



# State & Local Government Benefits Association

Volume 19, Issue 1

February 2007

## President's Letter

By Cindy Downey

### Special Points of Interest...

- 2006-2007 Board
- Conference Agenda
- State of Things

The SALGBA website has a new job posting template that is available to members for free. To access the template just login using your SALGBA username and password and go to "post a job" under the Members link in the main menu.

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Hello to all and I hope your New Year has been happy and healthy so far and continues as such throughout 2007.

It is early in the year and you were probably as "swamped" as I was with year end tasks, as well as preparations for the New Year, but I hope you have taken time to register for SALGBA's 2007 National Conference being held in New Orleans, April 1 - 4. Remember, this conference celebrates our 25<sup>th</sup> anniversary and takes us back to the birth place of SALGBA! If you have not yet registered, please do so at your **earliest** convenience. You can register on line or contact SALGBA's national office if you require a different method of registration. Exhibit space has

already been sold out and the hotel rooms are booking quickly! The room rate we have for our block of rooms at the New Orleans Marriott at the Convention Center is a reduced rate. We want all of our members to be able to take advantage of this rate as standard room rates in the area can be quite a bit higher.

We hope you will join us and take advantage of the numerous educational breakout sessions we are offering this year. There are three or four breakout sessions running simultaneously, so you may have some difficult choices to make. This might be the year for your entity to consider sending additional representation to the conference and allow for different attendees to take advantage of an increased number of sessions.

We also hope you will take time after the sessions to enjoy the tradition of the area and its fine dining, jazz and entertainment.

The Board is working on a means for SALGBA to contribute to the revitalization of the area. Please open your hearts and come filled with kindness and generosity for the area and its residents.

See you in the "Big Easy"!

Cindy Downey  
President

### RECENT MAILINGS

- **SALGBA Revised Constitution and Ballot**
- **2nd Membership Renewal Invoices**
- **Award nomination forms**

## 2007 CONFERENCE OPTIONAL EVENTS

The 2007 SALGBA Conference committee is excited to present this years optional events.

### GOLF

The 2007 SALGBA Golf Tournament, sponsored by Medco, is being held at the prestigious TPC Louisiana, home of the Zurich Classic of New Orleans and noted as "one of America's Top Five Best New Courses" as selected by Golf digest, January 2005. The TPC is owned and operated by the PGA Tour. The Pete Dye designed course is set amid Louisiana's stately cypress and oak trees so you can play an exceptional round of golf in the Louisiana ambiance.

Registration fees for jurisdictional members is \$50 and associate members are \$100. Non-conference attendees who are registered guests of a player may register for \$125.

Registration, including handicaps and payment, must be received no later than March 1, 2007. There are no refunds after March 1, 2007.

### TOUR

The 2007 SALGBA Tour, sponsored by FBMC embarks on a private coach, taking you upon a journey through the highlights of the bayous and the splendor of the Ante-bellum South.

Your adventure begins aboard a climate controlled swamp boat viewing the wonders of the bayou, then

you sit back for a journey along River Road to Oak Alley Plantation. You will enjoy a Cajun style lunch at Oak Alley Plantation before touring the glamorous mansion.

Registration for the tour is limited to 50 participants and the registration fee is \$40. Registration and payment must be received no later than March 1, 2007.

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**Golf sponsored by:**

***MEDCO***

**Tour sponsored by:**

***FBMC***

## 2006-2007 SALGBA Board of Directors

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# SALGBA 2007



## New Orleans, Louisiana

for the:

### State and Local Government Benefits Association Annual Conference

April 1 - April 4, 2007

## Marriott New Orleans at the Convention Center

859 Convention Center Blvd., New Orleans, LA 70130 / 800-305-6342



#### SALGBA Room Rate

\$120.00 plus 13% tax

(\$2.00 city occupancy fee per room, per night)

