

# STATE EMPLOYEE GROUP BENEFITS ADVISORY COUNCIL MEETING MINUTES

2401 Colonial Dr; Wilderness Room  
Helena, Montana

August 11, 2015

## **SEGBAC Council Present**

Chairman: Marilyn Bartlett, Administrator, Health Care and Benefits Division  
Member: Brian Ehli, Representative, MEA-MFT  
Member: John McEwen, Representative, State of Montana Retirees  
Member: Quint Nyman, Montana Public Employees' Association  
Member: Peggy MacEwen, Human Resource Manager, Department of Environmental Quality  
Member: Susan Byorth Fox, Executive Director, Legislative Services Division  
Member: Amy Sassano, Assistant Budget Director, Office of Budget and Program Planning  
Member: Senator Jim Keane  
Member: Mary Dalton, Branch Manager, DPHHS, Medicaid and Health Services Branch  
Member: K'Lynn Sloan Harris, AV Coordinator, Legislative Services Division, ICCW Representative  
Member: Richard Cooley, Senior Investment Officer, Dept of Commerce, Board of Investments  
Member: Doug Mitchell, Deputy Director, Department of Commerce

## **SEGBAC Council Not Present**

Member: Beth McLaughlin, Supreme Court Administrator

## **Staff**

Karen Wood, Deputy Administrator  
Amber Thorvilson, Finance Manager  
Barb Zess, Data Analyst  
John Thomas, Senior Health Officer  
Amber Godbout, Attorney  
Charlotte Hafer, Customer Service Assistant  
Lance Zanto, Bureau Chief, Workers' Compensation Management

Kelly Grebinsky, FSA, Principal, Actuaries Northwest  
Nancy Schultz, Senior Account Manager, Cigna  
Jimmie Barnwell, Director Clinical Operations, CareHere

## **Guests**

Amanda Burkhart, HCBD	Brittany Chandler, Delta Dental
Shannon Voss, CMS	Bob Olsen, MT Hospital Assoc.
Erin Woodrow, Pacific Source	Miranda Keaster, DOA
Ron Dewsnup, Allegiance	Kim Browne, Allegiance
Amber Ireland, Allegiance	Lesley Farry, Leg Branch
Mark Eichler, MAHCP, URX	Kris Wilkinson, Legislative Services
Vicki West, Alliant Consultant	Scott McClave, Alliant Consultant
Tom Quirk, Alliant Consultant	Yvette Englert, DOA HR
Ginger MacDonald, BCBSMT	Lynn Morrison, Cigna
Ryan O'Connell, New West Medicare	Cindy Zipperian, New West Medicare
Collette Hanson, BCBSMT	

## **Call to Order & Old Business**

Marilyn called the meeting to order at 8:30AM. She asked for the approval of minutes. John McEwan moved to approve the minutes. Quint seconded the motion. All voted in favor. Motion passed.

Marilyn introduced the Alliant Consultants.

## **Plan Financial Performance**

Kelly Grebinsky from Actuaries Northwest presented the financials. The second quarter financials are not finalized yet due to fiscal year end. They just received all the data for the quarter. The preliminary findings are that revenues are in line with the first quarter estimates. The expenses are below first quarter estimates due to lower paid claims, partially offset by legal judgement. Third, the administrative fees are in line with first quarter estimates. Overall, the second quarter was better than the first.

## **HCBD Update**

Marilyn gave her update in a [power point presentation](#). She mentioned that the need for a consultant was evaluated in late 2014. Alliant Insurance Services has been awarded the contract. They will be involved in RFP development/analysis for TPA services and RX with an implementation date of 1/1/16. She went over the proposed timeline that Alliant has come up with.

Marilyn introduced Barb Zess. Barb is our new data analyst. Barb and Jess Eickert are working with ITSD developing a data warehouse.

Marilyn also talked about the MT Health Centers. The contract has been renewed for one more year. The performance guarantees have been changed. They include EMR enhancements and data capture, utilization, 85% target utilization at each center, and population management; moving members into health programs. The admin fees have been reduced by 18%.

Incentives are critical to engage our members. HCBD team is researching and studying this area and designing a new incentive program.

Marilyn went over the affordable care act. There are some changes during 2016. For example, the elimination of the family deductible and ACA eligibility rules are just a couple of the changes. HCBD has been working with SHRD to implement the changes in eligibility. Doug complemented the seamless process of implementing the ACA eligibility rules.

Quint voiced concern about changing the Rx plan design. The noise lasts longer than the TPA change. Rich asked why the decision was made to go out to bid on URx. The reason is to see what else is out there. Pharmacy is trending at 15% and it is mostly specialty.

## **2016 Rates Discussion**

Kelly presented the rate discussion in a [power point presentation](#). He noted that 2015 will finish in the hole. The rates have to catch up to the loss. The medical trend is running at 8% and pharmacy trend is at 10%. In 2016 we have to start building up the reserves. The question is who should pay for the increase? Everyone the same? Utilizers pay more? Benefit design changes?

The question was raised why raise the deductible to \$1,000? The reason is trying to shift more of the cost to the utilizers. The goal is to put \$5 million into reserves. The question was asked about why not raise the out of network deductible more. 95-96% of all claims are in-network.

There was extensive discussion about cutting the number of days allowed for home health, skilled nursing, inpatient rehab and outpatient rehab. These limits are not hard limits. More time can be allowed with prior authorization.

Mary asked what the cost would be to give 27% of people who don't have access to health center make co-pay \$0?

Kelly went over the 2016 assumption.

Senator Keene isn't comfortable with contributing \$5 million to reserves. He would be okay with no addition to reserves. Just leave reserves where they are. Why take another \$5 million out of employee's pockets?

#### 2016 Dental & Vision Rates

There is a slight increase in dental rates and vision rates will stay the same.

### **Public Comment**

Lesley Farry asked if it costs the plan less to go to a MD vs a PA? If there is a difference then why not give an incentive to visit PAs instead of MDs.

The next meeting will be December 15, 2015 in the Wilderness Room.

Seeing no further comment, Marilyn adjourned the meeting just before noon.