



State & School Employees' Life & Health Insurance Plan



Presented to
**Senate Education Committee Hearing
September 15, 2021**



motivating
MISSISSIPPI

keys to living healthy

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 Management Board Members

Chairman: Liz Welch

Executive Director, Mississippi Department of
Finance and Administration

Dr. Alfred Rankins, Jr., Commissioner
Mississippi Institutions of Higher Learning

Mike Chaney, Commissioner
Mississippi Insurance Department

Mark Formby, Chairman
Mississippi Workers' Compensation Commission

Larry Fortenberry, President
Executive Planning Group

Vice-Chairman: Christopher Burkhalter

President
The Burkhalter Group Consulting Actuaries

Kelly Hardwick, Executive Director
Mississippi State Personnel Board

Kell Smith, Interim Executive Director
Mississippi Community College Board

H. Ray Higgins, Jr., Executive Director
Mississippi Public Employees' Retirement System

Dr. Carey Wright, State Superintendent
Mississippi Department of Education

Ex-officio Members

The Honorable Henry Zuber, Chairman
House Insurance Committee

The Honorable John Read, Chairman
House Appropriations Committee

The Honorable J. Walter Michel, Chairman
Senate Insurance Committee

The Honorable W. Briggs Hopson, Chairman
Senate Appropriations Committee

State and School Employees' Life and Health Insurance Plan

- Active and retired employees (and dependents) of:
 - Agencies
 - School Districts
 - Community 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, 2021

192,906 Total Covered Lives

- 109,261 Active and COBRA employees plus 52,611 dependents
- 17,160 Medicare retirees plus 3,206 dependents
- 8,611 Non-Medicare retirees plus 2,057 dependents

Source: BCBSMS Enrollment Reports
BCBSMS Summary of Premium Billing Reports

Participant Types

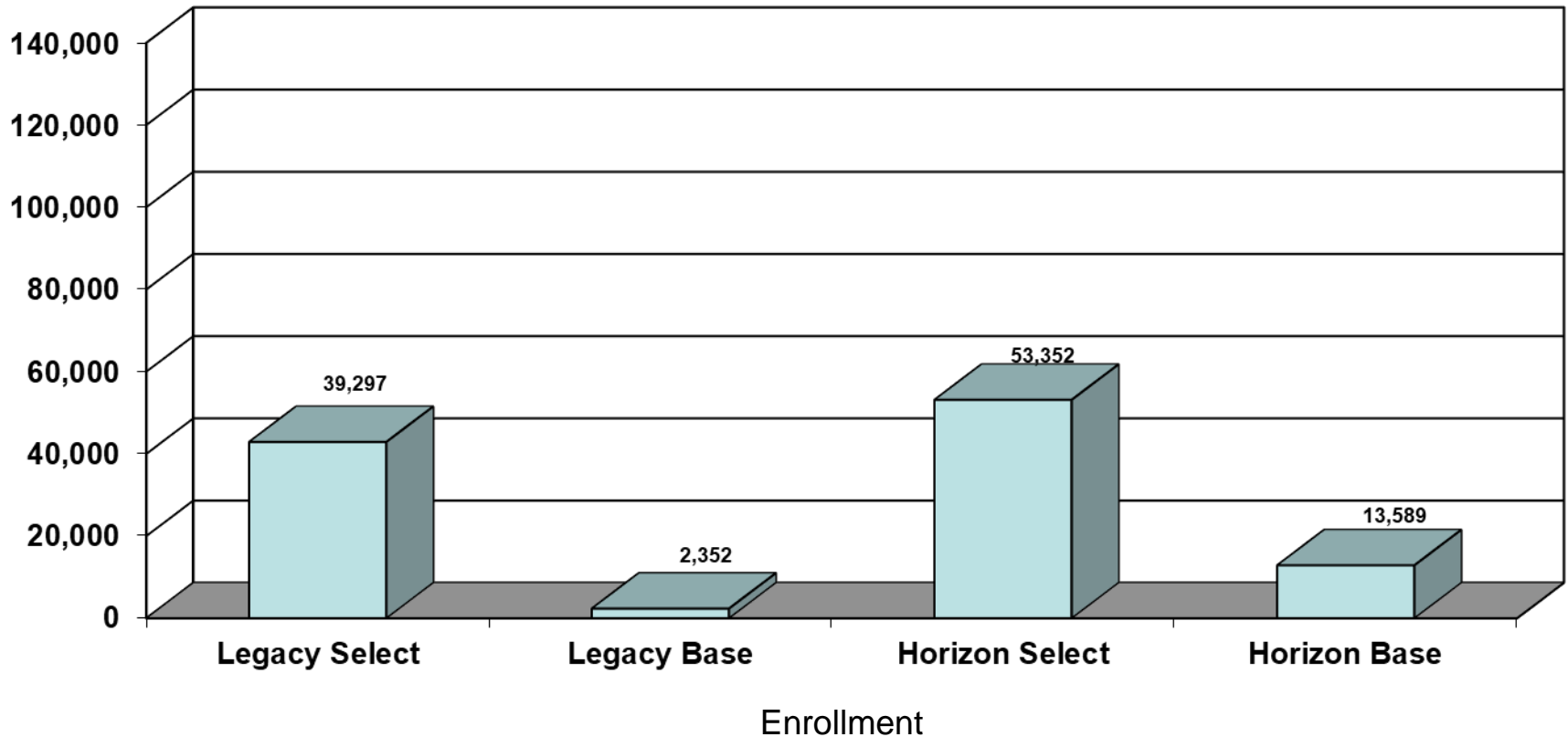
- **Legacy** - An active or retired employee who began full-time employment with the State prior to 1/1/06. This includes any current or subsequently hired employee who was ever employed by the State prior to 1/1/06.
- **Horizon** - An active or retired employee who began full-time employment with the State on or after 1/1/06, and has not previously been employed full-time by the State prior to 1/1/06.