Single or Double

## 2007 SALGBA Conference Schedule at a Glance

Saturday, March 31, 2007						
3:00pm-6:00pm	Registration Open					
Sunday, April 1, 2007						
7:00am-2:00pm	Golf Tournament		TPC of Louisiana			
8:00am-4:00pm	Taste of New Orleans Living Tour		Swamp / Plantation Tour			
12:00pm-6:00pm	Registration Opens					
1:00pm-3:00pm	Pre-conference Sessions \$25		Project Management			
			George Smith			
5:00pm-5:45pm	Board Reception					
6:00pm-8:00pm	Opening Night Networking Reception in Exhibit Hall					
Monday, April 2, 2007						
7:30am-4:00pm	Registration Open					
7:30am-8:15am	Continental Breakfast					
8:30am-10:30am	Welcome & Keynote--Opening Session		Dr. Loren Scott			
10:30am-11:00am	Break in Exhibit Hall					
11:00am-Noon	Break out Sessions		Benefits 101	Role of the Internet in Improving Healthcare	10 Strategies to Control Public Sector Health Care Plan Costs	An Integrated Approach to Medical Management of Aging Populations
			David Kester	Charles Smith/Robby Linn	Gary Redding	Dr. Randall Krakauer
			Harris County, TX	eDoc	Aon Consulting	Aetna
Noon-1:15pm	Luncheon		Bruce Wilkinson Presentation			
1:30pm-2:30pm	Break out Sessions		The Evolution (or Revolution) of Workers Compensation	Finding Your Oxygen, Keys to Work-Life Balance and Success	Diamond or Cubic Zirconia?	Medicare Part D Update
			Joey Page	Susan Henderson	Wally Gomaa	Ward Brigham
			City of Plano, TX	Alliance Work Partners	Holmes Murphy & Assoc.	United Retiree Services
2:30pm-3:00pm	Break in Exhibit Hall					
3:00pm-4:30pm	Roundtable Sessions		<b>Local Entities</b>	<b>State Entities</b>	<b>Educational Entities</b>	<b>Retirement Entities</b>
			Randy Waterman	Ron Meyer	Nicki Pfleider	Joann Looten/Debbie Juul

## 2007 Schedule at a Glance continued...

Tuesday, April 3, 2007					
7:30am-4:00pm	Registration Open				
7:30am-8:00am	Continental Breakfast				
8:00am-9:30am	Tuesday Keynote--General Session	Personalized Health Care--Where is it Going?			
		Dr. Rob Epstein			
		Medco			
9:30am-10:30am	Break out sessions	Procurement Law	Fiscal & Physical Implications of Bariatric Surgery	Meeting the Challenge of Speciality Pharmacy Cost Management	Pension Protection Act
		Karen Walker	Paul Handel	Carol Bailey	Marilyn Collister
		Holland & Knight	BlueCross & BlueShield of TX	Pharmaceutical Strategies Group (PSG)	Great West Retirement Services (GWRS)
10:30am-11:00pm	Break in exhibit hall				
11:00am-Noon	Breakout sessions	How to Make Medical and Behavioral Integration Real	Value of Vaccines	Mercer National Survey of Employer Sponsored Health Plans	Case Study: Retiree Medical Solutions
		David Whitehouse	Dr. Dana Evans	Blaine Bos	Bob Walt & John Bertko
		United Behavioral Health	GlaxoSmithKline	Mercer Health & Benefits	Humana
Noon-1:15pm	Awards Luncheon				
1:30pm-2:30pm	Breakout sessions	Managing & Insuring Business Continuity & Disaster Recovery	Global Contribution Driven Benefits	The Evolution of Value Based Pharmacy Benefits	Retirement Legislative Update
		Jeff Scardino	Don Heilman	Iver Juster	Millie Stangis
		JLT Holdings, Inc.	Gallagher Benefit Services	ActiveHealth Management	ICMA-RC
2:30pm-3:15pm	Break in exhibit hall--Door Prize Drawing				
3:30pm-4:30pm	Wellness Sessions--Interactive	Group Walk	Fitness Center	Qi Gong	Success of Care Management Programs in KY Employees Health Plan
		Grace Rogers	Personal Trainer	Debbie Juul	Jennifer Ewing & Christine Wilcoxson
					Humana & KY
6:00pm-9:00pm	Gala Event	Cruise aboard the Steamboat Natchez			

Wednesday's on Next Page...

