



State and School Employees Health Insurance Management Board

Public Meeting Notice

The next meeting of the State and School Employees Health Insurance Management Board will be held at 9:00 a.m. on Wednesday, August 24, 2022. The meeting will be held in Room 117 in the Woolfolk Building in Jackson, Mississippi. As deemed necessary, board members may participate in this meeting virtually.

For further information, contact the Office of Insurance, Department of Finance and Administration at 601-359-5006.

State and School Employees Health Insurance Management Board

August 22, 2022

1. Minutes of July 27, 2022 Standing Monthly Board Meeting – Ms. Liz Welch, Chairman
2. Selection of Consulting Services Vendor – Ms. Cindy Bradshaw, State Insurance Administrator
3. Fiscal Year 2022 Actuarial Report Preliminary Projections – Mr. Wm. Lynn Townsend, FSA, MAAA, Consulting Actuary
4. Financial Statements – Ms. Angela Inman, Deputy Director, Office of Insurance
5. General Schedule – Mr. Chris Shaman, Deputy Director, Office of Insurance
6. Old Business
7. New Business

Next Meeting: September 28, 2022

Agenda Item 1

Minutes of the July 27, 2022 Standing Monthly Board Meeting

Ms. Liz Welch

Description

The minutes of the July 27, 2022 standing monthly meeting of the State and School Employees Health Insurance Management Board are included in this section.

Action Requested

Approval of the minutes

State and School Employees Health Insurance Management Board

Standing Monthly Meeting July 27, 2022

The standing monthly meeting of the State and School Employees Health Insurance Management Board convened Wednesday, July 27, 2022, in Room 117 of the Woolfolk Building located at 501 North West Street in Jackson, Mississippi, at 9:05 a.m. The meeting was held in person with some Board members and vendors joining the meeting virtually using Microsoft Teams®. The presiding officer was Ms. Liz Welch, Chairman of the Board. A quorum was present.

Voting Members Present

Ms. Liz Welch, Chairman
Mr. Christopher Burkhalter, Vice Chairman
Dr. Kim Benton (*Represented by Dr. Felicia Gavin via Teams*)
Mr. Mark Formby
Mr. Larry Fortenberry (*Via Teams*)
Mr. Kelly Hardwick
Dr. Alfred Rankins
Mr. Kell Smith (*Via Teams*)

Non-Voting Members Present

The Honorable John Read – Chairman,
House Appropriations Committee

Voting Members Absent

Mr. Mike Chaney
Mr. Ray Higgins

Non-Voting Members Absent

The Honorable Briggs Hopson – Chairman,
Senate Appropriations Committee
The Honorable Walter Michel – Chairman
Senate Insurance Committee
The Honorable Henry Zuber – Chairman
House Insurance Committee

Department of Finance and Administration Staff Present:

Ms. Cindy Bradshaw
Mr. Chris Shaman
Ms. Angela Inman
Ms. Amanda Murphy
Ms. Alicia Coleman (*Via Teams*)
Ms. Carlotta Edwards (*Via Teams*)
Ms. Krista Robinson (*Via Teams*)
Ms. Stacie Sheriff (*Via Teams*)

Attorney General's Office Staff Present:

Call to Order

The meeting was chaired and called to order by Ms. Liz Welch, Chairman of the Board.

Agenda Item 1: Minutes of the June 22, 2022 Standing Monthly Board Meeting

Chairman Welch announced that the minutes of the Board's June 22, 2022, standing monthly meeting had been provided to all Board members for their review in advance of today's meeting. A motion was made by Mr. Mark Formby for the Board to approve the minutes for June as presented. Mr. Kelly Hardwick seconded the motion. The motion passed by a 7 – 0 vote, with members Burkhalter, Formby, Fortenberry, Gavin (designee for member Benton), Hardwick, Rankins, and Smith voting affirmatively.

Agenda Item 2: Pharmacy Benefit Manager Audit

Chairman Welch recognized Ms. Kelly Tanner, Director of Auditing, PillarRx Consulting, LLC, to present the results of Pillar's recently completed audit of CVS Caremark's calendar year 2021 performance as the pharmacy benefit manager for the State and School Employees' Health Insurance Plan. A copy of Pillar's report entitled "*Prescription Benefit Management Audit*", as well as their summary document was distributed to Board members prior to the meeting. Ms. Tanner discussed the audit process and the key results. No action was required or taken by the Board on this item.

