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State of New Hampshire

OFFICE OF LEGISLATIVE BUDGET ASSISTANT
State House, Room 102
Concord, New Hampshire 03301

STEPHEN C. SMITH, CPA
Director, Audit Division
(603) 271-2785

October 27, 2015

To the Members of the Fiscal Committee
of the General Court

The Chairman of the Fiscal Committee of the General Court, as established by RSA 14:30-a, of which you are a member, has requested that you be notified that the Fiscal Committee will hold a special meeting on Tuesday, November 3, 2015, at 10:00 a.m. in Room 210-211 of the Legislative Office Building regarding the Department of Administrative Services request (FIS 15-201 Replacement) for changes to the Retiree Health Benefit Plan effective January 1, 2016.

Please find attached information to be discussed at that meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael W. Kane".

Michael W. Kane
Legislative Budget Assistant

MWK/pe
Attachments

FISCAL COMMITTEE
SPECIAL AGENDA

Tuesday, November 3, 2015 in Room 210-211 of the Legislative Office Building

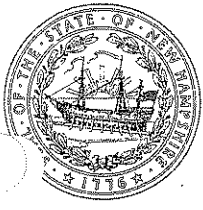
10:00 a.m.

(1) Old Business:

RSA 21-I:30, II Medical and Surgical Benefits:

FIS 15-201 Replacement Department of Administrative Services – authorization for approval of the remaining plan design changes to the Retiree Health Benefit Plan effective January 1, 2016 consisting of the; Medical Plan Change Component Table 1 (Over 65) and Table 2 (Under 65), and the Premium Contribution Table 2 (Under 65). **Tabled 09/25/15 and 10/16/15, Partially Approved and Re-Tabled 10/20/15**

(2) Date of Next Meeting and Adjournment – The next meeting was previously set for Friday, December 18, 2015 at 10:00 a.m.



State of New Hampshire **FIS 15-201** **REPLACEMENT**

DEPARTMENT OF ADMINISTRATIVE SERVICES
OFFICE OF THE COMMISSIONER
25 Capitol Street – Room 120
Concord, New Hampshire 03301

Tabled 9/25/15
Partially Approved
Re-tabled 10/20/15
JOSEPH B. BOUCHARD
Assistant Commissioner
(603) 271-3204

VICKI V. QUIRAM
Commissioner
(603) 271-3201

September 22, 2015

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

Requested Action

Pursuant to RSA 21-I: 30, II, the Department of Administrative Services (DAS), Risk Management Unit (RMU) submits this request for approval of plan design changes to the Retiree Health Benefit Plan. All medical and prescription drug plan design changes, if approved, will become effective January 1, 2016. In addition, pursuant RSA 21-I:30, XIII and RSA 100-C:11-a, DAS requests authority to increase the premium contribution for Under 65 (non-Medicare) retirees from 12.5% to 15% of premium effective January 1, 2016.

Explanation

RSA 21-I: 30, II requires DAS to operate the Retiree Health Benefit Plan within the funds appropriated at each legislative session. RSA 21-I: 30, II authorizes the Fiscal Committee of the General Court to approve plan design changes to the Retiree Health Benefit Plan. In addition, with the passage of the biennial FYs 16/17 budget, Chapters 276:14 and 276:15 (Laws of 2015) amended RSA 21-I:30, XIII and RSA 100-C:11-a and authorize the Fiscal Committee to approve a recommendation by the DAS Commissioner for the percentage of premium contribution that the under 65 Non-medicare eligible retirees must pay toward the cost of retiree health care benefits.

Background on Retiree Health Benefit Budget Deficit

During the FY 16/17 budget process, DAS estimated a \$5.6 million deficit based on the difference between the agency's estimated required funding level to meet projected expenses of the Retiree Health Benefit Plan and the proposed budgeted amounts. Therefore, in order to meet our mutual goal of providing the most beneficial Retiree Health Benefit Plan possible within the funds appropriated for this purpose, DAS presented options that demonstrated some of the plan design and premium contribution changes that could have been made at that point to meet this goal.

After the Committee of Conference process was completed, DAS requested an updated analysis of the State's Cadillac Tax liability from its health care consultants, The Segal Company (Segal). Segal began this work by updating enrollment numbers and medical and prescription drug (RX) cost trends for the Active and Retiree Health Benefit Plans. In the course of doing this work, Segal analyzed more recent member claims experience and increased the RX cost trend for active employees and retirees by 5% over the trend used in calculating the agency's estimate of required funding. This

increased RX cost trend is directly attributable to the many new medications that are being approved by the Federal Drug Administration (FDA) and that are available for prescribing. Many of these new drugs are high-cost specialty drugs that treat, and sometimes even cure, very serious health conditions.

