



# DEPARTMENT OF ADMINISTRATION OFFICE OF GROUP INSURANCE

CEC COMMITTEE ~ JANUARY 12, 2022



- 
- Jennifer Pike, Group Insurance Administrator
  - Keith Reynolds, Dept of Administration Director
  - Faith Cox, Insurance & Internal Services Division Administrator
  - Justin Seaman, Group Insurance Benefit Analyst

# OFFICE OF GROUP INSURANCE

- 5 full-time employees
  - Administrator
  - Group Insurance Benefit Analyst
  - Group Insurance Specialist
  - Employee Benefits Specialist
  - Employee Benefits Technician
- Annual personnel and operating budget for FY2022 \$852,000

# ENABLING STATUTES AND RULES

- I.C. 67-5760 – 67-5772
  - Powers and duties
  - Objectives and considerations
  - Retiree medical eligibility and subsidy
  - Perpetual appropriation
  - Group Insurance Advisory Committee (GIAC)
    - Website: <https://ogi.idaho.gov/group-insurance-advisory-committee/>

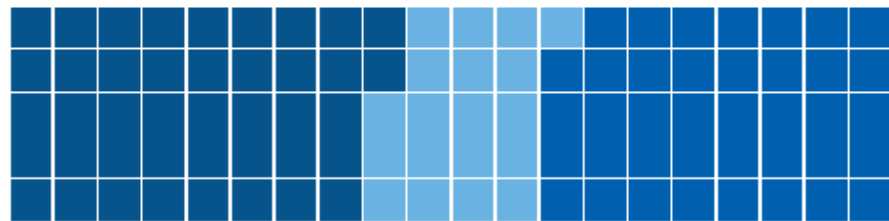
# BENEFITS PACKAGE

- Active employee medical, pharmacy & dental
  - Vision benefit
  - Prescription drug coverage
  - Employee assistance program (EAP)
  - Condition support programs
  - Wondr weight management
  - Livongo diabetes management
  - Telemedicine (MDLive)
  - Case Management & Care Management
  - Cost Advisor/Transparency Tools
  - Nurse Advice Line
  - Identity theft protection
- Retiree medical & pharmacy
  - Limited eligibility
- Basic life insurance
  - Short and long-term disability
  - Accidental death and dismemberment
  - Voluntary term life (VTL)
- Flexible spending accounts (FSA)
  - Health care flexible spending accounts
  - Daycare flexible spending accounts

# MEDICAL PLAN MEMBERSHIP OVERVIEW

## ACTIVE EMPLOYEES

45,834 Members as of June 2021



EMPLOYEES  
42%

SPOUSES  
19%

DEPENDENTS  
39%



MALE  
49%



FEMALE  
51%

FIVE-YEAR  
CONTINUOUS  
ENROLLMENT



NON-USER  
RATE\*



## RETIREES

802 Members as of June 2021

FIVE-YEAR  
CONTINUOUS  
ENROLLMENT



NON-USER  
RATE\*



AVERAGE



MALE  
40%



FEMALE  
60%



EMPLOYEES  
77%

SPOUSES  
16%

DEPENDENTS  
6%

## FY21/FY22 NOTABLE ITEMS

- IRS provided extensive flexibility with Flexible Spending Accounts (FSA) enrollment, election changes and balance carry overs
- Increased usage of Critical Incident Stress Management (CISM) services through our EAP
- 20% participation in Livongo diabetes management program in the first five months
- Over 1,300 members enrolled in Wondr weight management program in the first five months
- Starting 1/1, pharmacist services pilot project with Albertsons and Safeway
- Assisted in distributing nearly \$100,000 in DOL COBRA premiums subsidies <sup>7</sup>

## FY21 CARES FUNDING RECAP

- In FY21 “Up to \$10M to the Office of Group Insurance for direct reimbursement for COVID-19 costs for state employees and their dependents...
- Claims incurred after March 1, 2020
- Additional \$2,978,198 in additional CARES funding was reimbursed in June 2021
- Potential future funds from ARPA



# FY2022 PLAN/ADMINISTRATION CHANGES & PROJECTS

- Exclusive Specialty Pharmacy – require mail order for all specialty Rx
- Livongo diabetes management program that provides engagement and ability to communicate with employees
- E.R. copay of \$100
- Wondr weight loss program that promotes lifestyle change and education