Agenda Item 3: Legal Services Contract

Chairman Welch recognized Ms. Cindy Bradshaw, State Insurance Administrator for the Office of Insurance, who advised the Board that the Plan is increasingly subject to massive federal laws and regulations many of which have substantial penalties and fines. Staff feels that the Board and staff would benefit from the services of attorneys with expertise in this area to assist in providing guidance. Mr. Hardwick made the motion to approve staff entering into a legal services contract with an attorney or firm with substantial health insurance experience. Mr. Formby seconded the motion. The motion passed by a 7 – 0 vote, with members Burkhalter, Formby, Fortenberry, Gavin, Hardwick, Rankins, and Smith voting affirmatively.

Mr. Chris Burkhalter, Mr. Mike Chaney, and Mr. Kelly Hardwick were appointed to serve on the subcommittee for the Legal Services procurement process.

Agenda Item 4: Fiscal Year 2024 Budget Request

Chairman Welch recognized Ms. Cindy Bradshaw, State Insurance Administrator with the Office of Insurance who presented the State and School Employees' Life and Health Insurance Plan's Fiscal Year 2024 budget request. A copy of the budget document was distributed to Board members for their review prior to the meeting. Ms. Bradshaw explained that the proposed budget assumes a level budget for most administrative activities. The budget

includes projected claims and claims related expenses, as well as all other expenditures expected to be incurred for the upcoming fiscal year. A motion was made by Dr. Al Rankins to approve the Fiscal Year 2024 Budget Request as presented. Mr. Burkhalter seconded the motion. The motion passed by a 7 – 0 vote, with members Burkhalter, Formby, Fortenberry, Gavin, Hardwick, Rankins, and Smith voting affirmatively.

Agenda Item 5: Financial Statements

Chairman Welch recognized Ms. Angela Inman, Deputy Director, Office of Insurance, who briefly reviewed the financial statements for the State and School Employees' Life and Health Insurance Plan for the month of June 2022. Copies of the financial statements from June 2022 were provided to the Board members for review prior to the meeting. No action was required or taken by the Board on this item.

Agenda Item 6: General Schedule

Chairman Welch recognized Mr. Chris Shaman, Deputy Director, Office of Insurance, who reviewed the schedule of major activities and actions to be taken by the Board for the next several months.

Agenda Item 7: Old Business

There was no old business for the Board to consider.

Agenda Item 8: New Business

There was no new business for the Board to consider.

Adjournment

Chairman Welch announced that the next standing meeting of the State and School Employees Health Insurance Management Board is scheduled for 9:00 a.m., on Wednesday, August 24, 2022, in Room 117.

As there was no further business, the meeting was adjourned at 9:46 a.m.

Liz Welch
Chairman
State and School Employees Health Insurance Management Board

Agenda Item 2

Selection of Consulting Services Vendor

Ms. Cindy Bradshaw

Description of Issue

At the November 2021 meeting, the Board authorized staff to issue a Request for Proposals (RFP) for Consulting Services for a contract to be effective October 1, 2022, and assigned a subcommittee consisting of Mr. Ray Higgins, Dr. Alfred Rankins, and Mr. Kell Smith. The RFP for Consulting Services was issued in June with proposals received in July. Following evaluation of the proposals, the finalists were interviewed by staff and the subcommittee, who will present a recommendation to the Board.

Action Requested

Approval of vendor and authority to initiate contract negotiations for consulting services

Agenda Item 3

Fiscal Year 2022 Actuarial Report Preliminary Projections

Mr. Wm. Lynn Townsend, FSA, MAAA

Description

The Board's consulting actuary, Mr. Wm. Lynn Townsend, FSA, MAAA, will discuss his preliminary actuarial analysis of the State and School Employees' Life and Health Insurance Plan for the period ending June 30, 2022. Mr. Townsend has prepared a document entitled, *FY22 Preliminary Actuarial Report Projections*, which provides information on the Plan's financial results and current status, as well as the projected financial impact of premium rate increases and trend assumptions for subsequent time periods. Based on information provided in Mr. Townsend's report, the Board may vote on the actual premium rate changes to be effective January 1, 2023. A copy of Mr. Townsend's report is attached.