Based on this increase in the RX trend and the increase in projected retiree RX claims costs, DAS updated its FY 16/17 budget analysis and identified a \$4 million increase in the Retiree Health Benefit Plan deficit. Around the same time as DAS was doing this budget analysis, DAS received notice that it would experience a \$1 million reduction in federal subsidy payments over the biennium to support the RX costs of the Over 65, Medicare eligible retirees. Effective 1/1/15, DAS had enrolled the Over 65 Retirees in a Medicare Prescription Drug Program called an Employer Group Waiver Plan (EGWP) in order to maximize federal revenue to support the Retiree Health Benefit Plan. The \$1 million reduction in federal subsidy brought the projected total FY 16/17 deficit in the Retiree Health Benefit Plan to \$10.6 million. Given its statutory obligation to operate the Retiree Health Benefit Plan within the funds appropriated at each legislative session, DAS began investigating the options it has to change the Retiree Health Benefit Plan in order to operate the benefit within budget.

DAS's Retiree Health Benefit Plan Presentation at 8/26/15 Fiscal Committee Meeting

On August 26, 2015, DAS Commissioner Vicki Quiram and RMU Director Catherine Keane made a presentation to the Fiscal Committee explaining the FY 16/17 deficit as discussed during the budget process, the increased RX trend, and the updated estimated Retiree Health Benefit Plan budget deficit of \$10.6 million. At this presentation, DAS explained that there are many variables that affect health care management including headcount or enrollment, cost trends, premium contributions that are paid by all applicable plan members, and plan design components such as increases in deductibles, co-pays, maximum out-of-pocket expenses that are paid by people using the health plan, as well as cost saving programs such as Site of Service. In addition to reviewing the statutory obligation to manage the Retiree Health Benefit Plan within budget, DAS also explained that it intended to use approximately \$4 million of the Retiree Health Benefit Plan surplus pursuant to its authority under RSA 21-I: 30-e. RSA 21-I: 30-e provides that the Employee and Retiree Risk Management Fund shall be non-lapsing and continually appropriated to DAS.

Another key component of the August 26, 2015 DAS presentation, was a discussion about the tools that DAS does not have available to manage the Retiree Health Benefit Plan. For example, DAS does not have the authority under current law to charge a premium contribution to the 8,800 (as of July 31, 2015) Over 65 retirees. Although the recommended short-term plan design changes proposed in this letter do not include a premium contribution by Over 65 retirees, additional legislation to grant the Fiscal Committee authority to approve a recommendation by the DAS Commissioner to charge a percentage of premium to individuals participating in the Over 65 Retiree Health Benefit Plan would also increase the options available for managing the Retiree Health Benefit Plan if necessary in the future.

Requested Short-Term Changes to the Retiree Health Benefit Plan

DAS worked with Express Scripts, the Pharmacy Benefit Management (PBM) vendor, and with Anthem, the medical vendor, to model many different options involving changes in copays, deductibles and maximum out-of-pocket expenses in order to achieve a balance between plan design changes and premium contribution changes that would minimize the impact on the state's retirees. In doing so, DAS took into consideration that the vast majority of retirees (8,800) are in the Over 65 (Medicare eligible) plan as compared to the lower enrollment in the Under 65 (non-Medicare) plan (3,082). DAS also considered the ages of the individuals in the Over 65 plan since there are approximately 5,000 people over the age of 70, 1,800 people over the age of 80 and nearly 300 people who are over the age of 90. Given the projected deficit of \$10.6 million, it was necessary that some plan design changes to the RX and medical benefits would fall to the 8,800 Over 65 members.

Accordingly, as contained in Tables 1 and 2, DAS recommends the following changes to the Retiree Health Benefit Plan for Under and Over 65 plan members:

(1) Plan design changes, including increases in co pays, deductibles and maximum out of pocket expenses that apply to the RX and medical benefits for both retiree groups effective January 1, 2016. As discussed during the August 26, 2015 Fiscal Committee presentation, on August 31, 2015 DAS notified Express Scripts of the RX plan design changes referenced below in order to meet Express Scripts and Medicare notice deadlines for plan design changes effective January 1, 2016.

(2) An increase in the premium contribution paid by Under 65 retirees from 12.5% of total premium cost to 15% of total premium cost effective January 1, 2016.