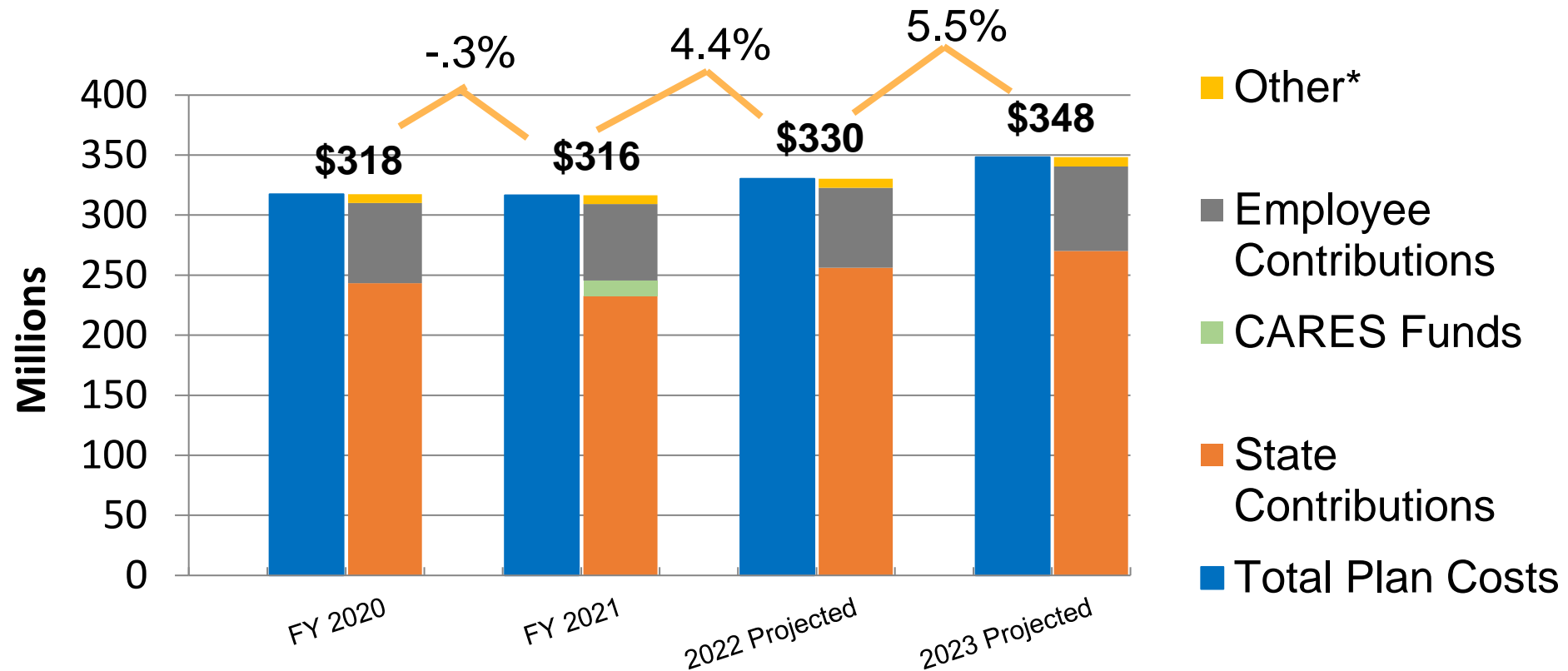
## **Other projects:**

- Conducted an RFP for Benefit Consulting Services
- Conducted an RFI for on-site Clinic opportunities
- Currently conducting a medical and pharmacy market check
- Continued working with SCO on the LUMA project

# FUTURE PLAN DESIGNS INITIATIVES

- FY2023
  - Incentivizing members financially to use lower cost sites of care (labs, imaging, etc)
  - Removing the dental waiting period
  - Maximizing pharmacy rebates and discounts
- Other projects
  - Working with SCO on the LUMA project
  - Conduct an RFP for medical and pharmacy benefits

# PROJECTED MEDICAL PLAN COSTS



\* Other includes retiree and COBRA contributions, interest income and adjustments

- State Contributions include the appropriation for enrolled members and sweep collection for non-enrolled members

- Total Plan Costs include Claims, BCI Admin Fees, Program Fees, Taxes, and OGI Admin Fees



# MILLIMAN NOVEMBER PROJECTIONS – APPROPRIATION OPTIONS

**FY2022 Medical & Dental Appropriation = \$11,650**

## **FY2023 Options**

- |  |          |
|--|----------|
| ➤ 10% Drawdown Appropriation<br>(\$34.7M medical & dental reserve balance)   | \$12,230 |
| ➤ Governor's Recommendation<br>(\$40.5M medical & dental reserve balance no ARPA funds)<br>(\$65.8M medical & dental reserve balance with \$25M in ARPA funds) | \$12,500 |
| ➤ Not to exceed the Federally Allowed Reserve<br>(\$58.7M medical & dental reserve maximum)  | \$13,380 |