Action Requested

Approval of the actual health insurance premium rate changes to be effective January 1, 2023, and approval of the premium rate change assumption for January 1, 2024 to be provided to LBO for FY 2024 budgeting purposes only.

Agenda Item 4

Financial Statements

Ms. Angela Inman

Description

The July 2022 financial statements for the State and School Employees' Life and Health Insurance Plan are included in this section.

Action Requested

None

STATE AND SCHOOL EMPLOYEES' LIFE AND HEALTH INSURANCE PLAN
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND BALANCE
July 31, 2022

	CURRENT YEAR				LAST YEAR			
	MONTH ENDING July 31, 2022	FY2023 YEAR TO DATE	FY2022 YEAR TO DATE	CY 2022 YEAR TO DATE	MONTH ENDING July 31, 2021	FY2022 YEAR TO DATE	FY2021 YEAR TO DATE	CY 2021 YEAR TO DATE
RECEIPTS:								
PREMIUMS RECEIVED:								
HEALTH INSURANCE	\$65,233,767.19	\$65,233,767.19	\$795,719,905.92	\$465,158,625.89	\$62,654,352.42	\$62,654,352.42	\$761,670,287.89	\$437,477,391.57
LIFE INSURANCE	1,541,587.26	1,541,587.26	18,804,837.75	10,814,408.17	1,527,969.98	1,527,969.98	18,413,048.06	10,546,018.72
REFUNDS OF CLAIM OVERPAYMENTS	612.78	612.78	222,490.08	134,094.86	8,386.22	8,386.22	324,048.12	247,294.15
SUBROGATION RECEIPTS	57,422.00	57,422.00	1,323,479.01	1,015,743.02	64,236.60	64,236.60	994,054.50	560,081.36
LATE FEES RECEIVED	0.00	0.00	31,357.76	20,568.24	512.63	512.63	441.45	954.08
INTEREST RECEIVED	10,516.09	10,516.09	655,388.39	307,672.74	20,800.28	20,800.28	1,098,517.36	519,224.43
PHARMACY REBATE	2,265,349.77	2,265,349.77	124,649,294.38	68,776,480.17	0.00	0.00	101,754,159.56	63,566,762.05
TOTAL RECEIPTS	\$69,109,255.09	\$69,109,255.09	\$941,406,753.29	\$546,227,593.09	\$64,276,258.13	\$64,276,258.13	\$884,254,556.94	\$512,917,726.36
DISBURSEMENTS:								
NON-ADMINISTRATIVE:								
CLAIMS PAID - MEDICAL	47,494,946.23	47,494,946.23	609,760,091.01	340,735,300.57	52,450,541.75	52,450,541.75	613,422,182.52	345,535,290.40
CLAIMS PAID - PHARMACY	24,419,780.08	0.00	334,862,422.26	183,976,246.52	20,431,970.35	0.00	279,403,866.43	155,989,206.28
CLAIMS PAID - LIFE	0.00	0.00	16,443,646.79	8,528,584.81	1,355,261.39	0.00	20,443,035.71	12,527,850.93
PREMIUM REFUNDS	20,990.85	20,990.85	669,796.99	427,864.53	51,550.30	51,550.30	592,949.27	312,471.97
SUBTOTAL NON-ADMINISTRATIVE	\$71,935,717.16	\$47,515,937.08	\$961,735,957.05	\$533,667,996.43	\$74,289,323.79	\$52,502,092.05	\$913,862,033.93	\$514,364,819.58
ADMINISTRATIVE AND COST CONTAINMENT FEES:								
ADMINISTRATIVE EXPENSE - STATE	84,979.33	80,281.96	1,265,335.67	702,244.18	137,518.75	92,446.53	1,284,924.36	734,837.83
BKD - AUDITOR	0.00	0.00	74,000.00	6,000.00	0.00	0.00	76,167.25	13,000.00
CTI - MEDICAL CLAIMS/PERFORMANCE AUDIT	0.00	0.00	26,339.00	26,339.00	0.00	0.00	28,038.75	26,483.00
PILLAR- PHARMACY CLAIMS/PERFORMANCE AUDIT	5,478.56	0.00	58,591.01	58,591.01	0.00	0.00	91,250.00	91,250.00
CAVANAUGH MACDONALD - ACTUARY	0.00	0.00	30,000.00	15,000.00	0.00	0.00	30,000.00	9,898.00
LYNN TOWNSEND - ACTUARY	8,320.00	0.00	198,005.25	109,952.00	10,458.00	0.00	153,924.25	83,850.75
SEGAL - CONSULTANT	0.00	0.00	61,196.25	39,807.50	2,840.00	0.00	89,010.00	58,752.50
BLUE CROSS BLUE SHIELD OF MISSISSIPPI - TPA	1,535,169.50	0.00	18,687,515.00	10,842,303.50	1,552,868.00	0.00	18,882,007.39	11,001,615.50
PRIME - PHARMACY NETWORK	0.00	0.00	0.00	0.00	0.00	0.00	3,259,018.82	584,212.98
CVS CAREMARK-PHARMACY NETWORK	268,222.40	0.00	3,297,775.05	1,939,690.06	255,019.50	0.00	1,485,358.90	1,485,358.90
MINNESOTA LIFE - LIFE INSUROR	0.00	0.00	886,115.94	490,741.45	78,572.42	0.00	947,325.53	553,874.08
ACTIVEHEALTH - WELLNESS PROMOTION	0.00	0.00	2,850,288.28	1,790,860.89	534,005.04	0.00	6,509,147.70	3,764,572.72
KEPRO-UTILIZATION MANAGEMENT	186,065.18	0.00	2,232,123.91	1,314,488.77	0.00	0.00	0.00	0.00
HDMS - DECISION SUPPORT	20,153.17	0.00	241,838.04	141,072.19	20,153.17	0.00	241,838.04	141,072.19
AMERICANWELL -TELEMEDICINE	0.00	0.00	0.00	0.00	0.00	0.00	133,000.00	72,000.00
TRUSTMARK - BANK SERVICES	2,214.96	0.00	25,192.28	14,804.72	2,074.53	0.00	24,558.81	14,186.97
SUBTOTAL ADMINISTRATIVE	\$2,110,603.10	\$80,281.96	\$29,934,315.68	\$17,491,895.27	\$2,593,509.41	\$92,446.53	\$33,235,569.80	\$18,634,965.42
TOTAL DISBURSEMENTS	\$74,046,320.26	\$47,596,219.04	\$991,670,272.73	\$551,159,891.70	\$76,882,833.20	\$52,594,538.58	\$947,097,603.73	\$532,999,785.00
NET INCREASE (DECREASE) FOR PERIOD	(\$4,937,065.17)	\$21,513,036.05	(\$50,263,519.44)	(\$4,932,298.61)	(\$12,606,575.07)	\$11,681,719.55	(\$62,843,046.79)	(\$20,082,058.64)