DAS also plans to use \$3.8 million of its \$5.57 million retiree health surplus to manage this deficit. In addition, it is important to note that DAS will be working closely with Express Scripts and Anthem to continue to explore cost saving measures and programs. Accordingly, DAS has directed Express Scripts to implement its Compound Management Solution that will limit the dispensing of costly compounded medications to only those that are medically necessary. Compound medications are not FDA approved for safety and/or efficacy. While implementation of the Compound Management Solution is not a plan design change, it is a decision that DAS needs to make to manage the Retiree Health Benefit Plan responsibly.

TABLE 1

Medicare Eligible (Over 65)			
	Current Benefit Plan	Proposed Plan Changes	Biennium Savings (assuming 1/1/16 implementation)
Medical Plan Change Component			
Medicare Part A Deductible (Inpatient Hospital and Skilled Nursing Facility Benefits)	Member pays \$0	\$500	\$1,100,000
Pharmacy Plan Change Component			
Retail Copayments (generic/preferred brand/non-preferred brand)	\$10 / \$20 / \$35	\$10 / \$25 / \$40	\$1,600,000
Mail Copayments (generic/preferred brand/non-preferred brand)	\$1 / \$40 / \$70	\$10 / \$50 / \$80	
Maximum Out-of-Pocket (MOOP)	\$500 Individual \$1,000 Family	\$750 Individual/ \$ 1,500 Family	

TABLE 2

Non-Medicare Eligible (Under 65)				
	Current Benefit Plan	Proposed Plan Changes	Biennium Savings (assuming 1/1/16 implementation)	
Medical Plan Change Component				
PCP Copayment (Including allergy shot, behavioral health, chiropractic, vision & substance abuse)		\$10	\$15	\$2,300,000
In-Network:	Deductible	\$500 Individual/ \$1,000 Family	\$1,000 Individual/ \$2,000 Family	
	Out-of-Pocket Max (OOPM)	\$1,000 Individual/ \$2,000 Family	\$1,500 Individual/ \$3,000 Family	
Out-of-Network:	Deductible	\$650 Individual/ \$1,350 Family	\$2,000 Individual/ \$4,000 Family	
	Coinsurance Maximum	\$1,350 Individual/ \$2,650 Family	\$4,000 Individual/ \$8,000 Family	
	Out-of-Pocket Max (OOPM)	\$2,000 Individual/ \$4,000 Family	\$6,000 Individual/ \$12,000 Family	
High Cost Radiology		\$150 copayment	Subject to Deductible	
Site of Service		None	Implement Site of Service	
Pharmacy Plan Change Component				
Retail Copayments (generic/preferred brand/non-preferred brand)		\$10 / \$20 / \$35	\$10 / \$25 / \$40	
Mail Copayments (generic/preferred brand/non-preferred brand)		\$1 / \$40 / \$70	\$10 / \$50 / \$80	
Maximum Out-of-Pocket (MOOP)		\$500 Individual/ \$1,000 Family	\$750 Individual/ \$1,500 Family	
Premium Contribution				
Monthly Health Premium Contribution Percentage		12.5%	15%	\$1,400,000

Table 3 lists the total projected savings associated with the proposed changes in plan design and premium contributions.

TABLE 3

	<u>Components</u>	<u>Biennium Savings (assuming 1/1/16 implementation)</u>
Medical Plan Design Deductibles and Copayments	<ul style="list-style-type: none"> • Non-Medicare Eligible <ul style="list-style-type: none"> ○ Site of Service ○ PCP Office Visit ○ High Cost Radiology ○ Medical Deductible and Out-of-Pocket Max • Medicare Eligible <ul style="list-style-type: none"> ○ Medicare Part A Deductible 	\$3,400,000
Pharmacy Copayments	<ul style="list-style-type: none"> • Mail Order Copay • Retail Copay 	\$2,000,000
Premium Contributions	<ul style="list-style-type: none"> • Monthly Premium Contribution Increase 	\$1,400,000
Administrative	<ul style="list-style-type: none"> • Retiree Health Benefit Surplus 	\$3,800,000
		\$10,600,000

Based on the changes presented in Tables 1 and 2, DAS at this point in time expects the proposed changes to generate sufficient savings in the short term to operate the Retiree Health Benefit Plan within the projected FY16/17 appropriations. In its regular bimonthly report on Fund 60, DAS will keep the Fiscal Committee informed of the Retiree Health Benefit Plan's budget management. However, if any of the variables such as enrollment, cost trend or even budgeted amounts differ materially from projections used in this analysis, DAS will return to the Fiscal Committee for further modification of the Retiree Health Benefit Plan.

