
MINUTES
EMPLOYEE BENEFIT PLAN COUNCIL MEETING
VIA WEBINAR
July 9, 2024 – 10:00 a.m.

The meeting of the Employee Benefit Plan Council (EBPC) was called to order by Chair Monirah Womack on Tuesday, July 9, 2024.

Council members present:

Monirah Womack, Chair
Spencer Moore, Member
Angie Surface, Member
Amy Auffant, Member
Glianny Fagundo, Member
Courtney Ware, Vice Chair
Chris Wells, Member
Jewelle Johnson, Member
Robert Joseph, Member
Matthew Almand, Member

Council members absent:

N/A

Additional attendees: Rebecca N. Sullivan, Commissioner, DOAS; Al Howell, Deputy Commissioner, DOAS-HRA; Autumn Cole, General Counsel and Assistant Commissioner; Kori Woodward-Dickens, Attorney, DOAS-HRA; Carla Gracen, Director of Compensation and Benefits; and Paulette Petty, Chief Financial Officer, DOAS.

Approval of Minutes:

Rebecca N. Sullivan, Commissioner, DOAS, presented the minutes from the March 12, 2024, Employee Benefit Plan Council meeting for the Council's approval. No corrections or changes were requested by the members present, so Ms. Womack called for a motion to approve the minutes. Mr. Moore moved the motion, seconded by Ms. Ware, and carried unanimously.

Presentation of the Retroactive Change to the Disabled Dependent Enrollment Process Effective Plan Year 2024:

Carla Gracen, Director of Compensation and Benefits, DOAS-HRA, presented the Retroactive Change to the Disabled Dependent Enrollment Process Effective Plan Year 2024. Ms. Gracen informed the council that the current enrollment process provides participants a one-time opportunity for one of three reasons to include disabled dependents aging off the Flexible Benefits Program due to turning age 26 to continue coverage by providing proof of disability, newly eligible disabled dependents who were disabled before age 26 (employees' new hire events) to enroll, and disabled dependents (disabled before age 26) that experience a Qualifying Life Event (QLE) to enroll. Ms. Gracen informed the council that HRA Flexible Benefits would like to add a third option to allow active employees to be allowed to enroll their disabled dependents who were disabled before age 26 during Open Enrollment if they submit the proof of the disability within 31 days of the enrollment, and the effective day of this change would be retroactive to January 1, 2024. Ms. Gracen informed the council that the plan is to update the open enrollment information for this Fall with this information so that when employees have this scenario, they can call GaBreeze to enroll their disabled dependent.

Summary of Recommendation:

Ms. Gracen asked the council to approve the Retroactive Change to the Disabled Dependent Enrollment Process Effective Plan Year 2024.

Council Vote:

Ms. Womack called for a motion to approve the Retroactive Change to the Disabled Dependent Enrollment Process Effective Plan Year 2024. Ms. Fagundo moved the motion, which was seconded by Mr. Moore and carried unanimously.

Presentation of the Proposed Plan Changes for Plan Year 2025:

Health Care Flexible Spending Account

Carla Gracen, Director of Compensation and Benefits, notified the council that every year, it is necessary to come before the council to present on the Health Care Flexible Spending Account limits because the IRS announces its new limits just after open enrollment ends. Ms. Gracen informed the council that for 2024, the limit is \$3,200.00, and for Plan Year 2024, we put in \$3,000.00 plus the admin fee of \$38.40 before open enrollment 2024, which changed to \$3,200.00, including the \$42.00 admin fee, after open enrollment.

UNUM Long-Term Care Insurance Rates

Ms. Gracen informed the council that the UNUM Long-Term Care Insurance rates have increased yearly for the last few years. Ms. Gracen informed the council that UNUM works with the Insurance Commission regarding these rates, and the rates will increase by 9.9% for the Plan Year 2025.

Short-Term Disability (STD) and Long-Term Disability (LTD) Terminations

Ms. Gracen presented on the Short-Term Disability (STD) and Long-Term Disability (LTD) Plans' current effective date for terminations. Ms. Gracen informed the council that currently, the employees' STD and LTD coverages are in effect through the last day of employment, and the coverage is terminated the day after employment ends. Ms. Gracen notified the council that DOAS-HRA proposed to change the coverage date of the employees' STD and LTD coverages to be in effect through the last day of the month employment ends and that the coverage is terminated on the first day of the following month. Ms. Gracen notified the council that participants' premiums are deducted the month before the coverage month; therefore, this change will provide coverage for the entire month that the premium covers.

Summary of Recommendation:

Ms. Gracen asked the council to approve the Proposed Plan Changes for Plan Year 2025.

Council Vote:

Ms. Womack called for a motion to approve the Proposed Plan Changes for Plan Year 2025. Mr.

Joseph moved the motion, which was seconded by Mr. Wells and carried unanimously.

