

MEETING SUMMARY

**STATE AND PUBLIC SCHOOL
LIFE AND HEALTH INSURANCE PROGRAM
LEGISLATIVE TASK FORCE**

**Monday, February 23, 2015
Upon Adjournment of Both Chambers
Room 171, State Capitol
Little Rock, Arkansas**

Senator Jim Hendren, the Chair of the State and Public School Life and Health Insurance Program Legislative Task Force, called the meeting to order at 3:05 p.m.

**MEMBERS OF THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM
LEGISLATIVE TASK FORCE IN ATTENDANCE:** Senator Jim Hendren, Chair; Representative Bill Gossage, Vice Chair; Senator Cecile Bledsoe; Senator Eddie Cheatham; Senator Linda Chesterfield; Senator David J. Sanders; Representative Charlie Collins; and Representative Bruce Cozart.

OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE: Senator Alan Clark.

Senator Hendren announced that, barring any unforeseen circumstances, this would be the last meeting of the State and Public School Life and Health Insurance Program Legislative Task Force prior to the end of the General Session.

Minutes:

Without objection, the minutes of January 26, 2015, were approved as written.

Exhibit:

Exhibit C – 01/26/15 Minutes

Update on the Fiscal Status of the Employee Benefits Division (EBD)

Presenter:

Mr. Bob Alexander, Director, Employee Benefits Division, Arkansas Department of Finance and Administration, was recognized. Mr. Alexander explained that the January 2015 numbers are a little distorted because of the installation of a new data feed process between the Employee Benefits Division (EBD) and one of its vendors. He said the data feeds have now been worked out and everything should be normal by the end of the month. Mr. Alexander reviewed financials for both the ASE and the PSE plans, comparing the numbers from January 1, 2015 through January 31, 2015 with those from January 1, 2014 through January 31, 2014. He noted that both plans were in the black and ahead of last year primarily because prescription drug claims were down for January 2015. Mr. Alexander also discussed completion of the end-of-year reconciliation of transitions between reserve funds; and calculations for Federal Insurance Contributions Act (FICA) contributions.

Handouts:

ASE and PSE Financials, January 1, 2015 through January 31, 2015 and January 1, 2014 through January 31, 2014

Notes for January 2015 Financial Reports

Presentation of the Population Health Management Report Commissioned by the Task Force

Presenters:

Mr. Richard Kersh, President, Human Factor Analytics, Inc., was recognized. Mr. Kersh discussed key factors and recommended solutions resulting from the analysis of archival health care data conducted by Human Factor Analytics. Mr. Kersh noted that the overall goal of this population health analysis was to bring meaningful use to the 2013-2014 medical and pharmacy data for the ASE and PSE populations. Mr. Kersh discussed the following key findings, including solutions, for consideration:

1. reductions in spending from 2013 to 2014,
2. diabetes complications and co-morbidities,
3. preventive screenings,
4. musculoskeletal diagnosis,
5. medication compliance,
6. patient/physician communication,
7. avoidable emergency room visits, and
8. warehouse data in a relational database.

Contributors to the Discussion:

Mr. Bob Alexander, Director, Employee Benefits Division, Arkansas Department of Finance and Administration
Mr. Town Travis, Vice President of Operations, Human Factor Analytics, Inc.

Issues Included in the Discussion:

- part played by ethnicity in certain chronic conditions,
- including both visual and auditory instruction methodologies in education about health issues,
- encouraging participation in health management programs,
- comparison of participation in current wellness programs compared to that of four to five years ago, and
- getting people to participate in early screenings.

Senator Hendren requested that concrete suggestions for getting more people to screenings be developed so they can be forwarded to EBD for their response on moving forward.

Handouts:

Population Health Management Report
Population Health Management Report, Executive Summary
Summary of Human Factor Analytics Report

Review of Draft Legislation Pertaining to the State and Public School Life and Health Insurance Program

Senator Hendren briefly reviewed activity on draft bills that took place in December, and subsequent changes and clarifications to certain bills.

Contributors to the Discussion:

Mr. Bob Alexander, Director, Employee Benefits Division, Arkansas Department of Finance and Administration
Ms. Robyn Keene, Financial Consultant, Arkansas Association of Educational Administrators (AAEA)

Issues Included in the Discussion of Draft Bill ANS035 (a combination of ANS031, ANS032, and ANS048):

- clarification of FICA savings included in the health insurance program,
- supplemental insurance and FICA funds with regard to schools,
- requiring an individual to set up a health savings account (HSA),
- charges for HSA accounts,

- success of HSA accounts in the ASE plan; and participation in HSAs in the PSE plan, and
- flexible spending accounts.

Senator Hendren said that with no objection to technical changes in Draft Bill ANS035, it would be filed as a Task Force bill.

Following a review by Mr. Alexander of any changes to draft bills ANS033, ANS047, ANS049, and SAG080, and with no objection, Senator Hendren said they would be filed as Task Force bills.

Senator Hendren said he would work with Mr. Alexander on adjustments made to Draft Bill ANS034 and Draft Bill ANS141, and, if there are no substantive changes, they would be filed as Task Force bills.

Handouts:

Draft Bill ANS031
Draft Bill ANS032
Draft Bill ANS033
Draft Bill ANS034
Draft Bill ANS035
Draft Bill ANS038
Draft Bill ANS047
Draft Bill ANS048
Draft Bill ANS049
Draft Bill ANS141
Draft Bill SAG080

Adjournment:

The meeting adjourned at 5:00 p.m.

Approved: 03/23/15