Coverage Options

- Select Coverage:
 - \$1,300 deductible for individual
 - \$2,600 deductible for family
- Base Coverage:
 - \$1,800 deductible for individual
 - \$3,000 deductible for family

(Base coverage qualifies as a high deductible health plan under IRS rules for Health Savings Accounts.)

Active Employee Enrollment by Coverage Type as of June 30, 2021



Base Coverage Option

	<u>Network</u>	<u>Out-of-Network</u>
<u>Individual Coverage</u>		
Calendar Year Deductible		\$1,800
Preventive Medications Deductible (Other medications are subject to Calendar Year Deductible)		\$75
Coinsurance Maximum	\$3,000	\$4,000
Out-of-Pocket Limit	\$6,500	N/A
<u>Family Coverage</u>		
Calendar Year Deductible		\$3,000
Preventive Medications Individual Deductible (Other medications are subject to Calendar Year Deductible)		\$75
Coinsurance Maximum	\$5,500	\$7,500
Out-of-Pocket Limit (In no event shall any one individual with family coverage exceed \$6,500 out-of-pocket expenses for covered network expenses.)	\$13,000	N/A

Base Coverage Option

Network Provider Services

**Primary Care Office Visits
And other office services**

**20% Coinsurance
(after deductible)**

Provider Online Primary Care Visit

**\$10 Copayment
(after deductible)**

Online Behavioral Health Therapy

**20% Coinsurance
(after deductible)**

Specialty Physician/Health Care Professional Services

**20% Coinsurance
(after deductible)**

Base Coverage Option

Network Facility Services	
Inpatient Hospital – Services must be certified as medically necessary by Kepro to be covered by the Plan (except for routine maternity delivery).	20% Coinsurance
Outpatient Hospital Services	20% Coinsurance
Emergency Room – Services are subject to a \$50 copayment for the first visit and a \$200 copayment for each subsequent visit in addition to the deductible and coinsurance. Copayment is waived if admitted.	20% Coinsurance
X-Rays, Laboratory	20% Coinsurance

