State & School Employees’ Life & Health Insurance Plan

Presented to the
Mississippi Retired Public Employees’ Association

July 11, 2016
State and School Employees Health Insurance Management Board

- Authorized by law to promulgate rules and regulations governing the Plan
- Defines the scope and coverages provided by the Plan
- Selects vendors to provide administrative and operational support
- Develops and adopts strategic plans and budgets (including setting premium rates)
- Department of Finance and Administration, Office of Insurance provides administrative support
Health Insurance Coverage Options

• Select Coverage:
  $1,000 in-network deductible for individual

• Base Coverage:
  $1,800 deductible for individual
  $3,000 deductible for family
  (Qualifies as a high deductible health plan under IRS rules for Health Savings Accounts)
State and School Employees’ Life and Health Insurance Plan

- Active and retired employees (and dependents) of:
  - Agencies
  - School districts
  - Community/junior colleges
  - Public libraries
  - Universities
  - Mississippi House of Representatives and Senate members and staff
  - State Judges and District Attorneys
  - Statewide Elected Officials

- Self-insured
- No direct appropriation from the State
Health Insurance
Enrollment as of June 30, 2016

187,698 Total Covered Lives

• 114,674 Active and COBRA employees plus 43,591 dependents

• 15,348 Medicare retirees plus 3,102 dependents

• 8,947 Non-Medicare retirees plus 2,036 dependents

Note: The life insurance program has approximately 91,789 covered lives (78,643 active and 13,146 retirees) with over $5.8 billion in coverage

Source: BCBSMS Enrollment Reports
Participant Types

- **Legacy** - An active or retired employee who began full-time employment with the State prior to 1/1/06. This includes any current or subsequently hired employee who was ever employed by the State prior to 1/1/06.

- **Horizon** - An active or retired employee who began full-time employment with the State on or after 1/1/06, and has not previously been employed full-time by the State prior to 1/1/06.
Active Employee Enrollment by Coverage Type as of June 30, 2016

Source: BCBSMS Enrollment Reports
Retired Employee Enrollment by Coverage Type as of June 30, 2016

Source: BCBSMS Enrollment Reports
Premium Contributions

- State pays full cost for active employees enrolled in Base Coverage
- Employees may choose Select Coverage and pay applicable premium (Legacy $20, Horizon $38)
- Employee pays full premium for dependents
- Retirees pay full premium for themselves and dependents
## Monthly Premium Rates – Effective 1/1/2016

