

**MISSOURI DEPARTMENT OF TRANSPORTATION AND
MISSOURI STATE HIGHWAY PATROL
MEDICAL AND LIFE INSURANCE PLAN**

**MINUTES OF THE BOARD OF TRUSTEES' MEETING
May 1, 2003**

Condensed
Revised

MEMBERS PRESENT: Mr. Jeff Padgett, Chairman
Captain Terry Moore, Vice Chairman
Ms. Pamela Otto, Secretary-Treasurer
Mr. C.F. Barnes, Member (MoDOT Retired)
Mr. Roy Bergman, Member (MSHP Retired)
Mr. George Ellis, Member
Lt. James Remillard, Member
Ms. Teresa White, Member

MEMBERS ABSENT: Mr. Dan Pritchard, Attorney to the Board

STAFF PRESENT: Ms. Marge Doerhoff, Employee Benefits Staff

GUESTS PRESENT: Mr. Ken Anderson, Independent Pharmaceutical Consultants
Ms. Christine Johnston, Independent Pharmaceutical Consultants
Ms. Gwen Payne, Independent Pharmaceutical Consultants

Mr. Padgett called the meeting to order at 8:10 a.m.

Consideration of the Consent Agenda Items *(It is the understanding of the Board that these items are to be reviewed before the Board meeting and will only be discussed if necessary.)* Consent agenda items were as follows:

- Approve Minutes of March 26, 2003 Board Meeting
- Financial Statement (March 2003)
- 2003 Medical and Life Insurance Plan – Profit/Loss Report
- Medical Plan Fund Account Balance
- 52-Week Report
- Claims and Contributions Summary
- Westport Monthly Reports (March)
 - Claim Summary
 - Highest Paid Claims
 - Lifetime Major Medical
- Eckerd Prescription Reports
 - March 2003
 - First Quarter 2003

Consideration of the Consent Agenda Items

Mr. Barnes revisited an issue from the March 26 minutes regarding benefits for temporary employees. Discussion ensued, but the motion from the previous meeting was not amended. Ms. Otto motioned to approve the Consent Agenda items. Ms. White seconded. Motion carried.

IPC Visit

Mr. Padgett welcomed Mr. Ken Anderson, Ms. Christine Johnston, and Ms. Gwen Payne from Independent Pharmaceutical Consultants (IPC) to the meeting.

Mr. Ellis motioned to go into Closed Session for consideration of RFP and proposals in response to the RFP. Ms. White seconded. Motion carried.

Motion to go into Open Session made by Captain Moore. Mr. Bergman seconded. Motion carried.

Mr. Anderson overviewed the 4Q02 and 1Q03 reports. An update from previous meetings included: preparing drug cost comparisons for member communications; finalizing the EHS audit; implementing the asthma step therapy program; implementing the Open Access III plan; finalizing the pharmacy grade card and quick lookup tool; immersing in the RFP process; and on separating the reports between the two plan options (PPO & OAI). The statistical comparison from 4Q01 to 4Q02 and 1Q02 to 1Q03 included: average claims/subscriber/month; drug mix breakdown; average claim cost; cost/subscriber/month; and plan share of total cost. A financial overview included a decrease in the number of subscribers and an increase in claim counts.

Mr. Anderson recommended implementing an antihypertensive step therapy program. Based on a recent study, diuretics should be considered the preferred initial therapy for hypertension. The cost of diuretics is less expensive (\$6.54/month) than antihypertensives (\$31.08/month). Mr. Anderson will provide more information during his next visit.

Recommendations for the Board to consider are: finalizing the communication materials and distribution process for the pharmacy grade card; and discussing 2003 reporting with the addition of the second plan design. Staff will follow-up on the distribution of the pharmacy grade card.

Ms. Johnston reviewed the *Rx Times* newsletter stating it now contains client-specific information. The newsletter can be mailed to members.

HealthLink

Turn Around Time Reports – The January and February 2003 reports were included in the Board materials and all standards were met for the month. Mr. Bergman asked why the enrollment in the Open Access III plan is low. Mr. Padgett responded because of the cost and newness of the product.