Base Coverage Option

Preventive Wellness Services	
Adult Wellness/Preventive Services	Plan pays 100%
Maternity – Specified prenatal care and network routine physician delivery covered at 100% subject to completion of the Maternity Management Program.	20% Coinsurance
Maternity – Hospital; Other Services	20% Coinsurance
Well-Newborn Nursery Care	Plan pays 100%
Well-Child Office Visits and Routine Tests	Plan pays 100%
Well-Child Routine Immunizations	Plan pays 100%

Base Coverage Option

Pharmacy Benefits

Prescription medications are subject to the applicable deductible and the following copayments:

Preferred Generic Drug	\$12 Copayment
Non-preferred Generic Drug	\$30 Copayment
Preferred Brand Drug	\$45 Copayment
Non-preferred Brand Drug	\$100 Copayment
Specialty Drug	\$100 Copayment

Select Coverage Option

	<u>Network</u>	<u>Out-of-Network</u>
<u>Individual Coverage</u>		
Calendar Year Deductible	\$1,300	\$2,300
Coinsurance Maximum	\$3,000	\$4,000
Out-of-Pocket Limit	\$6,500	N/A
<u>Family Coverage</u>		
Calendar Year Deductible	\$2,600	\$4,600
Out-of-Pocket Limit	\$13,000	N/A

Select Coverage Option

Network Provider Services	
Primary Care Office Visits	\$25 Copayment
Other Office Services	20% Coinsurance
Online Primary Care Visit (Applicable to network primary care providers, registered dietitians and Plan approved vendors only)	\$10 Copayment
Online Behavioral Health Therapy (Applicable to network providers and Plan approved vendors only)	20% Coinsurance
Specialty Physician/Health Care Professional Services	20% Coinsurance

Select Coverage Option

Network Facility Services	
Inpatient Hospital	20% Coinsurance
Outpatient Hospital Services	20% Coinsurance
Emergency Room – Services are subject to a \$50 copayment for the first visit and a \$200 copayment for each subsequent visit in addition to the deductible and coinsurance. Copayment is waived if admitted.	20% Coinsurance
X-Rays, Laboratory	20% Coinsurance

Select Coverage Option

Preventive Wellness Services

Adult Wellness/Preventive Services

Plan Pays 100%

Maternity – Specified prenatal care and network routine physician delivery is covered at 100% subject to completion of the Maternity Management Program.

Plan Pays 100%

Maternity – Hospital; Other Services

Plan Pays 100%

Well-Newborn Nursery Care

Plan Pays 100%

Well-Child Office Visits and Routine Tests

Plan Pays 100%

Well-Child Routine Immunizations

Plan Pays 100%

Select Coverage Option

Pharmacy Benefits

Prescription medications are subject to the \$75 pharmacy deductible and the following copayments:

Preferred Generic Drug	\$12 Copayment
Non-preferred Generic Drug	\$30 Copayment
Preferred Brand Drug	\$45 Copayment
Non-preferred Brand Drug	\$100 Copayment
Specialty Drug	\$100 Copayment

Motivating Mississippi Keys to Living Healthy

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 who use AHS State Network providers
- List of covered services available at knowyourbenefits.dfa.ms.gov
- Weight Management, Tobacco Cessation, Maternity Management
- Worksite Wellness provided by Wellness Coordinators throughout employer units' Site Champion network
- Desktop and Mobile Apps

Plan Payments - Top Four Chronic Conditions

Chronic Condition	2018 Plan Payments	2019 Plan Payments	2020 Plan Payments	2020 Increase over 2019	2020 Impacted Participants
Cancer	\$62,998,430	\$69,012,821	\$88,227,177	27.8%	10,621
Cardiovascular Disease	\$46,182,324	\$48,034,773	\$64,249,363	33.8%	76,594
Arthritis	\$31,021,503	\$34,536,234	\$46,042,896	33.3%	25,457
Diabetes	\$53,685,550	\$60,012,821	\$78,246,970	30.4%	24,446

