

MEETING SUMMARY

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

Thursday, November 13, 2014
3:00 p.m.
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 3:00 p.m.

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

OTHER MEMBERS OF THE GENERAL ASSEMBLY IN ATTENDANCE: Senator Alan Clark; Senator Joyce Elliott; Representative Douglas House; and Representative John Hutchison.

Minutes:

Without objection, the minutes of September 23, 2014, were approved as written.

Exhibit:

Exhibit C – 09/23/14 Minutes

Remarks by the Chair

Senator Hendren presented an overview of what the Task Force will be looking at in preparation for the upcoming legislative session. He stated the purpose of the December meeting is to clean up some things in the legislation and present the bill in draft form. Senator Hendren said that in today's meeting, the focus of the Task Force will be to look at steps to take to further refine the efficiency of the operation of the state and public school employee insurance system.

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 reviewed financials for both the ASE and the PSE plans, comparing the numbers from January 1, 2014 through October 31, 2014 with those from January 1, 2013 through October 31, 2013. He noted that both plans have shown an improvement over the past year.

Issues Included in the Discussion:

- how claims are reviewed to earn the reduction in premium for wellness,
- actuarial study of Representative Gossage's proposal to get younger, healthier teachers into the PSE program, and
- report on initiatives pursued with American Health Holding (AHH).

Handouts:

ASE Financials 01/01/13 through 10/31/13

ASE Financials 01/01/14 through 10/31/14

EBD Notes for October 2014 Financials

PSE Financials 01/01/13 through 10/31/13

PSE Financials 01/01/14 through 10/31/14

Preliminary Discussion of Current and Proposed Wellness Initiatives

Presenters:

Mr. Bob Alexander, Director, Employee Benefits Division, Arkansas Department of Finance and Administration, was recognized. Mr. Alexander discussed the initiation of EBD's Wellness Program, describing it as "taking "baby steps." He noted the steps are: 1) to get everyone to go to the doctor, 2) to have members complete a health risk assessment online, and 3) to use the health risk assessment to determine the need for early intervention. He stated the final goal is to have an outcome-based Wellness Program that will provide long-range net savings to the plan. He discussed continuing to provide education about health issues to members; but said that the EBD will probably roll a lot of things that are purely voluntary right now into a more incentive-based program in 2016.

Issues Included in the Discussion:

- effect of participation rates on cost in Wellness Program,
- attendance at meetings at cooperatives, and
- projections of costs for Wellness Program over four (4) to five (5) years.

Mr. Todd Hudnall, Strategic Sales Executive, WebMD Health Services, was recognized. Mr. Hudnall, utilizing a PowerPoint presentation, shared information on research that supports the state's forward progression toward creating a "carve-out" plan, which is to have one single wellness provider for the state and a concentrated focus with an integrated platform to provide all of the range of wellness services across the board for retirees, active employees, and the teaching population.

Issues Included in the Discussion:

- definition of *chronic condition*,
- return for every dollar spent on wellness initiatives,
- relevant incentives *matched* to the audience,
- reasonable expectations from national standards for market penetration,
- customizing approaches to market penetration, and
- clients served by WebMD.

Handouts:

WebMD Health Services Handout

WebMD Todd Hudnall Biography

WebMD Wellness Presentation

Preliminary Discussion of Issues Related to Population Health Management and Health Data Analytics

Presenter:

Mr. Richard Kersh, Human Factor Analytics, Inc., Russellville, Arkansas, was recognized. Mr. Kersh, utilizing a PowerPoint presentation about Human Factor Analytics, discussed the company's history, milestone projects, understanding of population health management, services for consideration by the State of Arkansas, and the company's process and system for creating meaningful use of data and improving outcomes.

Senator Hendren stated this is a tremendous data collection tool that needs to be considered. He said it goes to the question of how to tailor the program to participants. He inquired about the expected price range for services.

Mr. Kersh said the expected price range would be \$40,000 for an analytical study that would provide the data necessary to assess the current wellness program and to predict the optimum wellness program for population health management. He clarified that it could also be useful in computing an expected return on investment.

Issues Included in the Discussion:

- ◆ communications efforts for the market,
- ◆ providing details on work done for current clients and example reports, and
- ◆ studies to determine if providing incentives for wellness work, how many participate, and if cost is reduced.

Handout:

Evidence-Based Population Health Management through Analytics, Human Factor Analytics

Update on Public School Employee Health Insurance Concerns

Presenter:

Ms. Shelley Smith, Educator, Mountain View School District, was recognized. Ms. Smith, utilizing a PowerPoint presentation, reviewed responses to a survey of public school employees that was distributed statewide in an effort to obtain statistical data from school personnel with regards to their health insurance plans, and their experiences with EBD. She noted that data from 1,132 responses to the survey were organized into four (4) domains in the report; and that the report also contained suggested solutions to problems, personal observations, questions, and comments.

Senator Hendren made two points. He stated the Task Force will continue to ask EBD for reports about efforts to improve their customer service; and, the Task Force is making progress towards improving the quality of the PSE plan at less cost.

Issues Included in the Discussion:

- ≈ feedback on points of contact for EBD in the school districts,
- ≈ whether data on respondents included the plan in which they were enrolled,
- ≈ providing needed plan information at the local level, and
- ≈ ability of school districts to take over management of health insurance.

Handout:

Shelley Smith Presentation

Next Scheduled Meeting:

Tuesday, December 16, 2014, at 10:00 a.m. in Room 171 of the State Capitol in Little Rock

Adjournment:

The meeting adjourned at 4:53 p.m.

Approved: 12/16/14