

# STATE EMPLOYEE GROUP BENEFITS ADVISORY COUNCIL MEETING MINUTES

Board of Investments Conference Room, 2401 Colonial Drive  
Helena, Montana

August 23, 2011

## **SEGBAC Council Present**

Chairman: Russ Hill, Administrator, Department of Administration, Health Care and Benefits Division  
Member: Steve Barry, Administrator, Department of Corrections, Staff Services Division  
Member: Brian Ehli, Representative, MEA-MFT  
Member: Kelly DaSilva, Human Resource Manager, Legislative Services Division  
Member: Amy Sassano, Assistant Budget Director, Office of Budget and Program Planning  
Member: Richard Cooley, Senior Investment Officer, Dept of Commerce, Board of Investments  
Member: Senator Jim Keane, Senate District 38  
Member: Mary Dalton, Administrator, DPHHS, Health Resources Division  
Member: Erin Ricci, Admin. Asst. / ICCW Representative, Department of Natural Resources & Conservation  
Member: John McEwen, Representative, State of Montana Retirees  
Member: Quint Nyman, Executive Director, Montana Public Employees' Association

## **SEGBAC Council not Present**

Member: Jenny Kaleczyc, Assistant Public Defender, Office of the State Public Defender

## **Staff**

Karen Wood, Deputy Administrator  
John Thomas, Senior Health Officer  
Jackie Dunbar, Medical Management Supervisor  
Lance Zanto, Workers' Compensation Bureau Chief  
Amber Godbout, Attorney  
Amber Thorvilson, Financial Manager  
Jessica Jones, Program Integrity Auditor  
Charlotte Hafer, Customer Service Assistant

Kelly Grebinsky, FSA, Principal, Actuaries Northwest  
Mark Eichler, Pharmacist, URx

## **Guests**

Ginger Lindsey, BCBS  
Kim Stubby, BCBS  
Bonnie Anzick, New West  
Randi Carter, Benefits Specialist

Sheri Parson, State Human Resources  
Leslie Bergman, Legislative Services  
Sherri Rickman, Nurse Case manager  
Janet Kelly, Director of DOA

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

Russ Hill called the meeting to order at 8:30 AM. There were new people present at the meeting. Russ had everyone go around and do introductions.

John McEwen moved to approve the minutes. Erin Ricci seconded the motion. There was no discussion. All approved, motion passed.

Janet Kelly, Director of Department of Administration, spoke a few words to the group. She mentioned that the Governor has put a freeze on all State employees benefits and rates for the coming year. This is due to the fact that the Legislature didn't pass a pay raise for state employees.

Russ handed out a revised agenda. He noted that we still have lunch coming at noon.

Russ mentioned that through email vote, the VEBA fee reduction was passed effective September 1, 2011.

## **Plan Financial Performance**

Kelly Grebinsky, with Actuaries Northwest Inc, went over the second quarter financial report. He presented the report in a [power point presentation](#). He mentioned that in the second quarter, we received two payments from Medicare part D. He also talked the Specialty drug trends. He said that it looks like we are taking the claims out of medical and putting into pharmacy.

Russ then went over the Utilization and risk key indicators. He presented his information in a [power point](#). He pointed out that the average age is increasing.

## **Medicare Advantage**

Russ mentioned that we are still in discussions with New West. There are some issues that are still being worked through.

## **Mental Health Parity**

Russ is recommending full health parity for the next year. It would be a .3% increase on cost. It would eliminate visit limits. This doesn't change residential care. Mary Dalton moved to eliminate limits on residential care. Steve Barry seconded the motion. There was no discussion. All approved, motion passed.

## **Retiree Rates**

Since the decision was made that rates for active employees will not change for 2011, this doesn't apply to the retiree rates. The recommendation is to raise rates for non-Medicare 7%. The subsidy for the non-Medicare group is increasing. We are recommending to increase the non-Medicare retirees since we will not have any other increases to continue to subsidize this group. There was extensive discussion about the proposed rates for retirees. Jim Keane moved to take no action on retiree rates. John McEwen seconded the motion. There was no further discussion. Kelly DaSilva and Amy Sassano were the only votes against the motion, motion passed.

## **Annual Change Process**

Karen talked about the annual change process this year. We still want to go out and educate our members about the future. We are planning on having retiree sessions. We are also going to send out 2 different books; one for the Retirees and one for the employees.

## **Medical Management**

Jackie Dunbar provided an update on the prenatal program, QCC, and Cardiovascular. She reminded the group that we transitioned this internally to our case managers and our wellness person to work with those who are enrolled in the prenatal program.

The QCC program was for cancer patients to travel to Billings for their treatment. After some analysis, there is no clear health outcome for this benefit. It was actually costing more and people aren't willing to travel.

The cardiovascular program is a new program that we are partnering with the Montana Cardiovascular Health Program at no cost us. The program using health screening results to target people who are high risk.

Mary Dalton moved to discontinue the QCC program as long as the people in the program continue on the program. Erin Ricci seconded the motion. There was no discussion, motion passed.

## **2013 Changes**

Russ mentioned that the TPA will be out by Friday. We want to have the contract awarded in February 2012 for effective date of January 2013. Erin and Quint volunteered to work on the evaluations.

Our plan will continue to be grandfathered through 2012.

We will continue to work on Retiree rates

We are also looking at more value based benefits for our plan.

We are also staying on top of all PPACA changes.

## **Flexible Spending Fees**

Currently there is a \$2.26 per month fee for flexible spending. Our account is getting bigger from those people who don't use all their money within the year. We feel that we can waive the fee for 1 year. It will cost the plan \$110,000. Last year we had \$92,000 left over. Kelly DaSilva moved to waive the fee. Brian Ehli seconded the motion. There was no discussion, motion passed.

## **Contracts Life and Disability**

John Thomas gave an update on the Life and long term disability contracts. He reported that 4 were declared nonresponsive. On June 29, John McEwen, Melanie Denning, Lance Zanto, & John Thomas all participated in scoring the top candidates. The scoring was very close. We conducted offer interviews on July 15. Standard won by 5 points. The rates for both life and long term disability will go down. Rates are guaranteed for three years. Mary Dalton moved to approve Standard for life insurance. Erin Ricci seconded the motion. There was no discussion, motion passed.

## **Workers' Compensation Renewal**

Lance Zanto gave an update on Workers' comp renewal that became effective July 1, 2011. Please see [attached power point](#) for his presentation.

## **Sick Leave Fund Update**

Karen Wood gave an update on the sick leave fund. Currently, Mike in the Director's office is looking at it. We are still waiting for direction on how to bring the sick leave fund into compliance with statute.

The next SEGBAC meeting is December 6 in the Wilderness Room.

Russ asked for public comment. Seeing no comments from the public, he asked for a motion to adjourn the meeting. John McEwen moved to adjourn and Quint Nyman seconded the motion. There was no discussion, meeting adjourned at 11:58 AM.