Presentation on the Short-Term Disability and Long-Term Disability Plans Request for Proposal (RFP):

Carla Gracen, Compensation and Benefits Director, DOAS-HRA, presented the Short-Term Disability (STD) and Long-Term Disability (LTD) Plans Request for Proposal (RFP) contract award. Ms. Gracen informed the council that for 2025, DOAS-HRA worked with the benefits broker Benalytics to do some market solicitations for Short-Term and Long-Term Disability plans and the Health Care and Dependent Care Flexible Spending Accounts. Ms. Gracen notified the council that the changes would involve the price. Ms. Gracen informed the council that the premiums and vendor fees will be lower, and the administrative fee will increase. Ms. Gracen informed the council that the changes are necessary because, with the largest voluntary benefits program in Georgia, we want to have a very competitive program. Ms. Gracen notified the council that these changes help enhance recruitment and retention, and we work with our vendors to seek cost-effective plan designs. Ms. Gracen informed the council that for the Short-Term and Long-Term Disability plans, the qualified suppliers were MetLife, New York Life (NY Life), Prudential, and The Standard Insurance Company (The Standard), which is the incumbent. Ms. Gracen informed the council that Hartford, Principal, Reliance, and UNUM were the suppliers that received the RFP but declined to quote. Ms. Gracen informed the council that the suppliers' proposals were evaluated based on completeness of responses, cost/rate guarantees, and technical responses. Ms. Gracen informed the council that the current contract with The Standard is set up with a Premium Stabilization Reserve (PSR) account, which means that financial accounting is performed at the end of the rate guarantee period. This allows the DOAS plan to participate in surplus-deficit financial accounting. Ms. Gracen informed the council that if a deficit occurs, DOAS is not at risk for additional premium payments. If a surplus occurs, funds will offset any prior year deficits or be deposited into a PSR. The pricing does not change during the period of the negotiated rate guarantee, regardless of plan performance. Ms. Gracen informed the council that during the market solicitation, Benalytics instructed the suppliers to provide responses with and without a PSR for the new contract, effective January 1, 2025. Ms. Gracen proceeded to review the suppliers' scoring with the council, informing the council that The Standard will be the recommended vendor, whose proposal is highly competitive and represents significant savings for current plan participants with no disruption from current processes. The offer includes a 5-year rate guarantee, replication of current plan designs/business needs, and performance guarantees with substantial premiums at risk for non-compliance.

Summary of Recommendation:

Ms. Gracen asked the council to approve the recommendation of The Standard for the Short-Term Disability (STD) and Long-Term Disability (LTD) Plans Request for Proposal (RFP) contract award.

Council Vote:

Ms. Womack called for a motion to approve the Short-Term Disability (STD) and Long-Term Disability (LTD) Plans Request for Proposal (RFP) contract award to The Standard. Mr. Wells moved the motion, which was seconded by Ms. Johnson and carried unanimously.

Presentation on the Flexible Spending Accounts (Health Care and Dependent Care) Request for Proposal (RFP) Contract Award:

Carla Gracen, Compensation and Benefits Director, DOAS-HRA, presented the Flexible Spending Accounts (Health Care and Dependent Care) Request for Proposal (RFP) contract award. Ms. Gracen informed the council that DOAS-HRA worked with Benalytics on the RFPs and the Qualified suppliers responding were Business Solver, Health Equity (Incumbent), Inspira (PayFlex) and Total Administrative Services Corporation (TASC). Ms. Gracen informed the council that the suppliers that declined to quote were Alight, Ameriflex, and Optum Financial. Ms. Gracen informed the council that the suppliers' proposals were evaluated based on the completeness of responses, cost/rate guarantees, and technical responses. Ms. Gracen reviewed the suppliers' scoring, noting that Total Administrative Services Corporation (TASC) is the recommended supplier. Ms. Gracen informed the council of the lower rate of \$2.35 per participant per month provided by TASC versus the HealthEquity current rate of \$3.00 per participant per month.

Summary of Recommendation:

Ms. Gracen asked the council to approve the recommendation of the Flexible Spending Accounts (Health Care and Dependent Care) Request for Proposal (RFP) contract award to go to Total Administrative Services Corporation (TASC).

Council Vote:

Ms. Womack called for a motion to approve the Flexible Spending Accounts (Health Care and Dependent Care) Request for Proposal (RFP) contract award to Total Administrative Services Corporation (TASC). Mr. Moore moved the motion, which was seconded by Mr. Almand and carried unanimously.

Presentation on the Statewide Flexible Benefits Program Contract Extensions and Renewals for Plan Year 2025 (Vision, Dental HMO and PPO, Legal Plans, Life Insurance and Accidental Death and Dismemberment, Long-Term Care, Critical Illness Insurance, Accident Insurance, Hospital Indemnity Insurance, Cancer Insurance, Eligibility and Enrollment System and Services, and Broker and Consultant Services:

Al Howell, Deputy Commissioner, DOAS-HRA, presented the Statewide Benefits Contract Extensions and Renewals for Plan Year 2025. Mr. Howell informed the council that in preparation for the upcoming Fall Open Enrollment and Plan Year 2025, DOAS-HRA reviews current contracts to ensure that they are up to date. Mr. Howell informed the council that usually, at this time of year, there are contracts that need to be renewed because they have remaining terms for the contracts and others that need to be extended because they will exceed their original terms at the end of the current plan year.

