

**IDAHO STATE GROUP INSURANCE
ADVISORY COMMITTEE
January 5, 2015
MEETING MINUTES**

The January 5, 2015 meeting of the Idaho State Group Insurance Advisory Committee was held in the LBJ Building, Conference Room 155, located at 650 W. State Street, Boise, Idaho.

ATTENDANCE

Members Present:

Directory Teresa Luna, Chair
Senator Fred Martin
Retiree Employee Dick Humiston
Judiciary Member Andrea Patterson
Representative Phylis King
Employee Member Roxanne Lopez

Others Present:

Department of Administration: Amy Johnson, Amanda Visoky,
Keith Reynolds, Rebecca Fry, and Margaret Odedo

WELCOME

Director Luna called the meeting to order at 1:33 p.m. and welcomed all members.

GENERAL BUSINESS

Approval of Minutes:

MOTION: Senator Martin moved to accept the November 18, 2014 minutes as written. Seconded by Representative King.

Legislative Session Preview: Director Luna informed the committee of the Department's upcoming CEC presentation. The State plans cover over 45,000 members including 17,987 active employees, 938 retirees and 27,011 dependents. The PPO still has the highest participation with over 80% of active employees and 52% of retirees enrolled in that plan.

Although our plan is grandfathered we are still required to make plan changes as required by ACA. Director Luna explained that due to our grandfathered status there are only slight modifications we can make to our plans and maintain that status. We cannot decrease the employer's contribution rate towards the cost of coverage by more than 5%. We have shifted a portion of this in prior years and only have about 1.66% that we can shift in future years. We cannot make any changes to coinsurance and only increase co-payments, deductibles and out of pocket maximums by medical inflation plus 15%. We will not be recommending any premium increases for FY 2016.

Member Humiston asked what it would look like if we lost our grandfathered status. If we lose grandfather statutes we would be required to cover all preventative services with no cost sharing, cover certain clinical trials, and some other items listed in the ACA.

The Office of Group Insurance will be requesting an appropriation of \$11,200 per employee. Information regarding thriveidaho will also be presented along with the HSA/VEBA report. In cooperation with DFM and LSO it was decided to increase the contractual reserve from 5% to 10%. This will save the State approximately \$740,000 for FY 2017.

Director Luna reiterated that we will be requesting two changes to the rules governing the Office of Group Insurance:

1. To remove the Medicare Prescription Drug reimbursement program due to expiration and
2. To remove the exclusion for dependents that have access to other employer sponsored coverage as required by ACA.

HSA/VEBA Update: Mr. Reynolds provided the committee with a comparison of cost savings between a fully insured High Deductible plan that is HSA compatible and a self-insured High Deductible plan that is HSA compatible.

Mr. Reynolds explained that it is important to note that self-insured plans require a number of policy decisions for implementation, the requirement to establish an independent board of trustees responsible for plan design and oversight of operations; as well as the on-going increases in administrative burden, and additional one-time expenditures. It is also important to note, this new high deductible plan would not be grandfathered.

Mr. Reynolds informed the members that at first glimpse these plans are designed to empower employees to take charge of their health and make wise choices for medical expenses, such as price shopping for non-emergent services. However, history shows once employees have reached deductibles or out of pocket maximums they tend to go back to previous behaviors.

Director Luna indicated that we currently have less than 1% participation in our high deductible plan. HSA plans would create a cost shift for our employees due to the increased deductible. Mr. Reynolds reviewed that the VEBA is typically used with collective bargaining agreements and more of an investment vehicle, concluding that these types of plans may not be the best option for the State of Idaho.

thriveidaho Update: Ms. Visosky provided a brief report on the status of the thriveidaho program. 742 employees received a check during the first quarter and approximately 850 are scheduled to receive a check for the second quarter. Currently, 2676 employees have earned some points in the wellness portal. thriveidaho has a new challenge, Water Works, starting on January 12 and running until February 9, 2015.

The next meeting will be scheduled for late March, 2015.

Adjournment: The Committee adjourned at 2:21 p.m.

Respectfully Submitted



Margaret Odedo, Management Assistant