

GROUP INSURANCE ADVISORY COMMITTEE (GIAC)
October 9, 2015
MEETING MINUTES

The October 9, 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.

Members Present:

Director Bob Geddes, Chair
 Senator Fred Martin
 Representative Phylis King
 State Retiree Member Dick Humiston
 Employee Member Roxanne Lopez

Members Absent:

Judiciary Member Andrea Patterson

Others Present:

Department of Administration: Keith Reynolds, Jennifer Pike, Cindy Dickinson; Audrey Musgrave, State Controller's Office; Robyn Lockett, Legislative Services Office; Gideon Tolman, Division of Financial Management; Mark Estes, Eiguren & Ellis; Keith Paduch, IntegraFlex; Michael Berry, American Health Value.

WELCOME

Director Geddes called the meeting to order at 9:00 a.m.

Approval of the Amended Agenda:

MOTION: Senator Martin moved to accept the amended agenda that included approval of the prior meetings' minutes. Seconded by Rep. King. With no discussion, the motion carried.

Approval of Minutes:

MOTION: Senator Martin moved to accept the June 25, 2015 minutes as written, seconded by Rep. King. With no discussion, the motion carried.

Director Geddes introduced Jennifer Pike as the new administrator of the State's Office of Group Insurance.

GENERAL BUSINESS

FY2016 Financial Update: Ms. Pike presented financial information as of August 31, 2015:

Total Medical Expenses	\$33,231,546	Total Dental Expenses	\$2,456,432
Ending Reserve Balance	\$24,624,102	Ending Reserve Balance	\$648,667
Active Employees	18,339	Active Employees	18,329
Dependents	26,856	Dependents	25,462
COBRA	107	COBRA	221
Retirees	840		
Dependents	208		

Sen. Martin asked if the lower number of enrolled dependents on the medical plan in the current fiscal year compared to last fiscal year was a result of the dependent verification process. Ms. Pike responded that the number of enrollees varies from month-to-month, and the lower number of dependents could be a result of a large number of dependents aging off, turning 26 years old, or that more enrolled employees do not have dependents.

Mr. Humiston inquired about the ending reserve balance as of June 30, 2015. Keith Reynolds, Admin Deputy Director/CFO, answered that with a \$3 million transfer from the Life reserve account, the final medical reserve balance was slightly more than \$20 million to meet the 10% contractual requirement going in to FY2016.

Rep. King asked for more information about how retirees access sick leave funds to pay premiums on the State's Retiree Medical plan. Mr. Humiston responded that some retirees are likely using their sick leave balance to pay those premiums, however, they can also pay out of pocket to continue in the State's group plan for retirees. Ms. Pike noted that Dental is not part of the retiree insurance coverage.

Director Geddes opened the floor for comments from the audience. Mr. Paduch commented that individual Dental coverage is relatively inexpensive, approximately \$40/month, and individual Vision coverage is approximately \$10/month. Medicare does not cover Dental nor Vision.

thriveidaho Update: Ms. Pike informed the committee that in the first quarter of FY2016, ending September 30, 844 employees had earned the \$250 reward, which is an increase in rewards sent out over the first quarter of FY2015. That's approximately \$211,000 in rewards for employees engaging in healthy behaviors and mitigating risk factors. The interest in thriveidaho continues to grow as OGI expands its outreach efforts. Employees are accessing the resources available on the wellness portal of the Blue Cross website. The program is in its second challenge of the year, an activity challenge that encourages people to get active during the day. A little over 600 people are currently participating in the challenge.

Medicare Supplemental Plan: Following up on the Committee's direction at the previous meeting, Ms. Pike provided an update on the status of a Medicare Supplemental Procedure for vendors seeking to provide coverage to qualified state retirees with available sick leave funds. In discussions with PERSI, having a minimum number of participants was not necessary for the procedure which had been the Committee's primary concern in the original draft of the procedure.

The draft before the Committee allows the any vendor who meets PERSI and OGI requirements may enter into agreement with OGI to provide these services. The agreement includes provisions for termination should a vendor wish to opt out or should the State choose to terminate with a vendor who has been inactive for a significant amount of time.

Once approved, the procedure will be posted on the OGI website.

MOTION: Mr. Humiston moved to accept the new version of the Medicare Supplemental Procedures. Seconded by Sen. Martin. With no discussion, the motion carried and the procedures were approved.

Sen. Martin asked what process was in place to get the vendor information to the retirees. Ms. Pike responded that PERSI will provide the list of approved vendors and their contact information to retirees who are wishing to pay for Medicare Supplemental coverage with the retirement benefit. [Approved vendor information will also be posted on the OGI website in the retiree section.]

Flexible Spending Accounts (FSA) RFP: Ms. Pike reminded the Committee about the discussion of remarketing the Flexible Spending Account (FSA) provider since that had not been done in many years. An RFP has been drafted, reviewed and is ready to deploy. The RFP includes services for both the medical flexible spending and dependent care flexible spending. Mr. Reynolds noted that many of the provision of flexible spending accounts, such as carry over provisions, are dictated by IRS tax laws.

Rep. King asked about the education and outreach to employees about participating in a flexible spending plan. Ms. Pike responded that having the FSA RFP on the street will dovetail well with OGI's outreach and communication efforts in the coming months. Approximately 3,500 employees participate in the FSA program.

The targeted timeline for the RFP is to get it published mid-October and leave it open for 4 – 5 weeks for responses. Once the response window is closed, all bids will be evaluated and scored by the OGI insurance consultant and then the scoring and bids will be reviewed by OGI. Selection of a vendor could be made by the Admin Director as soon as early February for a July 1 implementation.

MOTION: Sen. Martin moved to support the Office of Group Insurance in their effort to remarket the Flexible Spending Account (FSA) vendor. Seconded by Rep. King. With no discussion, the motion carried.

OTHER BUSINESS

Outreach and Communications: Ms. Pike informed the Committee about the success of and participation in a recent series of webinars conducted by the Health Promotion Coordinator on a wide variety of group insurance and thriveidaho topics. OGI also publishes a monthly newsletter, Benefits Focus, and a monthly thriveidaho email newsletter. OGI offers group training, one-on-one training, and lunch-and-learn sessions. Ms. Pike indicated that she was going to begin outreach to the agency heads and HR community, and suggested hosting a legislative session early on in the session to acquaint the Legislature with the OGI staff.

For those who may not know, the Office of Group Insurance is located on the 4th Floor of the Borah Building downtown with regular business hours.

Meeting Schedule: Ms. Pike inquired if the Committee was interested in normalizing a regular meeting schedule each year. Meetings are typically held in Spring (early April, following session), August and December. Additional meetings could be held as needed, but having a set schedule for at least those primary times would allow members to plan attendance well in advance.

Ms. Pike will gather some dates to present to the Committee at the next meeting.

ADJOURNMENT

Rep. King moved to adjourn. The Committee adjourned at 9:59 a.m.

Respectfully Submitted
Jennifer Pike, Administrator