Education of Retirees and State Employees about Changes

Just as DAS did in 2011 to communicate significant changes to the Retiree Health Benefit Plan, DAS is in the process of establishing a comprehensive education and marketing plan to ensure that retirees understand the health benefit plan changes that they will experience. DAS will begin this communication in early October by mailing a letter to retirees explaining the plan design and premium contribution changes and the effective dates of those changes. DAS also plans to host a series of meetings throughout the state so that retirees can learn about the plan design changes. DAS will also be sending an updated benefits brochure to retirees as well as updating its website to reflect these changes. Furthermore, DAS believes it is equally as important to educate state employees about the changes to the Retiree Health Benefit Plan and the requirement that the plan be operated within appropriated funds.

Long Term Retiree Health Benefit Planning

While Tables 1 and 2 present plan changes that help manage the Retiree Health Benefit Plan in the short term, DAS has also been looking at other new and innovative options for the future that will take additional time to coordinate with retirees and to research, evaluate and implement. As DAS looks to the future of the Retiree Health Benefit Program, it will continue to work with the legislature to communicate required funding levels and the changes that will need to be made to the Retiree Health Benefit Plan to ensure that it is operating within appropriated funds. However, given that one-third of all state employees are currently eligible to retire and receive Retiree Health Benefits, DAS expects the numbers of retirees to grow and is awaiting the arrival of the "silver tsunami". Assuming that funding levels are unable to keep pace with headcount and cost trend growth, DAS will have to consider different approaches to providing retiree health benefits. Among the options DAS intends to explore are limited networks and defined contribution plans as well as other innovations that other private and public employers may have implemented. These options require careful consideration and planning and thus are considered as possible long term solutions.

Conclusion

DAS is committed to managing the Retiree Health Benefit Plan budget in order to maximize retiree benefits while also working with the state's retirees to help them understand the changes to their benefits so they can make the best possible decisions when accessing the care they need. DAS appreciates the Fiscal Committee's and legislature's partnership as we work together to manage the needs of the state's retirees and the fiscal constraints experienced by the state.

Respectfully Submitted,



Vicki V. Quiram
Commissioner



Catherine A. Keane
Director of Risk & Benefits



FIS 15-201 Replacement
Approval Letter

MICHAEL W. KANE, MPA
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State of New Hampshire

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State House, Room 102
Concord, New Hampshire 03301

STEPHEN C. SMITH, CPA
Director, Audit Division
(603) 271-2785

October 20, 2015

Vicki V. Quiram, Commissioner
Department of Administrative Services
25 Capitol Street, Room 120
Concord, New Hampshire 03301

Dear Commissioner Quiram,

The Fiscal Committee, pursuant to the provisions of RSA 21-I:30, II, on October 20, 2015, **amended** and approved the replacement request of the Department of Administrative Services of the **Pharmacy Plan Change Component only on Table 1 (Over 65) and Table 2 (Under 65)**, as specified in your letter of September 22, 2015.

The Committee tabled the remaining requests for the; Medical Plan Change Component Table 1 (Over 65) and Table 2 (Under 65), and the Premium Contribution Table 2 (Under 65).