### 2007 Schedule at a Glance continued...

<b>Wednesday, April 4, 2007</b>					
8:00am-9:00am	Jurisdictional Members Business Meeting/Breakfast				
9:00am-10:00am	Breakout sessions	GASB 43/45: Adoption Issues, Misconceptions & Metrics	Moving Science Into Health Coverage: A Purchasers Guide to Clinical Preventive Services	Tiered Hospital Benefit	Defined Contribution Plans
		Elliott Cobin/Bill Holby	Andrew Lanza / Kathryn Campbell	Frank Johnson	Rick Johnson
		PriceWater-houseCoopers/ King & Spalding's Municipal Group	Center for Disease Control / Center for Prevention & Health Services	State of Maine	Segal
10:00am-11:00am	Breakout sessions	NH Local Government Center's Slice of Life Initiative--A Multi-Year Case Study	The Records Management Challenge--The Pathway to Paperless	Risk Management Tools & Procedures for Benefit Administrators	Retiree Medical—Can We Keep the Promise?
		Adam Long/Scott Weden/Carrie Musil	JoAnn Looten	Dennis Kunimura/Flint Michaels	Don McGuire
		Gordian Health Solutions/NHLGC/ Gordian	MOSERS	State of Utah/Ingenix	Anthem Wellpoint Retiree Services
11:00am-Noon	Wednesday Keynote--General Session	The Hurricanes Were Just the Beginning--OGB's Part in Louisiana's Road to Recovery			
		Panel Moderated by Hubert Lincecum			
Noon	Adjourn--See you next year in San Diego				

### 2007 Platinum Sponsors

Medco

The Segal Company

Standard Insurance

Express Scripts

Pharmaceutical Strategies Group  
(PSG)

Aetna

Mercer Health & Benefits

UnitedHealthcare

Humana

International Foundation of Employee  
Benefit Plans (IFEPP)

Cigna

Ingenix

## Consumer Directed Health Plans—State of Utah by Linn Baker

This past legislative session a bill was drafted that mandated the Public Employees Health Program (PEHP) to offer a high deductible health plan with a health savings account to State employees. PEHP made the following analysis to see what the potential impact would be on the traditional health plans offered to employees. This analysis was provided to key legislators interested in the bill.

### Analysis For Health Savings Account (HAS) and High Deductible Health Plan (HDHP) State of Utah Employees 2005-06 Policy Year

#### **Potential impact of offering HAS and HDHP to State employees**

The following analysis is based on paid claims for single State employees for the period of July 1, 2005 to June 30, 2006. A base line (deductible) of \$1,000.00 and \$2,000.00 was used. The Public Employees Health Program (PEHP) (an in house self-administered health plan) selected all paid claims for those employees whose total claims were less than \$1,000.00, and all those employees whose total claims were more than \$1,000.00. The same process was used for a \$2,000.00 deductible. PEHP wanted to know how the total risk pool could be impacted if the HDHP was offered.

#### **Key factors**

- \*The average annual premium for the three health plans offered to the single employee was \$4,081.23.
- \*When the total risk pool was evaluated, single, two, and family coverage, PEHP found that 17% of its employees used 87% of the claims dollars.
- \*The Legislative mandate would require PEHP to fund 65% of the deductible.

#### **Claims distribution**

##### **\$1,000.00 deductible for single coverage**

- 4,888 employees with total paid claims of \$18,210,673.00
- Total annual claims less than \$1,000.00
  - \*2,186 employees with paid claims of \$692,410.00
  - \*Average annual cost for each employee \$316.75
- Total annual claims more than \$1,000.00
  - \*2,702 employees with paid claims of \$17,518,263.00
  - \*Average annual cost for each employee \$6,483.44

##### **\$2,000.00 deductible for single coverage**

- 4,888 employees with total paid claims of \$18,210,673.00
- Total annual claims of less than \$2,000.00
  - \*2,981 employees with paid claims of \$1,837,591.00
  - \*Average annual cost for each employee \$616.43
- Total annual claims more than \$2,000.00
  - \*1,907 employees with paid claims of \$16,373,082.00
  - \*Average annual cost for each employee \$8,585.78

#### **Conclusions:**

- When funding the HAS any amount that exceeded the average cost of *those most likely to enroll in the plan* would be an additional cost to the state.
- If the premium for the high deductible health plan *exceeded the actual experience* of those with costs less than the deductible it would be an increased cost to the state.
- If all those employees with the costs less than the deductible enrolled in the plan, and the State continued to pay for costs in excess of the deductible, the total costs for the risk pool would increase.
- Most of the care required by members with costs exceeding the deductible is *not discretionary*.
- Cost and quality data for episodes of care from various providers in the State is not available for employees seeking care.
- HDHP would have little impact on the vast majority of the claims dollars because they exceed the annual out-of-pocket maximums found in traditional coverage and the HDHP.
- Premiums in the traditional plans would increase dramatically.

