst to provide some strategic expertise.

### **OTHER BUSINESS**

Director Reynolds explained the RFP for the Group Insurance Consultant has been put on hold until the hiring climate improves for the best possible response.

He also noted that legislative funding for the self-insurance study/implementation was approved this year as part of the department's FY21 budget. The first step for use of the funds is to determine whether a self-insured plan is the right direction, although Idaho is one of two states without a self-insured plan, he added. If it is deemed the right direction, the next piece is to prepare what documentation is necessary and develop a governing structure for a self-insured plan. Two sessions ago, he said, the Legislature exempted the state from some of the Department of Insurance requirements which would make a switch much simpler and less expensive.

### **OTHER BUSINESS/PROPOSED MEETING SCHEDULE**

Two dates were proposed for upcoming 2020 meetings of the committee.

August 19<sup>th</sup> at 2:00 pm  
December 16<sup>th</sup> at 2:00 pm

**ADJOURNMENT**

**MOTION:** Mr. Humiston moved, and it was seconded by Mr. Spannkebel to adjourn the April 23, 2020 meeting of the Group Insurance Advisory Committee at 3:00 p.m. The motion passed unanimously.



---

Diane K. Blume, Program Specialist  
Department of Administration