Mr. Howell informed the council that there are five benefits vendors contracts that will need to be renewed through December 31, 2025, which includes Anthem Vision, Cigna Dental HMO, Cigna Dental PPO, MetLife Insurance, and Voya. Mr. Howell notified the council that in addition to the five benefits vendors, there are two service-type

contracts that need to be renewed through December 31, 2025, which are Alight Solutions, which serves as the third-party administrator, and Benalytics Consulting Group which serves as the Broker. Mr. Howell informed the council that these contracts can be renewed with no rate increases or plan design changes.

Mr. Howell informed the council that two contracts would need to be extended: MetLife Legal Plans, which offers Legal Insurance, and UNUM Life Insurance, which provides long-term care. Mr. Howell informed the council that extensions for these contracts are needed for Plan Year 2025 through December 31, 2025. Mr. Howell notified the council that the contract for MetLife Legal Plans could be extended with no rate increases or plan design changes. Mr. Howell notified the council that the contract with UNUM Life Insurance can be extended with a 9.9% rate increase for Plan Year 2025, which is set by the state's Office of the Insurance Commissioner.

Summary of Recommendation:

Mr. Howell asked the council to approve the Statewide Benefits Contract Extensions and Renewals for Plan Year 2025.

Questions

Mr. Joseph: Are we on schedule? Are we doing this because we are late getting to something? Why are we extending all of these?

Mr. Howell: There are two that are getting extended: the Long-Term Care and MetLife Legal Plan. All the others are being renewed. We have been going to the market more frequently since we brought on Benalytics. There is no market for long-term care because vendors are getting out of the long-term care business, and we may have to make some decisions in the future. The legal plan sometimes gets to the capacity of what we can do regarding how many we can look at at one time. We will look at legal insurance during Plan Year 2025 and may come back next year asking for an RFP for that particular carrier.

Ms. Womack: I believe the renewal process is annual.

Mr. Howell: Yes, for those still having terms on their contracts.

Council Vote:

Ms. Womack called for a motion to approve the Statewide Benefits Contract Extensions and Renewals for Plan Year 2025. Mr. Joseph moved the motion, which was seconded by Ms. Fagundo and carried unanimously.

Presentation on the Proposed Changes to the Flexible Benefits Program Administrative Fees:

Paulette Petty, Chief Financial Officer, DOAS, presented the Proposed Changes to the Flexible Benefits Program Administrative Fees. Ms. Petty informed the council that the Flexible Benefits

Program is an all-employee-paid program, and all funds collected for this program are held in a trust separate from the agency's funds. Ms. Petty informed the council that during the Plan Year 2012, DOAS inherited the administration of the Flexible Benefits Program when the Human Resources Administration (HRA) was attached to DOAS. Ms. Petty informed the council that in FY2013, the Flexible Benefits Trust was 15 million dollars, and the Administrative Fee at that time was about \$0.90 per enrolled plan option per employee per month. Ms. Petty informed the council that in Plan Year 2014, HRA reduced the Administrative Fee to \$0.70 to spend down the Trust Fund over 10 years as 15 million exceeded the amount necessary to operate the program. Ms. Petty informed the council that program costs had increased significantly, costing roughly \$4.8 million in FY2014, and projected program costs for FY2025 is projected to be \$5.9 million. Ms. Petty presented to the council various fee options and explained to the council that the target is to build the trust fund to six months of annual program cost for over four years, and DOAS will continue to conduct yearly analyses of the program costs and reserve balances. Ms. Petty informed the council that DOAS would like to increase the administrative fee from \$0.70 to \$1.15 per enrolled plan option beginning Plan Year 2025 for all benefits, and start charging the administrative fee for enrollment in Dependent Care Spending Account and two administrative fees if an employee enrolls in both HCFSA and DCFSA due to administrative costs for enrollment in each type of spending account. Ms. Petty mentioned that the previous speaker mentioned a reduction of the disability rate, which is locked in for five years, allowing the employee to absorb the fee increase. Ms. Petty informed the council that DOAS leadership will continue to monitor the program and make informed decisions.

Summary of Recommendation:

Ms. Petty asked the council to approve the Proposed Changes to the Flexible Benefits Program Administrative Fees.

Council Vote:

Ms. Womack called for a motion to approve the Proposed Changes to the Flexible Benefits Program Administrative Fees. Mr. Wells moved the motion, which was seconded by Ms. Auffant and carried unanimously.

Other Business/Adjournment:

With no further business to discuss, Ms. Womack moved to adjourn the July 9, 2024, Employee Benefit Plan Council meeting. Ms. Auffant moved the motion, Mr. Moore seconded it, and it carried unanimously.

READ AND APPROVED on the 12th of November 2024 by:

Monirah Womack

Monirah Womack, Chair

E. Jewelle Johnson

Jewelle Johnson, Member

Amy Auffant

Amy Auffant, Member

Glianny Fagundo

Glianny Fagundo, Member

Robert Joseph

Robert Joseph, Member

Chris Wells

Chris Wells, Member

Angie Surface

Angie Surface, Member

Spencer Moore

Spencer Moore, Member

(Absent)

Matthew Almand, Member

Courtney Ware

Courtney Ware, Vice Chair