

MEETING SUMMARY
STATE AND PUBLIC SCHOOL
LIFE AND HEALTH INSURANCE PROGRAM
LEGISLATIVE TASK FORCE

Wednesday, May 14, 2014
10:00 A.M.
Committee Room A, MAC Building
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 10:00 a.m.

MEMBERS OF THE STATE AND PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM LEGISLATIVE TASK FORCE IN ATTENDANCE: Senator Jim Hendren, Chair; Representative Harold Copenhaver, Vice Chair; Senator Cecile Bledsoe; Senator Eddie Cheatham; Senator Linda Chesterfield; Senator Jason Rapert; Senator David Sanders; Representative Bill Gossage; Representative George McGill; and Representative Tommy Wren.

OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE: Senator Ronald Caldwell; Senator Joyce Elliott; Senator Jimmy Hickey; Senator Johnny Key; Senator Eddie Joe Williams; Senator Jon Woods; Representative Charles L. Armstrong; Representative Scott Baltz; Representative Jon Eubanks; Representative Jeremy Gillam; Representative David Hillman; Representative Debra Hobbs; Representative John Hutchison; Representative Joe Jett; Representative Sheilla Lampkin; Representative Mark McElroy; Representative David Meeks; Representative Stephen Meeks; Representative Betty Overbey; Representative James Ratliff; Representative Chris Richey; Representative Tommy Thompson; and Representative Jeff Wardlaw.

Remarks by the Chair and Vice Chair

Senator Hendren said there would be a deviation from the agenda and Item D, Update on Issues Related to Bariatric Surgery, and Item E, Discussion of Consultant Contract Extension(s) would be passed over. He said the main item on the agenda would be to consider the options and recommendations that have been presented to the Task Force. He stressed the urgency and necessity of action. He commented that failure to change the plan from the way it has been operated in this and previous years will result in a 35% increase in premiums to public school employees. He said he had confirmed that acceptance of the recommendations would make it possible to maintain an aggregate, flat, and in some cases, a decrease in premiums for next year. Senator Hendren stated the recommendations are much less draconian than he feared they would have to be when he saw the cash flow situation of the plan. He said he thought the recommendations were reasonable and would keep the plan solvent.

The Honorable Harold Copenhaver, State Representative, District 58, and Vice Chair of the Task Force, was recognized, and stated that he was proud of the Task Force for approaching this, not as a partisan, but as a business issue.

Continued Discussion of Programmatic Options Regarding the Public School Employee (PSE) Health Insurance Program

The State and Public School Life and Health Insurance Program Legislative Task Force discussed and took action on several of the following recommendations, some of which will require legislation to implement and some of which can be accomplished through administrative implementation:

Eliminate Part-time Employees from Eligibility

EBD and ContinuousHealth – ASE \$2.0M/PSE \$10.2M (Including \$150 at School Districts)

Pursuant to a motion by Senator Bledsoe, and seconded by Representative Wren, the motion was adopted by roll call vote, passing Aye-8, Nay-2, Absent-2.

Dependent Eligibility Verification

ContinuousHealth – ASE/PSE \$0-4.0M

Pursuant to a motion by Senator Chesterfield, and seconded by Representative Wren, the motion was adopted by a voice vote.

Spousal Exclusion

ContinuousHealth – ASE/PSE \$0-4.0M

Pursuant to a motion by Representative Wren, and seconded by Senator Chesterfield, the motion was adopted by a voice vote.

Bariatric Surgery Flexibility

EBD - ASE \$8M/PSE \$8M, effective FY 2016

Pursuant to a motion by Senator Sanders, and seconded by Representative McGill, the motion was adopted by a voice vote.

Expand Scope of Quality of Care Subcommittee (QCS) to Become Medical Utilization and Evaluation Subcommittee (MUES)

EBD – Savings To Be Determined

Pursuant to a motion by Senator Bledsoe, and seconded by Senator Sanders, the motion was adopted by a voice vote.

HSA Requirement with Savings from Part-time Exclusion \$150 School District Savings

Sen. Hendren – ASE/PSE – No State Savings; Savings to Bronze Plan Members

Pursuant to a motion by Senator Sanders, and seconded by Senator Bledsoe, the motion was adopted by a voice vote.

Increase Bronze Plan Plus Employee Contribution to \$60-\$85

EBD and ContinuousHealth – ASE \$850K/PSE \$8.4M (based on \$60 amount)

Provide Deductible on Gold Plan (\$1,000/\$750)

EBD and ContinuousHealth – ASE \$15.2M/PSE \$9.1M (based on \$1,000 amount)

Pharmacy Program – Reference-based Pricing (Already Implemented)

EBD - ASE \$3.3M/PSE \$4.6M

Pharmacy Rebate Program Reform (Initial Stages of Implementation)

EBD - ASE \$1.0M/PSE \$2.0M

Pursuant to a motion by Senator Sanders, and seconded by Senator Bledsoe, the four (4) recommendations were adopted by a voice vote.

Deferred until the June 10, 2014, Joint Meeting with the Education Committees

EBD Administration of Cafeteria/HSA Programs and FICA Savings to EBD

EBD/Sen. Sanders - ASE \$0M/PSE \$8.2M (moved from school districts)

Increase State Contribution by \$20/employee (ASE/PSE)

EBD - ASE \$8.9M/PSE \$10.5M

Funding Reform

Sen. Hendren – To Be Determined

EBD Restructure/Reorganization

Rep. Copenhaver – To Be Determined

Deferred until a Future Meeting of the Task Force

Wellness/Preventative Visits

EBD – To Be Determined – Preliminary Estimates: ASE \$8.9M/PSE \$13.4M

For Discussion at a Future Meeting of the Task Force

Expand Scope of Quality of Care Subcommittee (QCS) to Become Medical Utilization and Evaluation Subcommittee (MUES)

EBD – Savings To Be Determined

Number of Plans to be Offered

Handouts:

Draft Legislation EBD, Representative Copenhaver

EBD Information BLR

Recommendations for Consideration

Next Scheduled Meeting:

Tuesday, June 10, 2014, at 1:30 p.m. in Committee Room A, MAC Building

Adjournment:

The meeting adjourned at 11:49 a.m.

Approved: 07/15/14