
**EMPLOYEE BENEFIT PLAN COUNCIL MEETING
MINUTES**

MARCH 11, 2014 / 10:00 A.M.

JAMES FLOYD VETERANS MEMORIAL BUILDING – ROOM 512-BOARDROOM (WEST)

The following Council members were in attendance: Monirah Womack, Vice-Chair; Robert R. Joseph; Jim Rogers; Jewelle Johnson; Paul Babaz; Carlton Lenoir; Jim Laine; and Robert Mikell (via teleconference). Taylor Hanson Haley and Teresa MacCartney were absent.

Also present were Commissioner Sid Johnson, Council Executive Secretary; Candy Sarvis, Deputy Commissioner, DOAS-HRA; Joe Kim, General Counsel, DOAS; Laura McDonald, Georgia Law Department; Kara Berlin, DOAS Legal Officer; Jennifer Kennington, DOAS-HRA Director of Compensation and Benefits Administration; and Barbara Heard, HRA Benefits Education/ Marketing Manager.

Vice Chair Monirah Womack called the meeting of the March 11, 2014 Employee Benefit Plan Council to Order.

Approval of Minutes / Commissioner Johnson announced that the Minutes of the October 8, 2013 Employee Benefits Plan Council meeting was circulated to the Council and no amendments were requested. A Motion was made by Ms. Womack to approve the Minutes as presented. It was Moved by Mr. Lenoir, seconded by Mr. Babaz and unanimously approved.

Commissioner's Report / The updated Flexible Benefits Report and 2014 Enrollments by Plan Components were distributed to the Council and Commissioner Johnson summarized significant components of the following:

Flexible Benefits Plan Overview

1. Reflected on the graph are 3 levels which include: large, medium and smaller contracts which drove our strategy to rebid our contracts. 2012 Dental contract includes 21,000 retired employees; 2013 rebid Life Insurance, Accidental Death, LTD and STD, and Vision. In 2014, to rebid Legal, Specified Illness, Health Care Spending and Child Care Spending.
2. 120,000 participating families (increased participation by 1% driven by retirees and COBRA segments of the population).
3. The state's active employee participation decreased by 3.4%.
4. State's active participants approx. 52%; local governments; mainly School board about 30%.
5. Growth in the Dental and Vision fueled by the increased number of retiree population.
6. 93 % participants in Life Insurance increased their coverage level due to better pricing and extra value.
7. Decreased participation in the Accidental Death, LTC and STD. Will review the utilization numbers to understand the reasoning behind the decrease in participation of these specific plans. We do have competitive rates for these contracts based on our survey feedback. However, factors could include:
 - 1) Economics/increase cost of health care.
 - 2) Ensure that the contracts aligned with the needs of our target population.
8. Mr. Lenoir asked if there are any mechanisms in place to gain feedback from employee population on these trends. Commissioner Johnson stated "not currently." We only have a satisfaction survey with the plan manager from AON which is targeted toward the call center.
9. Mr. Rogers inquired if employees are allowed to pick and choose each product. Commissioner Johnson confirmed that 100% of the payments come from employees; which includes state employees, local governments/school boards employees, retirees and COBRA populations.
10. Ms. Womack confirmed with Commissioner Johnson that all the rates were set under the terms of the contract; so that changes in volume from year to year should not totally affect the current contractual rates.

Flexible Benefits Operational Update / presented by Candy Sarvis:

Ms. Sarvis announced that Council member Jannine Miller, has moved to private sector employment. Governor Deal appointed Commissioner Robert Mikell of the Department of Driver Services who joins the meeting via teleconference. The following points were made:

1. About 2005, we have outsourced administration of the Flexible Benefits program and our current vendor is AON Hewitt. The contract will soon be up for renewal. For each of the benefits components, service is provided by individual vendors.
2. Since the creation of our division in 2012, we've update our approach, understanding and administration of the flex program.
3. Our 3-prong approach is to: 1) reestablish governance (the Council) and provide operational updates; 2) evaluate our value proposition for our employees and potentially rebid contracts; 3) reviewing the nine vendors to make certain that we are competitive enough. 2011, the flex program transitioned to be 100% employee funded.
4. In early 2012, we approached the Council, proposed and gained approval to take a phase approach. Phase 1) In 2012, we rebid Dental and realized significant enhancements in services and premium savings; Phase 2) In 2013, Vision, Disability, LTD, STD and Life; (with exception of the LTD), we recognized some premium savings and updated those contracts. Phase 3) The team will review the Specified Illness, Legal and the Flex Spending Account plans. The LTC plan will require special consideration.
5. What are the 2014 program goals:
 - Choice to employees: On next year, the plan is to distribute a statewide survey to all employees to evaluate the program. Our Agency Validation team consists of approximately eight agencies.
 - Provide value: Provide public/private partnership to stay innovative and identify trends in the market.
 - Service: Provide customer service surveys and vendor management.
6. Our Project Team is made up of three components: Internal (DOAS units); External (7 Executive Branches and 1 Board of Education); and Consultants (Benalytics Consulting Group).
7. Slide 4 of the Flexible Benefits PowerPoint presentation reflects the current state of the rebid plans for Specified Illness, Legal, and Spending Accounts. The fees reflect the current monthly premiums, administrative fees and total monthly cost.
8. Slide 5 of the presentation outlines the rebid strategies.

