

STATE EMPLOYEE GROUP BENEFITS ADVISORY COUNCIL MEETING MINUTES

Wilderness Conference Room, 2401 Colonial Drive
Helena, Montana

December 6, 2011

SEGBAC Council Present

Chairman: Russ Hill, Administrator, Department of Administration, Health Care and Benefits Division
Member: Steve Barry, Administrator, Staff Services Division, Department of Corrections
Member: Brian Ehli, Representative, MEA-MFT
Member: Jenny Kaleczyc, Assistant Public Defender, Office of the State Public Defender
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

Staff

Karen Wood, Deputy Administrator
John Thomas, Senior Health Officer
Amber Godbout, Attorney
Melanie Denning, Voluntary Benefits Manager
Charlotte Hafer, Customer Service Assistant

Kelly Grebinsky, FSA, Principal, Actuaries Northwest

Guests

Ginger Lindsey, BCBS
Frank Coti, BCBS
Kris Wilkinson, Legislative Fiscal Division
Sherri Rickman, Nurse Case Manager, HCBD

Mike Frank, BCBS
Mark Eichler, MAHCP, URx
Leslie Bergman, Legislative Services

Call to Order & Old Business

Russ Hill called the meeting to order at 8:35 AM with introductions.

John McEwen made note of a change on the August minutes. Russ also had a correction to the minutes. John McEwen moved to approve the corrected minutes. Erin Ricci seconded the motion. There was no discussion. All approved, motion passed.

Plan Financial Performance

Kelly Grebinsky, with Actuaries Northwest Inc, went over the third quarter financial report. He presented the report in a [power point presentation](#). Also included in Kelly's power point presentation was claims distribution.

Senator Keane wanted it stated in the minutes that there is money available from the legislature to provide pay raises to employees and to allow for rate increases in employee contributions. He feels it is irresponsible of the legislature to not provide the money.

Russ then went over the Utilization and risk key indicators. He presented his information in a [power point](#).

TPA and RFP Update

John gave an update on the TPA RFP. We are now in the middle of the process. The contract will end at the end of 2012. The TPA went out September 1, 2011. The first deadline for questions was September 23 and our

responses were due October 23. The final proposals were due November 18, 2011. Kelly Grebinsky will be looking at parts of the proposals. Russ Hill, Erin Ricci, Quint Nyman, Karen Wood, Jackie Dunbar, Jessica Jones, and John Thomas are reviewing the proposals and they will be scoring them the beginning of January. We received three responses that include everything; EBMS, Cigna/Allegiance, United Health. Delta Dental submitted a response for dental only. One response was not accepted for one reason or another. There was not a response from the company buying New West. Blue Cross submitted a response but it was not accepted because it was late. The offer date for the new TPA is February 17, 2012. TPA scoring will begin January 3.

New West Update

Russ gave an update on New West. New West has begun the process of focusing on Medicare only. Hospitals are being covered by Blue Cross starting in January. The US Justice Department has said that New West has to get out of the commercial business. They are committed to serve our customers through 2012.

Annual Change Update

Melanie Denning gave an update on annual change. She presented her information in a [power point](#).

Summary Plan Document

Amber Godbout gave an update on the summary plan document. This document will be looked at and updated each year. The following list is the things that were updated in the document:

- Eligibility
- Took out the word insurance since we are not the insurance
- PPACA requirements were added
- Coordination of benefits and subrogation issues
- Chemical dependency

Russ asked for a motion to approve and implement the summary plan document with the changes. Senator Jim Keane moved to accept the changes in the summary plan document. Erin Ricci seconded the motion. Motion passed.

PPACA Update

There was a [handout](#) included in everyone packet about PPACA.

2012 Benefit and Rating Issues

Russ went over a list of items for consideration for 2013. They include:

- TPA services
- HDHP/HAS
- Grandfathered status
- Medical benefit changes
- Dental benefit changes – possibly two different plans a basic and premium
- Pricing changes and subsidies
- Other employer changes
- Retiree rates
- Retiree options
- Value based benefits
- Wellness incentives

The next SEGBAC meeting will be February 28, 2012 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 11:42 A.M.