

Oklahoma Higher Education Employees Interlocal Group
a/k/a OKHEEI Group

Agenda of Special Meeting held via Zoom

Thursday, April 2, 2020
10:45 a.m.

Video Zoom Site:

<https://zoom.us/j/5264974351>

1. Announcement of Filing Meeting Notice and Posting of the Agenda in Accordance with the Oklahoma Open Meeting Act as amended.

The OKHEEI Group Board of Trustees met in regular session at 10:45 a.m., April 2, 2020, via Zoom. Notice of the meeting had been properly filed with the Secretary of State on March 30, 2020, and a copy of the Agenda posted by 10:45 a.m. on April 1, 2020, in compliance with the Oklahoma Open Meeting Act.

A. Call meeting to order

Dennis Westman (SEOSU) called the meeting to order at 10:45 a.m.

B. Attendance

The following Trustees of the OKHEEI Board of Trustees were present:

Jessica Kilby, East Central University
Justin Cellum, Murray State College
Christy Landsaw, Northeastern Oklahoma State University
Anita Simpson, Northern Oklahoma College
David Pecha, Northwestern State University
Jena Marr, Redlands Community College
Krista M. Norton, Rose State College
Sheridan McCaffree, RUSO Administrative Office
Designee Courtney Jones, Seminole State College
Dennis Westman, Southeastern Oklahoma State University
Brenda Burgess, Southwestern Oklahoma State University
Melissa McMahon, Western Oklahoma State College

The following Trustees were absent: None

The following guests were present:

Carol Sides, Southwestern Oklahoma State University
Jamie Collins, Southwestern Oklahoma State University
April Nelson, Western Oklahoma State College
David Spencer, NFP
Carrie Cox, NFP
Marjorie Robertson, Southeastern Oklahoma State University
Debbie Maness, Southeastern Oklahoma State University
Kim Andrade, Redlands Community College
Angela Michael, RUSO Administrative Office
Rick Atherton, The Standard
Kirk Vanderslice, Hinkle & Company

Khris Beckwith, BCBS
David Machino, NFP
Jim Hinkle, Hinkle & Company
Dawn Thurber, East Central University
Jean Logue, Northeastern Oklahoma State University
Kelley Larkin, Northern Oklahoma College
Sheri Burgess, The Standard
Cheryl Ellis, Northwestern Oklahoma State University
Shannon Cranford, Northern Oklahoma College
Ladonna Lucas, Southwestern Oklahoma State University
Ty Anderson, East Central University
Kym Morella, BCBS
Tana Hendrickson, Northeastern Oklahoma State University
Debra Lyon, RUSO Administrative Office
Tamik Dew
Misty Treas, Murray State College
Phyllis Chappelle, Northeastern Oklahoma State University

C. Approval of minutes of 02.19.2020 Special Meeting

Christy Landsaw (NSU) made a motion, seconded by Jessica Kilby (ECU), to approve minutes of the February 19, 2020, Special Meeting.

Voting for Motion:

Jessica Kilby, East Central University
Justin Cellum, Murray State College
Christy Landsaw, Northeastern Oklahoma State University
Anita Simpson, Northern Oklahoma College
David Pecha, Northwestern State University
Jena Marr, Redlands Community College
Krista M. Norton, Rose State College
Sheridan McCaffree, RUSO Administrative Office
Designee Courtney Jones, Seminole State College
Dennis Westman, Southeastern Oklahoma State University
Brenda Burgess, Southwestern Oklahoma State University
Melissa McMahon, Western Oklahoma State College

Voting against the motion: None

Abstaining: None

2. Discussion and Possible Action Regarding The Standard Annual Claims Review – Sheri Purcello-Burgess and Rick Atherton – The Standard

A review of life and disability approved and denied claims were presented in aggregate for the 2019 plan year by Sheri Purcello-Burgess. While data is limited given the age of the policy, the Plan is performing well.

No action taken.

3. Discussion and Possible Action Regarding OKHEEI 2018 Financial Statements – Kirk Vanderslice and Jim Hinkle, Hinkle & Company

The Plan continues to perform well and meet financial benchmarks. The Plan claims experience in 2018 was less than the actuarial claims coverage estimate, resulting in a claims fund surplus for the year.