We believe there is potential for better premium and enhancements in the Specified Illness plan. There is value in rebidding this contract as a component of our flex program by requesting the vendor to add some new diseases, i.e. Alzheimer's (100% coverage); reimbursement of out-of-pocket expenses (travel and lodging) for people diagnosed with these diseases for both employees and companion of employees; to raise percentage of coverage for children; hospital stay and ambulatory services; and guaranteed issue with no medical underwriting for employees.

Concerns raised by the Council:

- ✓ Q. Since it is participant-funded, what is the total amount that the insurance companies realize for this program?
A. Research and get the answer to the Council at the next meeting.
- ✓ Q. Do you have multiple vendors for these? A. Each of the plan components has an individual vendor. So, the cost to the state is in the administration and oversight of those vendors.
- ✓ Q. Can Council be given a figure of the total contract cost? A. Based on the data provided in slide 4 of the handout, Mr. Joseph surmised that the total cost could approximate 1.4 million.

Flex team will take a real look at the demographics of our workforce to make certain that some anticipated illnesses based on race or genders are covered by these plans.

9. A separate agency manages our wellness program.
10. Flex team will monitor how ACA impacts the dental and vision plans.
11. The team is not recommending to the Council to rebid the Legal plan and Spending Accounts. Hyatt is our current vendor and one of the two largest vendors in this area for prepaid services. There is a possibility of a price increase, with a new vendor. Mr. Joseph requested a list of what is covered in the Legal plan.
12. For the Flex Spending Accounts, ADP assumed the former vendor that was providing this service. Similarly, to the Legal plan, we are not recommending a rebid. Based on Benelytics, the general pricing is at a good rate and we will not gain better administrative cost. Employees will not have to provide additional documentation to the spending account vendor for claim payments. They are in compliance with IRA regulations. This reduces the taxable income for employees and reduction of payroll taxes for the state.
13. Slide 6 of the presentation handout is the project timeline. In May 2014, we will present for the Council's vote, the final recommendations. In June 2014, we will share the Specified Illness Component and request the Council's vote to approve the contract.
14. The validation team will review an RFP that is currently out.
15. No action for the Council on this matter at this meeting.

Mr. Jim Rogers formerly served as chief executive of the Commission on Colleges throughout the South. He stated that his past experience afforded him a broad perspective on health and institutional health programs. Comparatively, state employees are very fortunate to have this scope of medical coverage.

Mr. Joseph, echoed sentiments expressed by the Council in appreciation of the detailed and precise report and thanked both Ms. Sarvis and the Validation Team for their ongoing sensitive negotiations of the benefit plans.

Special Recognition to Hal Roach, Jr.:

Commissioner Johnson made a special recognition to Hal Roach, Jr. who expired his term on the State Personnel Board and Employee Benefits Plan Council. He thanked Mr. Roach for his dedicated service and Mrs. Roach for her sacrifice in traveling roundtrip from Statesboro, GA. A recognition letter from Governor Deal, an appreciation plaque from Executive Secretary Sid Johnson, and Georgia State Flag was presented to Mr. Roach. A floral arrangement was presented to Mrs. Roach. In closing, Commissioner Johnson commended Mr. Roach for his guidance and feedback to him and Ms. Sarvis from a personal perspective.

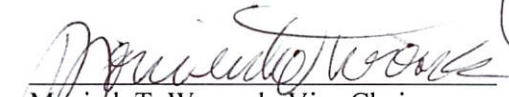
Mr. Roach expressed his appreciation to the Council and Board members for their support and kind tribute, and expressed his gratitude to Mrs. Roach for her support. Ms. Womack expressed that Mr. Roach's voice and presence will be greatly missed by the Council.

Council Vote on Vice Chair:

The next order of business was to elect the Council Vice Chair for 2014 calendar year. Joseph made a motion that Ms. Monirah Womack remain as Council Vice Chair for the next term. There being no further nominations, Mr. Laine seconded the motion which received the Council's unanimous vote. Ms. Womack accepted the nomination to serve in this capacity.

There being no further business, Ms. Womack made a Motion to officially adjourn the EBPC meeting. The Motion was moved by Mr. Laine, seconded by Mr. Babaz and carried unanimously.

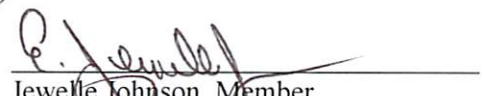
READ AND APPROVED ON 13th of May, 2014 by:



Monirah T. Womack, Vice Chair



Robert R. Joseph, Member

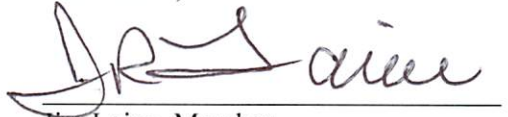


Jewelle Johnson, Member

Paul Babaz, Member *absent*




Jim Rogers, Member



Jim Laine, Member



Carlton Lenoir, Member



Robert Mikell, Member (via teleconference)

ATTEST:


Sid Johnson
Executive Secretary
Employee Benefits Plan Council