

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

**MINUTES OF THE BOARD OF TRUSTEES' MEETING
March 26, 2003**

MEMBERS PRESENT: Mr. Jeff Padgett, Chairman
Ms. Pamela Otto, Secretary-Treasurer
Mr. Dan Pritchard, Attorney to the Board
Mr. Roy Bergman, Member (MSHP Retired)
Lt. James Remillard, Member
Ms. Teresa White, Member

Condensed

MEMBERS ABSENT: Captain Terry Moore, Vice Chairman
Mr. C.F. Barnes, Member (MoDOT Retired)
Mr. George Ellis, Member

STAFF PRESENT: Ms. Marge Doerhoff, Employee Benefits Staff
Ms. Jennifer Wilbers, Employee Benefits Staff

GUESTS PRESENT: Mr. Steve Cox, Employee's Association
Mr. Kevin Van Loon, Watson Wyatt
Ms. Julianna Viox, Watson Wyatt

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

CLOSED SESSION:

Ms. Otto motioned to go into Closed Session. Ms. White seconded. Motion carried.

Several cases were discussed during Closed Session.

Motion made by Ms. Otto to go into Open Session. Seconded by Ms. White; motion carried.

Mr. Padgett distributed a sample newsletter from IPC. IPC would like to send plan members a newsletter regarding prescription updates. Mr. Padgett does not know the cost for this service. Ms. White asked if IPC could do a quarterly or bi-annual newsletter, which would incorporate more than prescription news. Mr. Padgett will follow-up with IPC.

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 February 26, 2003 Board Meeting
- Financial Statement (February 2003)
- 2003 Medical and Life Insurance Plan – Profit/Loss Report
- Medical Plan Fund Account Balance
- 52-Week Report
- Claims and Contributions Report (January and February)
- Westport Monthly Reports (February)

Highest Paid Claims Report
Eckerd Monthly Prescription Reports (February)

Consideration of the Consent Agenda Items

Mr. Padgett stated the following:

- Claims and Contributions Report for January and February is not included because Westport is revising the Claims Summary Report; and
- Raising the prescription deductible has proved the desired effect as reported by the Year-to-date charges.

Mr. Bergman motioned to approve the Consent Agenda items. Lieutenant Remillard seconded; motion carried.

HealthLink

Boone Hospital – Claims from Boone Hospital were priced as HMO claims instead of PPO claims. HealthLink sent a letter last week to the members affected by this. Staff has notified the insurance representatives of the situation.

Par Provider – A fix was put into the claims processing system that affected the EDI provider selection logic. Claims were processed as non-par providers. However, these claims have been repriced and corrected.

Turn Around Time Reports – The February 2003 reports were included in the Board materials and all standards were met for the month.

Medical Underwriting Policies and Procedures

Letters have been sent to members who submitted statements of health after the December 18, 2002 termination of AETNA as well as those denied by Aetna after October 18, 2002. These members will be able to provide loss of prior coverage and enroll in the plan.

RFP for Pharmacy Benefits

A conference call with bidders of the RFP was held on March 10, 2003. IPC estimated the charge for the conference call would be \$313 scheduled for one hour. However, the call lasted about 30 minutes so the charges should be approximately \$150. Lieutenant Remillard motioned to pay the conference call charges as submitted by IPC. Ms. White seconded. Motion carried.

Mr. Padgett stated the bids are due April 9. There are five bidders: WellPointe, ExpressScript, Advance, Eckerd Health Services and MerckMedCo. IPC will present a list of finalists at the May 1 Board meeting.

Mr. Padgett asked Board members to reschedule the April 30 Board meeting to May 1. Ms. White will check on room availability.

Board Bonding

Ms. Otto has completed information for Marsh (the current carrier) and has contacted Naught-Naught Agency (regarding bids from other carriers). The current bond will end before the next Board meeting. Mr. Padgett asked for approval of the bond so coverage will not lapse. Ms. White motioned to give staff the authority to proceed with the Board fidelity bond so coverage will not lapse. Mr. Bergman seconded. Motion carried.