Office of Group Insurance

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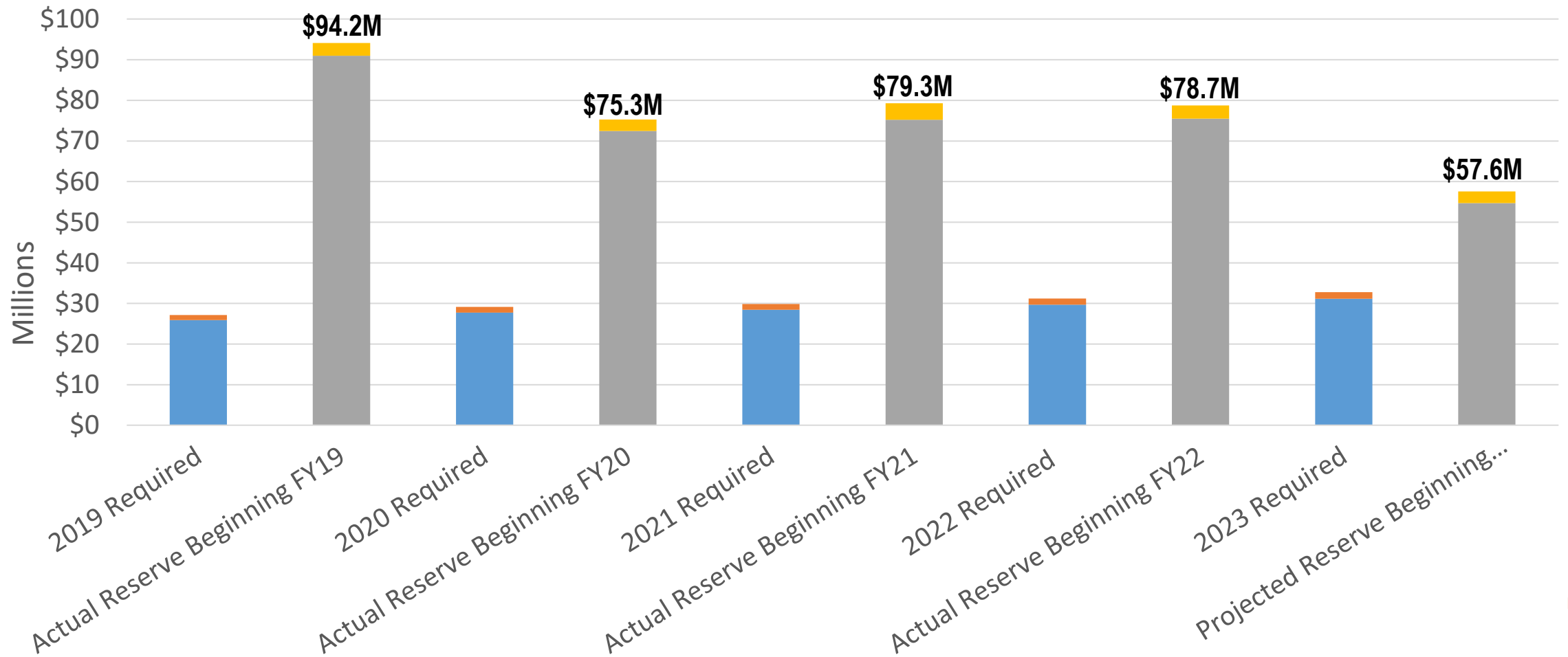
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<https://ogi.idaho.gov>

# HISTORY OF THE RESERVES



# PROJECTION METHODOLOGY

- Actual claims experience
  - Industry trend (Milliman Health Cost Guidelines™ blended with state of Idaho trend experience)
  - Reserve requirements
  - Reserve balance (funds held by OGI)
  - Enrollment
  - Benefit changes
  - Health Care Reform related fees – H.R. 1865, Further Consolidation Appropriations Act, 2020
- Projections conducted in May and November

# STATE HEALTH PLAN WORKING GROUP

## ■ Process

- 5 industry professionals and DOI Director/Deputy Director participated
- Hired a professional facilitator to conduct all meetings
- Met 6 times in October and November

## ■ Recommendations

- Continue with the current hybrid funding model
- Communicate with legislators and decision makers on the nuances of the hybrid model
- Consider flexibility in plan design and carve-out benefits or benefit enhancements that could be funded through reserves
- Evaluate the 10% reserve level
- Conduct an RFP every 3 – 5 years for medical carrier



## FY2021 PLAN/ADMINISTRATION CHANGES & PROJECTS

- Implemented an in-network vision benefit
- Implemented a 24/7 Nurse Advice Line
- Implemented ChoiceDocs network of providers and increase specialist copay for non ChoiceDocs providers
- Increased the FSA health care maximum to \$2,750
- ACA Health Insurer Fee (HIT Tax) was repealed effective January 1, 2021 & the Cadillac Tax was repealed without ever having taken effect

### **Other projects:**

- Currently conducting an RFP for Benefit Consulting Services
- Will be conducting an RFI for on-site Clinic opportunities