Hinkle & Company verified payables from institutional 700 accounts but did not reconcile deposits into the 700 accounts. The 2019 plan year audit will reconcile both deposits and payments from school 700 accounts to ensure consistency between institutions.

Anita Simpson (NOC) made a motion to accept the audit as presented; Motion seconded by Christy Landsaw (NSU).

Voting for Motion:

Jessica Kilby, East Central University
Justin Cellum, Murray State College
Christy Landsaw, Northeastern Oklahoma State University
Anita Simpson, Northern Oklahoma College
David Pecha, Northwestern State University
Jena Marr, Redlands Community College
Krista M. Norton, Rose State College
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Dennis Westman, Southeastern Oklahoma State University
Brenda Burgess, Southwestern Oklahoma State University
Melissa McMahon, Western Oklahoma State College

Dennis Westman declared a break at 12:17 p.m.

The meeting resumed at 12:26 p.m.

4. Discussion and Possible Action Regarding Retiree Administration and HSA/FSA Benefit RFP Responses – NFP

Carrie Cox presented an overview of 6 responses from vendors to the RFP; Ameriflex, American Fidelity, and Flexible Benefit Administrators were presented as finalists. Infnisource, TASC, and Health Equity (WageWorks) presentations were not competitive due price or service and therefore were not presented as finalists.

An assessment of the processes of each respondent regarding claims approval and reimbursement was requested. Several meeting attendees reported excessive documentation requirements from various current and prior HSA/FSA providers.

A significant consideration discussed is the prefunding of FSA accounts. Some vendors will require funding the equivalent of three months of estimated FSA claim reimbursements. Various options and solutions available from the responding vendors were discussed and reviewed.

Presentation meetings with the three final vendors will be set up, and will include board trustees as well as institution benefit coordinators. A final determination of approval will be addressed at the May 7, 2020 meeting based on the feedback from these presentations.

No action taken.

5. Discussion and Possible Action Regarding Annual Plan Year Review – NFP

David Spence presented the executive dashboard report for the 2019 plan year. The OKHEEI group saw a 25% population decrease due to the exit of UCO at the end of the 2018 plan year. As a result of the population decrease, average claims costs decreased in most categories by approximately 25%, with the exception being The Zero Card costs. The Zero Card expenses decreased by approximately 4%.

The 2019 gross ratio, claims costs before any stop-loss reimbursement compared to plan funding, is 101.6%. Once the calculation is adjusted for stop-loss reimbursements, the net ratio is 100.3%.

The average medical cost pmpm in 2018 was \$281, 2019 medical cost pmpm was \$287. During the same time frame, The Zero Card cost pmpm was \$54 and \$70, respectively.

Pharmacy costs decreased in 2019 to \$136 pmpm from \$143 pmpm in 2018. The decrease is likely due to the 90 day supply copay change made by the Plan.

Overall, the increase in plan costs from 2018 to 2019 was 2.8%, with 99.2% of claims being submitted by in-network providers.

No action taken.

6. Discussion and Possible Action Regarding 2021 Plan Renewal Analysis – NFP

David Spence reviewed the estimated 2021 renewal costs. Included in the estimate, per OKHEEI's request, additional fixed fees that were not included in the 2020 renewal. Additional fees included in 2021 rates are audit fees, consultant fees for NFP, and ACA fees.

The medical claims experience decreased from 2020 to 2021 estimates, while prescription and The Zero Card experience estimates increased. The medical claims experience renewal is estimated to be \$407.07; prescription claims experience renewal is estimated to be \$218.22. The fixed fees renewal is \$185.08.

The estimated increase for 2021 is 9.34% if a level increase is applied across plans.

NFP will present at the May Board Meeting premium equivalent estimates, including a confirmation of stop-loss renewal figures and an assessment of the effect on premium estimate of consolidating Plans B, C1, and C2 into a \$1500 deductible plan with the Options network. BCBS will provide a disruption report for a possible Plan C2 network change from the Choice network to the Options network. Additionally, a review of Plan F will be conducted to determine possibilities to decrease the plan premium

No action taken.