Sincerely,

Michael W. Kane
Legislative Budget Assistant

MWK/pe
Attachment

Cc: Catherine Keane
Director of Risk & Benefits

State of New Hampshire
Brief Summary of Retiree Health Change Proposals

*F15 15-201 Replacement
Handout*

	A	B	C
	Original Proposal (09/14/15)	Replacement Proposal (09/22/15)	Governor Proposal (10/19/15)
1 Projected Retiree Health Plan Deficit	\$ (10,600,000)	\$ (10,600,000)	\$ (10,600,000)
2			
3 <u>Proposed Solutions</u>			
4 Over 65			
5 Medical Plan Change Component	\$ 1,100,000	\$ 1,100,000	\$ -
6 Pharmacy Plan Change Component	\$ 1,600,000	\$ 1,600,000	\$ -
7 <i>Subtotal - Over 65 Plan Changes</i>	<u>\$ 2,700,000</u>	<u>\$ 2,700,000</u>	<u>\$ -</u>
8			
9 Under 65			
10 Medical Plan Change Component	\$ 2,300,000	\$ 2,300,000	\$ -
11 Pharmacy Plan Change Component	\$ 400,000	\$ 400,000	\$ -
12 Premium Contribution Increase*	\$ 1,100,000	\$ 1,400,000	\$ -
13 <i>Subtotal - Over 65 Plan Changes</i>	<u>\$ 3,800,000</u>	<u>\$ 4,100,000</u>	<u>\$ -</u>
14			
15 <u>Appropriations</u>			
16 General Fund (including Courts & CCSNH)	\$ -	\$ -	\$ 3,137,200
17 Unidentified (Defaults to General Funds)	\$ -	\$ -	\$ 424,600
18 Liquor Fund	\$ -	\$ -	\$ 175,900
19 Highway Fund	\$ -	\$ -	\$ 1,022,000
20 Turnpike Fund	\$ -	\$ -	\$ 119,500
21 Fish and Game Fund	\$ -	\$ -	\$ 85,300
22 Lottery Fund	\$ -	\$ -	\$ 36,000
23 Other Funds	\$ -	\$ -	\$ 299,500
24 <i>Subtotal - Appropriations</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,300,000</u>
25			
26 Use of Retiree Health Surplus	\$ 4,100,000	\$ 3,800,000	\$ 5,300,000
27			
28 Total - Proposed Solutions	<u><u>\$ 10,600,000</u></u>	<u><u>\$ 10,600,000</u></u>	<u><u>\$ 10,600,000</u></u>
29			
30 <i>Projected Deficit vs Proposed Solutions</i>	\$ -	\$ -	\$ -
31			
32 *Premium Contribution increased to 15%: Original effective 04/01/16, Replacement effective 01/01/16			

September 25, 2015 Fiscal Committee

Department of Administrative Services Speaking Notes
Vicki Q. Quiram, Commissioner

**Request to Approve Plan Design and Percentage of Premium Contribution
Changes to the Retiree Health Benefit Plan**

- History
 - \$10.6 million deficit in the Retiree Health Budget
 - Retiree Health Benefit budget process FY16/17: throughout each phase of the budget process, DAS projected a \$5.5 million deficit and showed needed plan and premium contribution changes to meet the budget
 - In June 2015, DAS updated the budget presentation and identified a 5% increase in pharmacy trend causing a \$4 million increase in the retiree health benefit budget deficit
 - DAS also received notice of a \$1 million in reduction the federal subsidy for the Employer Group Waiver Plan (EGWP) Medicare Prescription Drug (RX) program for FY16/17
 - The total projected deficit for FY 16/17 for retiree health benefits is \$10.6 million
 - 8/26/15 Fiscal Committee Meeting
 - DAS made a presentation to the Fiscal Committee (see attached)
 - Presentation reviewed the budget process, updated and explained the projected deficit of \$10.6M, and discussed the variables in health care management, laws providing tools to manage the retiree health benefit plan, the management tools unavailable to DAS, and gave examples of options under consideration for changing the plan design and premium contribution, and timeline
- 9/25/15 Update: DAS has met and worked with the Governor's Office, Retirees, Legislators and Unions to obtain input about the options under consideration
 - Based on input from these conversations, the proposed plan in the request before the Fiscal Committee does not include options such as eliminating RX coverage, instituting a premium contribution for over 65 retirees, and increasing co pays and maximum out of pocket expenses for the RX benefit. And, it does include cost saving measures such as Site of Service, Compass(now Vitals Smartshopper) for non Medicare Under 65 retirees.

- DAS Short Term proposal for management the Retiree Health Benefit plan
 - Timing Concerns
 - Delay requires deeper cuts or increased funding
 - Each month of delay costs the plan \$378,000
 - Over 65 RX benefit changes (EGWP)
 - As discussed at the 8/26/15 Fiscal Committee meeting, DAS was required to submit the RX changes to Express Scripts by 8/31/15 to meet Medicare regulation timeframes
 - If Over 65 RX changes are not approved today, by Medicare protocol, DAS must pull the RX changes submitted to Express Scripts by 9/28/15 (Monday)
 - Thereafter, DAS can only implement changes to the Over 65 RX benefit effective 1/1/17 for a total savings loss of \$1.1 million

- Long Term Planning
 - DAS will be researching long term options to manage retiree health benefits such as defined contribution models, limited networks and other innovations above the cost saving and plan changes already made
 - This will be a lengthy process
 - Research and evaluation of various models
 - Procurement : drafting an RFP, evaluation of bids, contracting
 - Retiree education
 - Implementation