STATE AND SCHOOL EMPLOYEES' LIFE AND HEALTH INSURANCE PLAN
STATEMENT OF ESTIMATED UNOBLIGATED CASH
July 31, 2022

CASH AND CASH EQUIVALENTS:

TREASURY FUND 3153
 CLAIMS BANK ACCOUNT - NET (LESS OUTSTANDING CHECKS)
 TREASURY FUND 3154
 TREASURY FUND 3144
 RETIREE INSURANCE TRUST (OPEB) - TREASURY FUND 3645

TOTAL CASH AND CASH EQUIVALENTS

ESTIMATED OBLIGATIONS:

OUTSTANDING CLAIMS - HEALTH (INCURRED BUT NOT REPORTED)
 OUTSTANDING CLAIMS - LIFE (INCURRED BUT NOT REPORTED)
 OUTSTANDING CLAIMS - HEALTH (INCURRED BUT NOT PAID)
 ADVANCE PREMIUMS
 BKD - AUDITORS
 CTI - MEDICAL CLAIMS/PERFORMANCE AUDIT (JULY)
 PILLAR-PHARMACY CLAIMS/PERFORMANCE AUDIT
 CAVANAUGH MACDONALD - ACTUARY
 WM. LYNN TOWNSEND - ACTUARY (JULY)
 SEGAL - CONSULTANT (JULY)
 BLUE CROSS BLUE SHIELD OF MISSISSIPPI - TPA (JULY)
 PRIME - PHARMACY NETWORK (JUNE)
 CVS -CAREMARK -ADMIN (JULY)
 MINNESOTA LIFE - LIFE CLAIMS/FEES (JUNE & JULY)
 ACTIVE HEALTH - WELLNESS PROMOTION (JUNE & JULY)
 KEPRO-UTILIZATION MANAGEMENT (JULY)
 HDMS - DECISION SUPPORT SYSTEM (JULY)
 AMERICANWELL -TELEMEDICINE
 TRUSTMARK - BANK SERVICES (JULY)
 STEPHENS (JULY)