7. Chair's Report – Dennis Westman

No updates to report

8. Coordinator's Report – Crystal Chavez

Crystal Chavez, OKHEEI Benefit Coordinator, updated the Board regarding the following items.

UHC 2020 Premiums

Premiums were approved by UHC in September 2019, prior to open enrollment marketing materials were prepared. NFP and OKHEEI proceeded with these rates in marketing and enrollment materials. When premium payments were received for the January 2020 period, it was discovered that an additional insurer fee was not included on the high and low prescription drug plans. While this issue does not affect OKHEEI financially, it does affect retirees. Crystal will continue to work through a solution with the executive committee. It is important to note that UHC is a fully funded plan so OKHEEI does not have the same control over UHC that it does over the BCBS plan

2020 BCBS HDHP Health Assessment Credit

It was discovered that the \$250 Health Assessment will result in Plan F enrollees being \$50 below the IRS minimum deductible for HDHP Plan. There are a few options regarding the correction but the maximum financial exposure of the plan given the current enrollment is \$3,550. BCBS and NFP are reviewing possible solutions with the Executive Committee. The Committee will determine the least disruptful solution for both employees and the Plan and will direct BCBS to act upon the determined solution.

9. OKHEEI Board Member's Comments and Announcements

10. Executive Session

A. Pursuant to 25 § Section 307(B)(1) to discuss the following:

I. Discuss the employment, including compensation of the OKHEEI Benefits Coordinator.

Jessica Kilby made the motion, seconded by Anita Simpson (NOC), to move into executive session.

Voting for Motion:

Jessica Kilby, East Central University
Justin Cellum, Murray State College
Christy Landsaw, Northeastern Oklahoma State University
Anita Simpson, Northern Oklahoma College
David Pecha, Northwestern State University
Jena Marr, Redlands Community College
Krista M. Norton, Rose State College
Sheridan McCaffree, RUSO Administrative Office
Designee Courtney Jones, Seminole State College
Dennis Westman, Southeastern Oklahoma State University
Brenda Burgess, Southwestern Oklahoma State University
Melissa McMahon, Western Oklahoma State College

Voting against the motion: None

Abstaining: None

The Board convened in executive session at 2:35 p.m.

The Board reconvened in public session at 2:55 p.m.

11. Reconvene In Public Session

A. Consideration and possible action to implement matters discussed in Executive Session.

Christy Landsaw (NSU) made the motion, seconded by Jena Marr (RCC), to increase the compensation of the OKHEEI Benefits Coordinator by 3.53% to be in line with market standards for the position and level of responsibility.

Voting for Motion:

Jessica Kilby, East Central University
Justin Cellum, Murray State College
Christy Landsaw, Northeastern Oklahoma State University
Anita Simpson, Northern Oklahoma College
David Pecha, Northwestern State University
Jena Marr, Redlands Community College
Krista M. Norton, Rose State College
Sheridan McCaffree, RUSO Administrative Office
Designee Courtney Jones, Seminole State College
Dennis Westman, Southeastern Oklahoma State University
Brenda Burgess, Southwestern Oklahoma State University

Voting against the motion:

Melissa McMahon, Western Oklahoma State College

Abstaining: None

12. Adjournment

Jessica Kilby (ECU) made the motion, seconded by Christy Landsaw (NSU) to adjourn the meeting.

Voting for Motion:

Jessica Kilby, East Central University
Justin Cellum, Murray State College
Christy Landsaw, Northeastern Oklahoma State University
Anita Simpson, Northern Oklahoma College
David Pecha, Northwestern State University
Jena Marr, Redlands Community College
Krista M. Norton, Rose State College
Sheridan McCaffree, RUSO Administrative Office
Designee Courtney Jones, Seminole State College
Dennis Westman, Southeastern Oklahoma State University
Brenda Burgess, Southwestern Oklahoma State University
Melissa McMahon, Western Oklahoma State College

Voting against the motion: None

Abstaining: None