- Since the Employee and Retiree Health Benefit Plan became self-funded in 2003, DAS has worked to control health care costs
 - Procurement of third party administrators: competitive bidding process for contracts every 3-5 years to control administrative and claims costs
 - Anthem 2015 contract: amendment and extension resulting in \$3 million savings over 3 years in administrative costs
 - Express Scripts 2014 contract: negotiated a \$2.2 million reduction in the price that was bid
 - Delta Dental 2014 contract: negotiated an 11% reduction in the administrative fee; since 2007, the administrative fee has dropped 41%
 - Anthem
 - Medical trend for 2013- 2014 was -1.6%
 - Anthem has 80% of Primary Care Physicians (PCPs) in an “Enhanced Personal Health Care” medical home model
 - Anthem has an Accountable Care Organization (ACO) with Dartmouth Hitchcock
 - Compass/Vital Smartshopper: in 2014, state saved approximately \$4 million in claims cost
 - EGWP: moved Over 65 retirees (8800) into the EGWP program in 2015 to increase federal revenue resulting in a \$1 million savings

TABLE 1: Health Plan Surplus - Detailed by Plan

Health Plan Surplus as of 8/31/15				
	Actives (HMO/POS)	Retirees (Under 65/Over 65)	Troopers (HMO/POS)	Total
Accrual Basis Fund Balance as of 8/31/15	\$ 23,459,000	\$ 14,402,000	\$ 4,002,000	\$ 41,863,000
IBNR and Reserves:				
FY15 IBNR	\$ (9,500,000)	\$ (5,095,000)	\$ (395,000)	\$ (14,990,000)
FY16 Estimated Statutory Reserves (5%)	\$ (9,159,000)	\$ (4,063,000)	\$ (3,844,000)	\$ (16,903,000)
Accrual Basis Fund Surplus as of 8/31/15	\$ 4,800,000	\$ 5,244,000	\$ (237,000)	\$ 9,970,000
<i>Total Members as of 7/31/15 (per NHFirst)</i>	<i>24,171</i>	<i>11,882</i>	<i>860</i>	<i>36,913</i>

TABLE 2: Retiree Health

Retiree Health Budget		Projections	
	FY15	FY16	FY17
Retiree Health			
Total Amount Budgeted	\$ 69,490,368	\$ 69,800,000	\$ 72,800,000
Total Premium Collected (Actual FY15 Unaudited)	\$ 68,402,193		
Actual FY15 Retiree Health Expense (Net of RX Rebates, Subsidies and Discounts)	\$ 67,300,000	\$ 73,100,000	\$ 80,100,000
Surplus in FY15	\$ 1,102,193	\$ (3,300,000)	\$ (7,300,000)
Premium Contribution from Retiree Under 65 Contributions	\$ 4,408,785	6.6% of total expenses	
Retiree Health Plan Enrollment			
Number of Retirees Enrolled			
Over 65 as of July 31, 2015	8,800		
Under 65 Subscribers as of July 31, 2015	2,276		
Under 65 Dependents as of July 31, 2015	806		
Total Retirees	11,882		
Retiree Health Monthly Cost (Premium Rate)			
Cost Per Retiree (monthly premium rate)	CY2015	Retiree Premium Contribution per month	
Over 65 Subscriber	\$ 334	\$ -	
Under 65 Subscriber			
Retiree Only	\$ 911	\$ 113.86	
Retiree Plus Spouse Plan	\$ 1,822	\$ 227.73	
Retiree Plus Spouse & Children	\$ 2,465	227.73 + 643.43 <i>(full cost of child plan)</i>	

Pharmacy Costs and The Health Benefit Plan

Retiree Health Budget Impacts

Vicki Quiram, Commissioner

Cassie Keane, Director of Risk and Benefits

Fiscal Committee Presentation

August 26, 2015

											FY16			FY17			Biennium		
Governors Recommended Budget											\$	69,832,381	\$	72,867,373	\$	142,699,754			
Estimated FY16/17 Budget											\$	71,786,257	\$	76,469,205	\$	148,255,462			
Budget (shortfall)/excess											\$	(1,953,876)	\$	(3,601,832)	\$	(5,555,708)			