The legislators did pass the mandate, however, they allowed PEHP to set the premium so that the younger and healthier employees continued to fund those with chronic health problems in traditional coverage. Our initial enrollment in the program was 5 employees out of 22,500 eligible. This low enrollment was a result of the employee's premium share for the other plans being very low.

## Associate News

### Part D Advisors helps governmental units get their subsidies...

Private and public employers such as state and local governments with Medicare eligible retirees are facing complex issues with Medicare's prescription drug program called Medicare Part D.

To reduce Medicare's budget, employers are offered a subsidy to keep their existing prescription drug benefits in place for Medicare eligibles if the plan's drug benefits are at least equal to Medicare Part D's drug coverage.

To be eligible for the Medicare Retiree Drug Subsidy, employers must complete a complicated and time consuming application including a prescription drug claims analysis, actuarial review and certification.

**Part D Advisors** makes the subsidy process easy and alleviates the problem of dealing with multiple service providers and the risk of miscommunications, delays and other hassles.

Founded by specialists in data management, pharmacy benefits management, health care consulting and federal health regulations, Part D Advisors provides the necessary services to receive your 28% federal subsidy payments for Medicare eligible retirees who do not elect to enroll in Medicare Part D. Medicare estimated the average annual subsidy per Medicare eligible retiree at \$668.

"Many administrators and managers don't have a clue what to do," says Ann Arbor, Michigan benefits attorney John Eggertsen. "In fact, many plan sponsors are not even aware these subsidies exist and may entirely miss out on them!"

Linda Kaneris, Part D Advisors Vice President, said, "One municipality started the application process themselves, ran into difficulties and then gave up. Before they threw in the towel, their city manager contacted us. Within three weeks, we fixed the problems, processed their data and the city started receiving subsidy funds. To date, they've received almost \$150,000 in subsidies and they almost walked away from that money."

To receive information about Part D Advisors, you can visit [www.PartDAdvisors.com](http://www.PartDAdvisors.com) or call 1-888-447-2783.

## MARK YOUR CALENDERS FOR FUTURE SALGBA NATIONAL CONFERENCES

**2008 SALGBA National Conference**  
San Diego, California  
March 9th-12th  
at the newly renovated  
**Hyatt Regency Mission Bay Spa & Marina**

**2009 SALGBA National Conference**  
Denver, Colorado  
April 26th-29th  
at the  
**Omni Interlocken Resort**

World Congress Presents  
The 3rd Annual Leadership Summit on  
**MEDICARE**  
Policy and Market Solutions for Sustainability  
May 7-8, 2007 • Westin Arlington Gateway • Arlington, VA

Featured Presenters Include

<p> <b>Peter R. Orszag</b> Director, Congressional Budget Office (CBO)</p> <p> <b>Robert D. Reischauer, PhD</b> President, Urban Institute Vice Chairman, MedPAC</p> <p> <b>Thomas Vulck, MD, JD</b> Medical Officer and Senior Advisor Centers for Medicare and Medicaid Services</p> <p> <b>Gail Wilensky, PhD</b> Economist and Senior Fellow Project HOPE</p> <p> <b>John Rother</b> Director of Policy and Strategy AARP</p>	<p> <b>David A. Hyman</b> Adjunct Scholar Cato Institute</p> <p> <b>Charles E. Hallberg, JD</b> President and CEO Member Health</p> <p> <b>Jacqueline Koscoff, PhD</b> CEO, Ovations Pharmacy Solutions, a United Health Group Company</p> <p> <b>Susan Rawlings</b> President, Senior Services WellPoint</p> <p><b>Gail Miller</b> Vice President for Medicare Product Development and Strategy Humana</p>
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Co-Sponsored by:  Lead Sponsor:  Supporting Organization: 

To Register Please Visit: [www.worldcongress.com/medicare](http://www.worldcongress.com/medicare)  
Phone: 800-877-8601 • Fax: 781-939-2490 • Email: [wcreg@worldcongress.com](mailto:wcreg@worldcongress.com)

**EXCLUSIVE DISCOUNT FOR SALGBA MEMBERS! SAVE \$100 OFF  
REGISTRATION FEE. MENTION PROMO CODE YYZ363 TO QUALIFY.**



# State and Local Government Benefits Association

...the premier organization for public sector benefits professionals

## Membership Application

Entity \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_

Name \_\_\_\_\_ Email \_\_\_\_\_

Position/Title \_\_\_\_\_

Website \_\_\_\_\_

Referral Source: Website SALGBA member Other \_\_\_\_\_

How did you hear about SALGBA? \_\_\_\_\_

What do you most hope to gain from your membership? \_\_\_\_\_

## Membership Descriptions

### Jurisdictional Member

A public sector entity actively engaged in administering an employee benefits program. Jurisdictional members may vote at the annual business meetings and are eligible to serve on the Board of Directors. The Secondary Member is a reduced fee for additional members from the same entity however there must be a Primary Member from the entity on file or applying.