Source: Health Data & Management Solutions, Inc.,
State of MS Database

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 \$41)
- Employee pays full premium for dependents
- Retirees pay full premium for themselves and dependents (115% of active rate for Legacy Employees and actuarial value for Horizon Employees)

Active Employee Monthly Premium Rates Calendar Year 2021

	BASE		SELECT	
	TOTAL	EMPLOYEE	TOTAL	EMPLOYEE
ACTIVE EMPLOYEE - LEGACY				
Employee	\$389	\$0	\$409	\$20
Employee + Spouse	\$814	\$425	\$893	\$504
Employee + Spouse & Child(ren)	\$1,037	\$648	\$1,116	\$727
Employee + Child	\$499	\$110	\$579	\$190
Employee + Children	\$671	\$282	\$750	\$361
ACTIVE EMPLOYEE - HORIZON				
Employee	\$389	\$0	\$430	\$41
Employee + Spouse	\$814	\$425	\$914	\$525
Employee + Spouse & Child(ren)	\$1,037	\$648	\$1,137	\$748
Employee + Child	\$499	\$110	\$600	\$211
Employee + Children	\$671	\$282	\$771	\$382

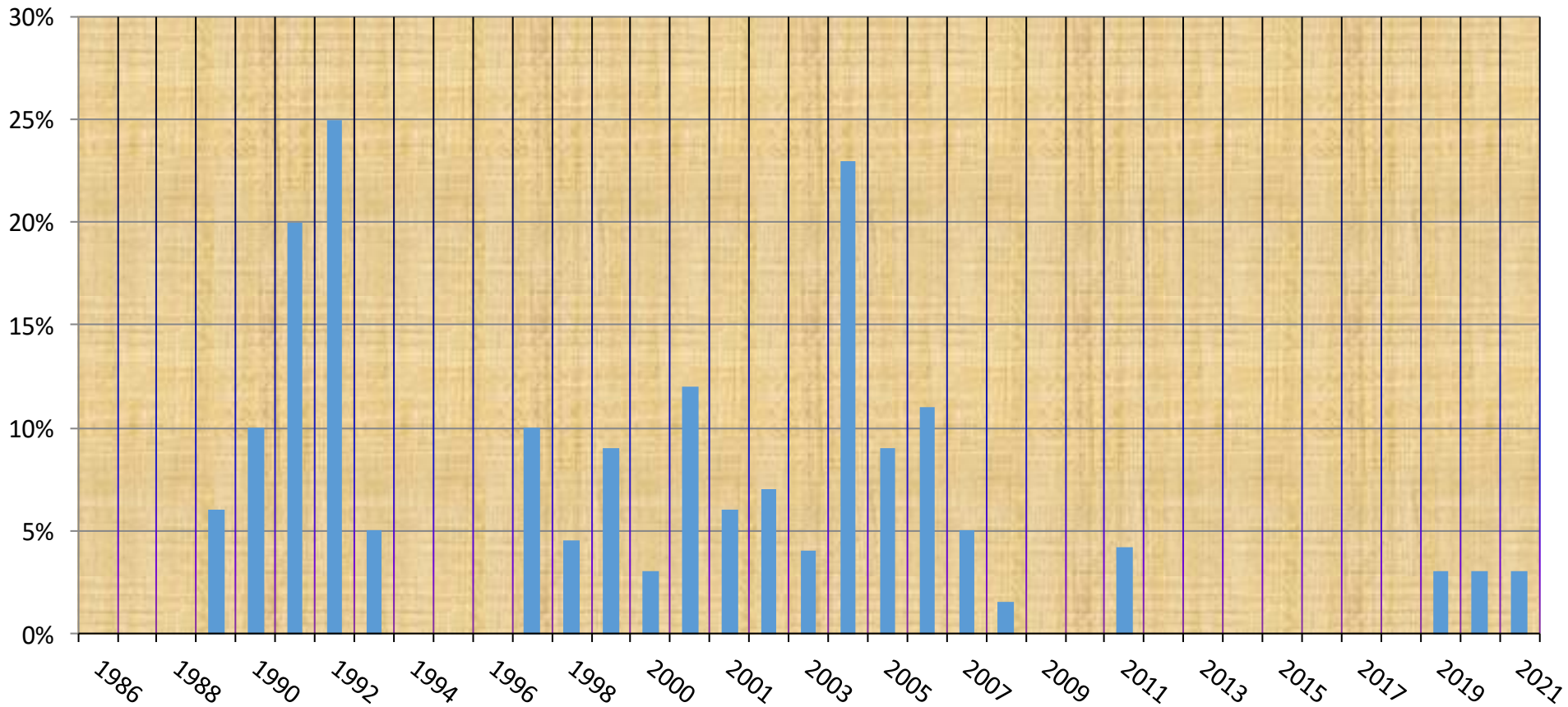
Retiree Monthly Premium Rates

Calendar Year 2021

	LEGACY RETIREES		HORIZON RETIREES	
	BASE	SELECT	BASE	SELECT