Budget Options	Current Plan	Plan	Under 65 Plan	Over 65 Plan	Effective Date	FY16 Savings	FY17 Savings	Biennium Savings	Budget shortfall w/addition of savings	Reduce Cadillac Tax	Authority Required							
1) USE SURPLUS			Yes	Yes	7/1/2015	\$ 1,951,537		\$ 1,951,537	\$ (3,604,171)	No	None							
Add Site of Service Benefit	No Site of Service																	
Increase deductible to \$1000/\$2000 INN	\$500 Individual/\$1000 Family																	
2) Increase Individual Out of Pocket Max to \$1500/\$3000	\$1000/\$2000 OOPM	Medical	Yes	No	7/1/2016		\$ 1,035,000	\$ 1,035,000	\$ (2,569,171)	Yes	Plan Change- Fiscal Committee Approval							
PT/OT/SP to \$15 Copay *	\$10 Copay																	
High Cost Radiology to deductible*	High Cost Radiology \$150 Copay																	
All \$10 Copay to \$15 Copay	Office Visit, allergy shots, vision exam, chiropractor visit, mental health OP, substance abuse OP	Medical	Yes	No	7/1/2016		110,000	\$ 110,000	\$ (2,459,171)	Yes	Plan Change- Fiscal Committee Approval							
4) Retail Copays 10/20/35 to 10/25/40*		Rx			U65 - eff 7/1/16	\$ 464,500	\$ 1,160,000	\$ 1,624,500	\$ (834,671)	Yes	Plan Change- Fiscal Committee Approval							
Mail Order Copays 1/40/70 to 10/50/80			Yes - \$231k	Yes - \$464.5k in FY17	O65 - eff 1/1/16			\$ -										
5) Estimated Increase U65 Retiree Prem Contribution to 15%		N/A - Revenue	Yes	No	7/1/2016		\$ 877,000	\$ 877,000	\$ 42,329	No	Law Change							
* Change to align benefit with active medical benefit																		
Totals											\$	2,416,037	\$	3,182,000	\$	5,598,037		
Other Options to reduce General Funding:																		
6) Add revised Liquor as a self-funded agency and revise Pari Mutual	GF currently pays for Liquor Retirees	N/A - Revenue	Yes	Yes	7/1/2015	\$ 2,008,194	\$ 2,172,102	\$ 4,180,296		No	Budget							
Cadillac Tax**																		
Estimated U65 Excise Tax in CY2018	\$	646,000																
divided by 40%		40%																
Need to reduce benefit by this much to avoid tax	\$	1,615,000																
**Plan design changes above insulated U65 Retiree Health Plan from Cadillac Tax																		

House Handout on March 9, 2015,
Page 2 of 2

DAS FY16/17 Retiree Health Proposed Plan Changes
For Information - Senate 5/4/15

	A	B	C	D	E	F	G	H	I			
1						FY16	FY17	Biennium				
2					Governors Recommended Budget	\$ 69,832,381	\$ 72,867,373	\$ 142,699,754				
3					Estimated FY16/17 Budget	\$ 71,786,257	\$ 76,469,205	\$ 148,255,462				
4					Budget (shortfall)/excess	\$ (1,953,876)	\$ (3,601,832)	\$ (5,555,708)				
5												
6												
14					Retiree Under 65 Premium Contribution Rate Options:							
15						FY16	FY17		Total FY16/17 Increase in Premium Contribution Revenue:			
16					New Percentage:	Retiree Rate:	Retiree + 1 Rate:	Revenue Increase from 12.5%:	Retiree Rate:	Retiree + 1 Rate:	Revenue Increase from 12.5%:	
17					12.5% (Current Rate)	\$ 116.84	\$ 233.68	\$ 55,000	\$ 123.23	\$ 246.45	\$ 175,282	\$ 230,282
18					13%	\$ 121.51	\$ 243.02	\$ 395,000	\$ 128.15	\$ 256.31	\$ 526,052	\$ 921,052
19					14%	\$ 130.86	\$ 261.72	\$ 735,000	\$ 138.01	\$ 276.03	\$ 877,000	\$ 1,612,000
20					15% (Item #5 above)	\$ 140.21	\$ 280.41	\$ 1,074,886	\$ 147.87	\$ 295.74	\$ 1,227,503	\$ 2,302,389
21					16%	\$ 149.55	\$ 299.11	\$ 1,415,021	\$ 157.73	\$ 315.46	\$ 1,578,186	\$ 2,993,207
22					17%	\$ 158.90	\$ 317.80	\$ 1,755,157	\$ 167.59	\$ 335.17	\$ 1,928,772	\$ 3,683,929
23					18%	\$ 168.25	\$ 336.49	\$ 2,095,199	\$ 177.44	\$ 354.89	\$ 2,279,542	\$ 4,374,741
24					19%	\$ 177.59	\$ 355.19	\$ 2,435,334	\$ 187.30	\$ 374.61	\$ 2,630,224	\$ 5,065,558
25					20%	\$ 186.94	\$ 373.88		\$ 197.16	\$ 394.32		
26					Active single employee pays \$43.33 PM, active employee plus one pays \$86.67 PM, and active employee plus family pays \$130.00 PM.							
27					Medicare Part B pays \$104.90 per month in CY2015							
28												
29					Total Fund Impact: Premium Contribution							
30						FY16	FY17					
31					Premium Contribution Increase (12.5% to 15%)	\$ 735,000	\$ 877,000					
32					Premium Contribution Increase (12.5% to 20%)	\$ 2,435,334	\$ 2,630,224					
33												
34												
35					February 2015 Enrollment per Anthem							
38					Total Under 65 Members	3,094	26%					
39					Over 65 Plan Members	8,724	74%					
40					Total Members	11,818						
41												