<table>
<thead>
<tr>
<th>Category</th>
<th>Legacy Retirees</th>
<th></th>
<th>Horizon Retirees</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retired Employee - Non-Medicare Eligible</strong></td>
<td>BASE</td>
<td>SELECT</td>
<td>BASE</td>
<td>SELECT</td>
</tr>
<tr>
<td>Retiree</td>
<td>$409</td>
<td>$432</td>
<td>$597</td>
<td>$620</td>
</tr>
<tr>
<td>Retiree + Spouse (Non-Medicare)</td>
<td>$856</td>
<td>$941</td>
<td>$1,232</td>
<td>$1,317</td>
</tr>
<tr>
<td>Retiree + Spouse &amp; Child(ren) (Non-Medicare)</td>
<td>$1,091</td>
<td>$1,176</td>
<td>$1,387</td>
<td>$1,472</td>
</tr>
<tr>
<td>Retiree + Child</td>
<td>$525</td>
<td>$587</td>
<td>$690</td>
<td>$775</td>
</tr>
<tr>
<td>Retiree + Children</td>
<td>$706</td>
<td>$744</td>
<td>$847</td>
<td>$932</td>
</tr>
<tr>
<td>Retiree + Spouse (Medicare)</td>
<td>N/A</td>
<td>$612</td>
<td>N/A</td>
<td>$800</td>
</tr>
<tr>
<td>Retiree + Spouse &amp; Child(ren) (One or more Medicare)</td>
<td>N/A</td>
<td>$767</td>
<td>N/A</td>
<td>$955</td>
</tr>
<tr>
<td><strong>Retired Employee - Medicare Eligible</strong></td>
<td>BASE</td>
<td>SELECT</td>
<td>BASE</td>
<td>SELECT</td>
</tr>
<tr>
<td>Retiree</td>
<td>N/A</td>
<td>$180</td>
<td>N/A</td>
<td>$180</td>
</tr>
<tr>
<td>Retiree + Spouse (Non-Medicare)</td>
<td>N/A</td>
<td>$689</td>
<td>N/A</td>
<td>$877</td>
</tr>
<tr>
<td>Retiree + Spouse &amp; Child(ren) (Non-Medicare)</td>
<td>N/A</td>
<td>$924</td>
<td>N/A</td>
<td>$1,032</td>
</tr>
<tr>
<td>Retiree + Child</td>
<td>N/A</td>
<td>$335</td>
<td>N/A</td>
<td>$335</td>
</tr>
<tr>
<td>Retiree + Children</td>
<td>N/A</td>
<td>$492</td>
<td>N/A</td>
<td>$492</td>
</tr>
<tr>
<td>Retiree + Spouse (Medicare)</td>
<td>N/A</td>
<td>$360</td>
<td>N/A</td>
<td>$360</td>
</tr>
<tr>
<td>Retiree + Spouse &amp; Child(ren) (One or more Medicare)</td>
<td>N/A</td>
<td>$515</td>
<td>N/A</td>
<td>$515</td>
</tr>
<tr>
<td><strong>Retired Non-Medicare Married to Active</strong></td>
<td>BASE</td>
<td>SELECT</td>
<td>BASE</td>
<td>SELECT</td>
</tr>
<tr>
<td>Retiree</td>
<td>$409</td>
<td>$432</td>
<td>$409</td>
<td>$443</td>
</tr>
<tr>
<td>Retiree + Child</td>
<td>$510</td>
<td>$587</td>
<td>$510</td>
<td>$598</td>
</tr>
<tr>
<td>Retiree + Children</td>
<td>$667</td>
<td>$744</td>
<td>$667</td>
<td>$755</td>
</tr>
</tbody>
</table>
## Plan Revenue, Expenses, & Reserves – CY 2015 (in millions)

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health premiums collected</td>
<td>$718.1</td>
</tr>
<tr>
<td>Health claims incurred</td>
<td>(679.9)</td>
</tr>
<tr>
<td>Life premiums collected</td>
<td>16.7</td>
</tr>
<tr>
<td>Life claims incurred</td>
<td>(14.7)</td>
</tr>
<tr>
<td>Interest</td>
<td>2.6</td>
</tr>
<tr>
<td>ACA Imposed Fees</td>
<td>(7.7)</td>
</tr>
<tr>
<td>Administrative and cost containment expenses paid</td>
<td>(33.2)</td>
</tr>
<tr>
<td><strong>Net gain (loss)</strong></td>
<td>$1.8</td>
</tr>
<tr>
<td><strong>Plan Assets @ 6/30/16</strong></td>
<td>$382</td>
</tr>
<tr>
<td><em><em>Less: Estimated liabilities (does not include OPEB</em>)</em>*</td>
<td>(110.8)</td>
</tr>
<tr>
<td><strong>Reserves @ 6/30/16</strong></td>
<td>$272.1</td>
</tr>
</tbody>
</table>

*OPEB Liability at 6/30/15 = $732.1M

Source: CY 2015 Actuarial Report
Vendors

- Blue Cross & Blue Shield of Mississippi – *third party medical claims administrator*

- Prime Therapeutics – *pharmacy benefit manager*

- ActiveHealth Management, Inc. – *health management vendor (medical, disease, and wellness promotion)*

- Advanced Health Systems – *direct contracting vendor (medical provider network)*

- Minnesota Life Insurance Company – *life insurer*
Objectives:
• Identify and encourage positive health practices to improve the overall health and wellness of Plan participants
• Reduce health care costs to the Plan and participants by providing appropriate behavioral modification and preventive services

Components:
• Annual wellness benefit for participants age 18 and older who use AHS State Network providers
• Partner with the Mississippi Tobacco Quit Line and ACT Center
• List of covered services available at knowyourbenefits.dfa.ms.gov
What’s new?

• Benefit Changes for 2016
• Benefit Changes for 2017
• ACA Compliance
• Maintain solvent, stable, responsive benefit plan
• Questions?
Contact

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