RETIRED EMPLOYEE - NON-MEDICARE ELIGIBLE				
Retiree	\$447	\$470	\$714	\$739
Retiree + Spouse (Non-Medicare)	\$936	\$1,026	\$1,431	\$1,524
Retiree + Spouse & Child(ren) (Non-Medicare)	\$1,192	\$1,283	\$1,600	\$1,693
Retiree + Child	\$574	\$640	\$841	\$909
Retiree + Children	\$771	\$811	\$1,038	\$1,080
Retiree + Spouse (Medicare)	N/A	\$666	N/A	\$935
Retiree + Spouse & Child(ren) (One or more Medicare)	N/A	\$836	N/A	\$1,105
RETIRED EMPLOYEE - MEDICARE ELIGIBLE	BASE	SELECT	BASE	SELECT
Retiree	N/A	\$196	N/A	\$196
Retiree + Spouse (Non-Medicare)	N/A	\$752	N/A	\$981
Retiree + Spouse & Child(ren) (Non-Medicare)	N/A	\$1,009	N/A	\$1,150
Retiree + Child	N/A	\$366	N/A	\$366
Retiree + Children	N/A	\$537	N/A	\$537
Retiree + Spouse (Medicare)	N/A	\$392	N/A	\$392
Retiree + Spouse & Child(ren) (One or more Medicare)	N/A	\$562	N/A	\$562

Historical Premium Rate Increases

Summary of Active Employee Rate Increases from 1986 through 2021



Equivalent to a compound annual rate increase of 3.8% for last 20 years, .8% for last 10 years, and 1.7% for last 5 years