Contracts

HealthLink (Open Access) – WellPoint is reviewing the contract for Open Access. Ms. Judy Dawson of HealthLink stated the contract should be completed within two weeks, which will be mid-April.

Exchange Bank

A problem was identified with another MoDOT account where the account was not fully collateralized during a weekend schedule. Mr. Padgett sent a letter to Mr. Duane Muck at Exchange Bank, however a response has not been received. Mr. Padgett will keep the Board updated on this issue.

HIPAA Training

Mr. Padgett provided the Board a copy of the policies and procedures of HIPAA regulations for the privacy policy, which goes into effect April 14, 2003. The policy and procedures are relative to personal health information (PHI), which includes both financial and medical details of the claim. Mr. Padgett provided instructions as to the handling of PHI requests.

Legislative Update

Mr. Padgett stated SB450 (bill to consolidate all governmental healthcare operations for the state) is currently number three on the Senate calendar.

MCHCP Deduction Schedule Change

Mr. Padgett discussed the change MCHCP has made in their deduction schedule. They have elected to defer payment of medical premiums for one pay period. This is a deferral and is not eliminating payment of premiums for one pay period. The state and member will be assessed this premium at the end of their policy period. MoDOT/MSHP have not adopted this policy and will continue the current schedule of premium payments.

Member Correspondence

Mr. Padgett indicated the member correspondence concerning the new privacy laws outlined in HIPAA policies, as well as benefit changes and other information will be mailed to each member prior to April 1, 2003.

Retiree Open Enrollment

The Board has approved an open enrollment period this fall for January 1, 2004 coverage. The question has been raised with staff if the open enrollment period includes retirees who are not currently enrolled in the plan. Our present guidelines do not allow retirees to re-enroll for any reason once they have cancelled their coverage. This issue has been tabled to the next Board meeting.

Watson Wyatt Visit

Mr. Padgett welcomed Mr. Kevin Van Loon and Ms. Julianna Viox of Watson Wyatt. Mr. Van Loon reviewed the Executive Summary of the Medical Plan Report for the 12-month period ending December 31, 2002. Watson Wyatt discussed a potential problem with reporting of medical claims for the one-person and multi-person plan categories. This does not affect how the claim has been processed and paid, but Westport Benefits may not be applying the costs to the proper plan categories. It is essential that this issue be resolved to fully analyze the costs of claims versus contributions received to set future rates.

Watson Wyatt also expressed concern with a 20 percent trend for the end of calendar year 2002 compared to calendar year 2001. They have suggested a detailed transaction comparison of claims be completed. The comparison will verify the claims were paid for enrolled members, will check for payment of duplicate claims, will verify if the claims were assigned to the correct plan category (one-person, subscriber/family, etc.) and other data evaluation. Watson Wyatt will also adjust their reports based on new enrollment data received from Employee Benefits staff.

Mr. Padgett requested Watson Wyatt to submit an engagement letter, itemizing the costs for Board approval before proceeding with the analysis.

Items Removed from Consent Agenda

There were no items removed from the Consent Agenda.

Other Business

The Board received a request from a district representative asking for an exception to our current plan policy for temporary employees who are employed full-time. Our previous policy required a temporary employee, who did not enroll his spouse or other dependents at the time he was employed to enroll them with an approved Statement of Health (SOH). The SOH process has been eliminated and new participants are accepted only if they have a qualifying event, such as loss of coverage, etc. The district representative's point was temporary employees do not know how long they will be employed, so often times their spouse/dependents will not select our plan for fear of losing coverage. The representative would like the policy to give someone going from a temporary position to a permanent position without a break in time the same benefit as new employees to enroll dependents at that time.

Mr. Bergman made the motion not to change our policy and not to allow temporary employees going to permanent employment an open period to enroll their dependents in our plan without a qualifying event as stated in the plan guidelines. Ms. White seconded. Motion carried.

Motion to adjourn was made by Ms. White. Seconded by Ms. Otto. Motion carried. The meeting was adjourned at 12:15 p.m.

Respectfully submitted,

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

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