

STATE EMPLOYEE GROUP BENEFITS ADVISORY COUNCIL MEETING MINUTES

2401 Colonial Dr; Wilderness Room
Helena, Montana

May 19, 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: Beth McLaughlin, Supreme Court Administrator
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: Duane Pressinger for Mary Dalton, Branch Manager, DPHHS, Medicaid and Health Services Branch
Member: K'Lynn Sloan Harris, AV Coordinator, Legislative Services Division, ICCW Representative

SEGBAC Council Not Present

Member: Richard Cooley, Senior Investment Officer, Dept of Commerce, Board of Investments
Member: Doug Mitchell, Deputy Director, Department of Commerce

Staff

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

Guests

Melanie Denning, HCBBD	Julaine Beatty, HCBBD
Amber Thorvilson, HCBBD	Sheri Rickman, HCBBD
Amanda Burkhart, HCBBD	Kim Pullman, HCBBD
Jodi Gollehon, DOA	Brittany Chandler, Delta Dental
Jimmie Barnwell, Director Clinical Operations, CareHere	Shannon Voss, CMS
Kali Wicks, BCBSMT	Julie Mikula, BCBSMT
Nancy Schultz, Senior Account Manager, Cigna	Ron Dewsnup, Allegiance
Kim Browne, Allegiance	Amber Ireland, Allegiance
Mark Eichler, MAHCP, URX	Lesley Farry, Leg Branch
Kris, Wilkinson, Legislative Services	

Call to Order & Old Business

Marilyn called the meeting to order at 8:35AM. She asked for the approval of minutes. John McEwen moved to approve the minutes. Beth seconded. All voted in favor. Motion passed. Marilyn next asked for the guests to introduce themselves. She also asked for everyone to please sign in so we can have a record for the minutes.

Member Education

Marilyn handed out a [list of acronyms](#) that are commonly used at SEGBAC meetings for the benefit of the new members.

Plan Financial Performance

Kelly Grebinsky from Actuaries Northwest presented the financials in a [power point presentation](#). He presented 1st quarter information. The information that he presented is through March 31, 2015. He made note of trends for the last 12 months. For medical, the % of change was 11.9%, 7.3% for prescription for a combination of 11.1%. Dental is at 2%. He talked about the projections of funding vs expenses. According to current trends, we are looking at a loss with a huge difference that has to be made up in either rate increases and or benefit changes. The plan's ACL level year to date is at 199%. The projection is that at the end of the year, the plan will be at 139%. He talked about large claims. So far for the year, there are 30 large claimants. These are people whose claims are over \$100,000. The top three large claims for the plan are cancer, circulatory, and musculoskeletal. Part of the reason for the increase in cost is the increase costs in hospital charges. What is happening is that there is an adoption of new technology to fight cancers. These new treatments are very expensive.

HCBD Update

Marilyn mentioned that the contract with Cigna with regard to behavioral health has been terminated effective May 1. These services are now being handled by CareHere or internally at HCBD.

SB 418

Marilyn asked for Senator Keane to give his perspective from the Legislative point of view on SB 418. He said that this bill is a condition of the pay plan. The feeling among the Legislators is that the cost is way too high. There are areas to take a look at. There is concern with the 3rd party administrator. There is concern about the health centers not saving money. There is also concern about the discount.

Sheila gave an update from her perspective. She said that she heard loud and clear that we need to get costs under control. We are looking at all types of strategies to control costs. One strategy is reference based pricing.

Quint gave an update on SB418 from the union perspective. His main concern is that state employees are the victim of the political issue.

Nancy from Cigna gave a quick update on Cigna large claims. The top 4 claims for 2014 are as follows \$1.5 million for the age group 1-7 for cardiovascular, \$1.0 million, under million for the age group under 30, and finally is newborns.

HCBD Strategy

Marilyn presented [SB 418 section 4](#) that pertains to the health plan in a [power point](#). She is trying to drill down what the issue is and provided information on what is being done or what strategies are being looked at. There was a lot of good discussion among the committee members on their thoughts. There was discussion about how to better educate the Legislators.

Public Comment

There was no public comment.

The next SEGBAC meeting will be August 11 in the Wilderness Room beginning at 8:30. Brian moved to adjourn the meeting. Quint seconded the motion. Motion passed. The meeting adjourned at 12:23 pm.