Source: CY 2020 Actuarial Report

Historical Financial Overview

HISTORICAL FINANCIAL OVERVIEW OF THE STATE & SCHOOL LIFE AND HEALTH INSURANCE PLAN

*PRELIMINARY, Based on Current Claims Liability Estimates

	CY10	CY11	CY12	CY13	CY14	CY15	CY16	CY17	CY18	CY19	CY20*
REVENUE & EXPENSES (milions)											
Health Premiums	\$714	\$742	\$732	\$723	\$718	\$718	\$720	\$723	\$722	\$747	\$768
Medical Claims	-598	-547	-557	-574	-513	-515	-550	-556	-566	-589	-583
Drug Claims (Net of Rebates)	-106	-105	-117	-135	-145	-161	-154	-161	-168	-176	-185
Administrative Expenses	-54	-39	-33	-34	-32	-32	-35	-37	-35	-33	-33
ACA Fees INCURRED	0	0	0	0	-11	-8	-5	0	0	0	0
Life Insurance Gain	5	5	6	5	1	1	0	3	2	3	-2
Interest Income	5	2	3	3	2	3	3	3	5	4	2
ERRP	5	14	0	0	0	0	0	0	0	0	0
Drug Company Settlements	0	0	1	14	0	0	0	0	0	0	0
Total Gain (Loss)	-\$29	\$72	\$35	\$2	\$21	\$5	-\$20	-\$25	-\$40	-\$44	-\$33
SURPLUS (DEFICIT), End of Year	\$139	\$211	\$247	\$249	\$269	\$274	\$254	\$229	\$189	\$146	\$113
% INCREASE IN CLAIMS											
Medical	4%	-9%	2%	3%	-11%	0%	7%	1%	2%	4%	-1%
Drugs (Net)	-1%	-1%	11%	15%	8%	11%	-4%	4%	4%	5%	5%
Total Medical & Drugs	3%	-7%	3%	5%	-7%	3%	4%	2%	2%	4%	0%
KEY PLAN CHANGES											
Rate Increases - Active EEs		4.2%								3%	3%
Deductible Change-Select Plan		\$1,000									
Blue Card (out-of-state claims)					CY14						
PCP Copay Plan							CY16				
Drug Vendor							Prime				

Southeastern States

2020 Active Employee Health Insurance Monthly Premium Rates

State	Active Employee Health Insurance Monthly Premium Rates					
	Single Coverage			Family Coverage		
	Total Cost	Employee Share	State Share	Total Cost	Employee Share	State Share
Alabama	\$519.00	\$42.00	\$477.00	\$1,342.00	\$251.00	\$1,091.00
Arkansas	\$526.98	\$188.32	\$338.66	\$1,544.24	\$598.82	\$945.42
Florida	\$763.80	\$50.00	\$713.80	\$1,719.32	\$180.00	\$1,539.32
Georgia	\$686.61	\$110.89	\$575.72	\$1,922.51	\$394.54	\$1,527.97
Kentucky	\$731.82	\$84.86	\$646.96	\$1,787.46	\$682.12	\$1,105.34
Louisiana	\$737.50	\$184.34	\$553.16	\$1,652.18	\$641.66	\$1,010.52
Mississippi	\$418.00	\$40.00	\$378.00	\$1,104.00	\$726.00	\$378.00
North Carolina	\$582.36	\$50.00	\$532.36	\$1,252.36	\$720.00	\$532.36
South Carolina	\$500.38	\$97.68	\$402.70	\$1,305.28	\$306.56	\$998.72
Tennessee	\$679.00	\$136.00	\$543.00	\$1,763.00	\$352.00	\$1,411.00
Texas	\$624.82	\$0.00	\$624.82	\$1,820.22	\$597.70	\$1,222.52
Virginia	\$779.00	\$92.00	\$687.00	\$2,089.00	\$287.00	\$1,802.00
West Virginia	\$596.00	\$122.00	\$474.00	\$1,271.00	\$307.00	\$964.00

Vendors

- Blue Cross & Blue Shield of Mississippi – *third party medical claims administrator & medical provider network contracting vendor*
- CVS Caremark– *pharmacy benefit manager*
- Kepro – *case management and utilization review management*
- ActiveHealth Management, Inc. – *disease management and wellness promotion vendor*
- American Well (AmWell) – *telemedicine vendor*
- Minnesota Life Insurance Company – *life insurer*

Vendors

- Wm. Lynn Townsend, FSA, MAAA – *consulting actuary*
- Segal Consulting– *consultant*
- Claim Technologies, Inc. – *claims and performance review auditor – Medical*
- PillarRx Consulting, LLC – *claims and performance review auditor – Pharmacy*
- Health Data & Management Solutions – *decision support services vendor*

Contact

Cindy Bradshaw

State Insurance Administrator

Department of Finance and Administration

Office of Insurance

P. O. Box 24208

Jackson, MS 39225-4208

Phone: 601-359-5014

Email: cindy.bradshaw@dfa.ms.gov