Membership Type: **Primary Entity Member \$195** **Secondary Entity Member \$50**

Local Government School/University State Entity Other: \_\_\_\_\_

### Associate Member

A consultant organization, insurance company or other professional group that is a seller of employee benefits services, not a purchaser. Associate Members do not vote or serve on the Board, except in the nonvoting capacity of Associate Member Advisor. They are encouraged to serve on committees. The Secondary Member is a reduced fee for additional members from the same entity however there must be a Primary Member from the entity on file or applying.

Membership Type: **Primary Associate Member \$300** **Secondary Associate Member \$150**

Company Type: Dental/Vision Health Insurance Pharmaceutical Company Software Management Consultant Other  
(Please explain) \_\_\_\_\_

### Payment Information

The annual membership fee is due with this application. Payment may be made by check and payable to SALGBA, or by credit card. In order to pay by credit card please contact the SALGBA National Office at 859.622.2535 or visit [www.salgba.com](http://www.salgba.com).

Please submit completed application with payment to:

SALGBA  
203 Miller Hall, EKU  
Institute of Government  
521 Lancaster Avenue  
Richmond, KY 40475-3102  
Phone: 859-622-2535; Fax: 859-622-4378  
salgba@salgba.com

NON-PROFIT EDUCATIONAL ORGANIZATION  
TAX IDENTIFICATION NO. 57-0752871

Signature \_\_\_\_\_ Date \_\_\_\_\_

**REFLECTING ON SALGBA'S HISTORY  
HONORING THE LEGACY INSPIRES US FOR  
THE FUTURE**

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[www.salgba.com](http://www.salgba.com)

SALGBA has added a new membership category...

### Honorary Membership

A member who would not otherwise qualify for membership as an Associate or Jurisdictional Member, and has attained a minimum of six (6) years of professional membership in SALGBA may apply for honorary membership. Membership is subject to the approval of the Board of Directors. When approved, the honorary member's name will be maintained on the membership list and will receive all SALGBA mailings. Honorary members shall be entitled to all privileges of membership except the right to vote or hold office.

## Change in government "authority"

by  
Cindy Downey, BEST-Health Plan

For the first time in many years Colorado has a Republican governor, a Republican majority in the House and a Republican majority in the Senate. Does this "control" create a new horizon for health care and health care policies? Who can predict?!

For years the Democratic leaders have stated that they want and can facilitate change in Colorado. The local Denver papers carry a variety of articles addressing health care. One recent headline states, **Dems eager to aid health care - Legislators aim for cheaper drugs, more coverage.**

It states that money is tight and recommendations for long-term health care reform are months away, but that Democratic legislative leaders are moving quickly to provide less expensive drugs to the uninsured and expand some public health care programs. A Senate Committee is expected to endorse a program to provide discounted generic drugs to uninsured Coloradans. The bill is an offshoot of a larger bill that failed last year. The new bill would be voluntary and calls for the state to negotiate a per-prescription handling fee to cover pharmacists' costs.

Lawmakers and the Governor are working on ways to increase enrollment in the state's health insurance program to children from low-income homes.

And the Senate President and House Majority Leader have introduced legislation to redirect millions from tobacco settlement monies to the Health Sciences Center as well as to other programs that were cut in tight budget years. The Senate President states that the tobacco money was always intended for health care. It was diverted into the general fund during the recession in 2003 and they are "taking it back". It comes from one of the few sources that lawmakers can use as they try to address health care.

So, will there be change? Who knows, but I can tell you this - there are numerous bills addressing health care reform this legislative session and I believe it is just the tip of the iceberg. The next few years will tell and hopefully they will tell a progressive story.

## SALGBA spotlights the Pacific Region



California



Oregon



Hawaii



Washington



Alaska