Medical Underwriting Policies and Procedures

Open Enrollment Issues – Mr. Padgett asked for Board action regarding the open enrollment for retirees. Ms. Otto previously sent an email to Mr. Kevin Van Loon of Watson Wyatt asking for cost projections. Mr. Van Loon responded based on the number of denials in 2002. The cost projection ranges from 0.65 percent to 1.8 percent, depending on the categories allowed for open enrollment. Captain Moore motioned to have an open enrollment this fall (2003) for a January 1, 2004, effective date that will include active employees, retirees, surviving spouses, disability recipients and eligible dependents. Vested and COBRA member will be excluded from the open enrollment. Mr. Ellis seconded; motion carried.

HIPAA Qualifying Event for Retirees – The Board was asked to consider including retirement as a qualifying event. Mr. Barnes motioned to allow retirement as a qualifying event. Mr. Ellis seconded. Motion carried.

Ms. White made the motion to approve staff's recommendation to amend the May 1, 2003 Board minutes to read as follows:

An employee's retirement is not a qualifying event to enroll themselves or their dependents in the Plan. However, dependents of enrolled retirees, vested, long-term disability recipients, an surviving lawful spouses, who meet the eligibility requirements of a dependent have a qualifying event as set out in our Plan Book in Sections 1.48 and 3.02, "Special Enrollment Period," will be allowed to enroll in the Plan.

Reporting Issues

Staff had a meeting with Westport Benefits to review how enrollment is entered and reported. No issues were found with this process. An enrollment comparison was also done with no material findings. Staff is working with Ms. Annette Faerber of Westport Benefits on the new tier reports for 2003. Westport Benefits ran the 2001 and 2002 reports on the Eldorado system. There was a \$2 million differential. The majority of this difference was due to administration fees for HealthLink and Westport included in one report but not the other. Staff at Westport Benefits is still researching the issue. The data dump is scheduled for May 2. Mr. Padgett stated that he and Ms. Julianna Viox of Watson Wyatt communicate two to three times a week regarding the issues with Westport Benefits.

Board Bonding

Staff selected the bid from Marsh, Inc. with no deductible. The bid from Naught-Naught (St. Paul Fire and Marine Insurance Company) was \$461 per year for three years with a \$10,000 deductible. The three-year premium from Marsh, Inc. is \$1,563.00.

Exchange Bank

A letter from Mr. Duane Muck at Exchange Bank concerning the collateralized deposits was included for the Board's review, which was discussed at the March Board meeting.

Westport Benefits HIPAA Changes

The following changes will be implemented on Westport Benefit's Explanation of Benefits (EOB) to comply with the new HIPAA regulations:

- Remove member's social security number;
- Address the EOB to the patient at the member's address; and
- Remove both the Benefit Code and the Benefit Code Description.

Legislative Update

Mr. Padgett stated its sponsor has removed Senate Bill 450. Instead, SCR 18 is being proposed to form an interim committee to evaluate consolidating all healthcare plans.

Contracts

HealthLink (Open Access) – Mr. Pritchard approved the language for two final items. Ms. Judy Dawson of HealthLink has sent the contract back to Well Point for legal review. Mr. Padgett should have a final contract by the May 28 Board meeting.

Newsletter Update

Discussion regarding IPC providing a member newsletter was discussed at March's meeting. Staff does not have additional information for implementing a newsletter. However, during IPC's visit, Ms. Johnston indicated that the newsletter published by IPC is client-specific and could be sent to plan members.

Relocation Update

Mr. Padgett reported Employee Benefit's staff would be moving next door to where they previously are located. The move is scheduled for mid- to late-May. A parking space has been designated in the lot behind the building for Benefits Business.

Items Removed from Consent Agenda

There were no items removed from the Consent Agenda.

Other Business

Weekly Status Report – Mr. Padgett distributed an updated claim inventory for the week April 14-20, 2003.

Payments from Bank Account – Westport Benefits pays claims from the medical plan account. Ms. Otto asked Mr. Kevin Van Loon of Watson Wyatt if he felt a separate account should be established with minimal funds to pay claims. Mr. Van Loon responded if the Board is comfortable with this arrangement, then he doesn't have a problem with it. Mr. Padgett asked the Board if another account needed to be established. The Board feels it isn't necessary to establish another account.

CLOSED SESSION:

Mr. Bergman motioned to go into Closed Session. Ms. White seconded. Motion carried. Several cases were discussed during Closed Session.

Motion made by Lieutenant Remillard to adjourn Closed Session and the meeting. Mr. Bergman seconded; motion carried. The meeting was adjourned at 11:25 a.m.

Respectfully submitted,

Pamela R. Otto, Secretary-Treasurer
Medical and Life Insurance Board of Trustees

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