TOTAL ESTIMATED OBLIGATIONS

TOTAL ESTIMATED UNOBLIGATED CASH (PRIOR TO PREMIUM DEFICIENCY RESERVES)

PREMIUM DEFICIENCY RESERVE - ESTIMATE FOR CY 2022

TOTAL ESTIMATED PREMIUM DEFICIENCY RESERVES

TOTAL ESTIMATED UNOBLIGATED CASH*

CURRENT YEAR at 7/31/2022	LAST YEAR at 7/31/2021	VARIANCE
83,677,673.76	104,263,312.81	(20,585,639.05)
54,349,689.27	48,648,398.16	5,701,291.11
11,545,717.52	37,749,419.18	(26,203,701.66)
913,608.97	255,434.37	658,174.60
1,049,207.60	1,044,423.92	4,783.68
\$151,535,897.12	\$191,960,988.44	(\$40,425,091.32)
(35,877,090.00)	(51,247,132.00)	15,370,042.00
(297,233.00)	(4,554,299.00)	4,257,066.00
(34,104,114.90)	(20,686,605.00)	(13,417,509.90)
(10,779,640.00)	(9,743,266.00)	(1,036,374.00)
0.00	0.00	0.00
0.00	0.00	0.00
(7,784.00)	0.00	(7,784.00)
0.00	0.00	0.00
(25,152.00)	(23,655.00)	(1,497.00)
(4,320.00)	(10,000.00)	5,680.00
(1,530,604.00)	(1,547,509.00)	16,905.00
(32,760.00)	0.00	(32,760.00)
(255,322.00)	(245,432.00)	(9,890.00)
(3,009,704.00)	(1,649,805.00)	(1,359,899.00)
(521,762.00)	(251,799.66)	(269,962.34)
(190,000.00)	0.00	(190,000.00)
(20,153.00)	(20,153.00)	0.00
0.00	0.00	0.00
(2,000.00)	(2,000.00)	0.00
(10,544.00)	0.00	(10,544.00)
(\$86,668,182.90)	(\$89,981,655.66)	\$3,313,472.76
\$64,867,714.22	\$101,979,332.78	(\$37,111,618.56)
(34,200,000.00)		
(\$34,200,000.00)		
\$30,667,714.22		

*NOTE: OTHER THAN AMOUNTS LISTED IN THE RETIREE INSURANCE TRUST (OPEB) - TREASURY FUND 3645 SHOWN ABOVE, THE ESTIMATED UNOBLIGATED CASH AMOUNT DOES NOT INCLUDE ANY ADDITIONAL RESERVES FOR THE \$643,682,000 UNFUNDED ACTUARIAL ACCRUED LIABILITY FOR CURRENT AND FUTURE RETIREE LIFE AND HEALTH INSURANCE BENEFITS.

Agenda Item 5

General Schedule

Mr. Chris Shaman

Description

A general schedule of major activities associated with the Plan and actions to be taken by the Board in the next few months is included in this section.

Action Requested

None

State and School Employees Health Insurance Management Board
General Schedule
August 2022

September Legislative Budget Office notified of projected employee premium for 2024
Fiscal year 2022 actuarial report presented to Board
Statutorily required annual report submitted to Legislature
Newsletter distributed to participants advising of benefit and premium changes
Legislative Budget Committee hearings

October Open Enrollment period
Board votes on revision to the Plan Document to be effective January 1, 2023
Board considers legislative proposals for 2023 legislative session
Board considers annual HIPAA Exemption Election

November *2032 Plan Document* released
Fiscal year 2022 Financial Audit Report presented to Board