

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

**MINUTES OF THE BOARD OF TRUSTEES' MEETING
January 7, 2004**

- MEMBERS PRESENT:** Mr. Jeff Padgett, Chairman
Captain Terry Moore, Vice Chairman
Ms. Pamela Otto, Secretary-Treasurer
Mr. Dan Pritchard, Attorney to the Board
Mr. C.F. Barnes, Member (MoDOT Retired)
Mr. George Ellis, Member
Lt. James Remillard, Member
Ms. Teresa White, Member
- MEMBERS ABSENT:** Mr. Roy Bergman, Member (MSHP Retired)
- STAFF PRESENT:** Mr. Bill Buerky, Employee Benefits Staff
Ms. Marge Doerhoff, Employee Benefits Staff
Ms. Jennifer Wilbers, Employee Benefits Staff
- GUESTS PRESENT:** Mr. Steve Cox, Employees' Association
Ms. Judy Dawson, HealthLink
Ms. Mary Hargadine, HealthLink
Mr. Dave Ott, HealthLink
Mr. Gene Poisson, HealthLink

Mr. Padgett called the meeting to order at 8:05 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 November 26, 2003 Board Meeting
- Financial Statement (November 2003)
- 2003 Medical and Life Insurance Plan – Profit/Loss Report
- Medical Plan Fund Account Balance
- 52-Week Report
- Claims and Contributions Summary (October & November)
- HealthLink Claims Activity Reports
- Westport Reports
 - Claim Summary
 - Highest Paid Claims
 - Lifetime Major Medical
 - 3Q03 Performance
- Eckerd Prescription Reports
 - November 2003

Consideration of the Consent Agenda Items

Mr. Barnes motioned to approve the Consent Agenda items. Ms. White seconded. Motion carried. Mr. Barnes verified with Mr. Padgett that the Incurred But Not Reported amount on the Financial Statement was being updated. Mr. Padgett stated he provides this information to Ms. Stephanie Buschmann.

IPC Visit

Independent Pharmaceutical Consultants staff were not able to attend the meeting. Mr. Padgett distributed a synopsis of the prescription claim audit. Results of the audit showed EHS owes the medical plan \$10,712.73 for various audit items.

HealthLink Visit

HealthLink staff was welcomed to the meeting. Ms. Judy Dawson reviewed the contracting efforts in 2003. Mr. Dave Ott then spoke regarding achievements made in 2003. He also stated he has assigned himself to the MoDOT/Patrol account as account executive. He will be working with Ms. Dawson and Ms. Mary Hargadine. Lastly, he stated Anthem has purchased WellPoint. The purchase should be finalized by June 30, 2004. This purchase makes HealthLink the largest health care provider in the United States.

Ms. Hargadine reported on the following achievements by HealthLink in 2003:

- Added over 100,000 new members;
- Recontracted the metro network, which provides stronger discounts;
- Expanded into Texas and the Mid-Atlantic (as of 02/01/04, the Plan will have access to Texas);
- Entered into a partnership with Lumenos (seminar in Columbia, MO on 02/12/04).

Mr. Gene Poisson provided an overview of HealthLink's contracting methodologies and strategies. He reported on current contracting efforts, which include:

- Ozark Medical PHO – has been provided new contract language and a fee schedule;
- Skaggs Community Hospital PHO – the contract will be presented at the PHO meeting on 01/08/04; if approved at the PHO meeting, the full hospital Board will review it on 01/15/04;
- Texas County Memorial Hospital – effective 01/01/04.

Ms. Dawson concluded the visit by encouraging everyone to use the HealthLink website and stating that 96 percent of HealthLink clients are renewed.

Mr. Padgett thanked HealthLink for attending the meeting and sharing the information.

Medical Claims Audit Update

Meridian began the audit Monday, January 5. Meridian staff is reviewing claims at Westport Benefits. The audit should be completed and a final report to the Board by the February meeting.

Transplant Contract Renewal

The renewal for transplant insurance with International Funding through Arch Brokerage will be on the next Commission meeting agenda.

Watson Wyatt Issues

Plan Design Engagement Letter – Watson Wyatt provided an engagement letter, at the Board's request, for the premium comparison and catastrophic buy up option. The total for these services is \$14,625.

Motion to approve the engagement letter from Watson Wyatt was made by Mr. Ellis. Captain Moore seconded; motion carried.

Analysis of Avoidable Claims – Watson Wyatt provided a plan to prepare and analyze medical claims, compute total and avoidable claims expenses associated with preventable conditions and recommend cost-effective solutions. The cost of the analysis is \$21,000.

Mr. Barnes stated he had attended a seminar by PriceWaterhouse where Humana presented their disease management program.

Captain Moore suggested including disease management in the request for proposal for the third party administrator.

TPA Bid

Mr. Padgett stated the bid with the current third-party administrator (TPA), which is Westport Benefits, expires December 31, 2004. Mr. Padgett has talked with Blue Cross/Blue Shield, and management will allow them to bid against HealthLink this year. Lieutenant Remillard motioned to engage Watson Wyatt to prepare a request for proposal to include services for TPA, disease management and TPA and disease management combined. Ms. White seconded. Motion carried.

Items Removed from Consent Agenda

There were no items removed from the Consent Agenda.

Other Business

The January 28, 2004, meeting will be held in the Ropes Conference Room at District 5.

Mr. Barnes motioned to adjourn the meeting. Captain Moore seconded; motion carried.

The meeting was adjourned at 12:05 p.m.

Respectfully submitted,

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

md