RETIREE HEALTH FY16/17 COMPARE BUDGET TO AGENCY ESTIMATE

(in millions)

	FY16	FY17	Total Biennium
Agency Estimate/Request (3/9/15 House, 5/4/15 Senate)	\$71.8	\$76.5	\$148.3
Budget (Governor, House, & Senate)	\$69.8	\$72.9	\$142.7
Budget Shortfall	\$ (2.0)	\$ (3.6)	\$ (5.6)

RETIREE HEALTH FY16/17 COMPARE BUDGET TO UPDATED AGENCY ESTIMATE INCREASING PHARMACY TREND/Actual Enrollment/Federal Subsidy Decrease

(in millions)

	FY16	FY17	Total Biennium
Updated Agency Estimate (July 2015)	\$72.8	\$79.5	\$152.3
Budget (Governor, House, & Senate)	\$69.8	\$72.9	\$142.7
Budget Shortfall	\$ (3.0)	\$ (6.6)	\$ (9.6)
Reduction in EGWP Direct Subsidy	\$ (.3)	\$ (.7)	\$ (1.0)
Updated Budget Shortfall	\$ (3.3)	\$ (7.3)	\$ (10.6)

The Variables in Health Care Management

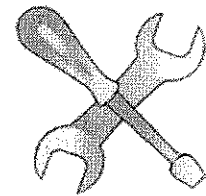
- Enrollment/Headcount
- Cost Trends
- Premium Contribution
- Plan Design
 - Deductibles
 - Co-Pays
 - Max. Out of Pocket (MOOP)
 - Site of Service
- Reinvent retiree health benefits (i.e., tiered network, defined contribution, etc.) – Long Term

Managing the Retiree Health Deficit for FYs 16 and 17

- DAS must operate the Retiree Health Benefit Plan within the limits of the funds appropriated at each legislative session. RSA 21-I: 30
- DAS Commissioner is responsible to manage the HBP. RSA 21-I:13, XI
- Changes to Retiree HBP are authorized with approval of the Fiscal Committee. RSA 21-I:30
- Employee and Retiree Risk Management Fund shall be non-lapsing and continually appropriated to DAS. RSA 21-I:30-e

Tools Outside the DAS Toolbox

- DAS does not have the authority to change premium contributions for < 65 retirees from 12.5% with approval of the Fiscal Committee
- DAS does not have the authority to charge and change a premium contribution for > 65 retirees with approval of the Fiscal Committee




Existing and new tools (legislation) need to be available for DAS to manage the retiree health deficit

Examples of Options

	Option A	Option B	Option C
Surplus	\$4m	\$4m	\$4m
Medical:			
U65:	Ded: \$1k/\$2k Copay: \$15/\$30 Site of Service	Ded: \$1k/\$2k Copay: \$15/\$30 Site of Service	Ded: \$750/\$1500 Copay: \$15/\$30 Site of Service
	\$2.3m	\$2.3m	\$1.3m
O65:	N/A	N/A	Part A: Ded. \$500 \$1m
Pharmacy:			
U65 & O65:	Retail: 10/25/40 Mail: 10/50/80 MOOP: 750/1500	Retail: 15/30/45 Mail: 30/60/90 MOOP: 750/1500	Retail: 15/30/45 Mail: 30/60/90 MOOP: 750/1500
	\$2m	\$4.5	\$4.5
Premium Contributions:			
U65:	15%	12.5%	12.5%
	\$.8m		
O65:	\$15/3.84%	N/A	N/A
	\$1.5m		
Total Savings:	\$10.6m	\$10.8	\$10.8

Timeline

- 
- 8/31/15: DAS must inform the PBM by 8/31/15 of changes to retiree health RX plan to meet Medicare regulation timelines
 - If plan design changes are not approved on 9/25/15, DAS will have to pull them back from the PBM.
 - 9/25/15: DAS will present Retiree Health Benefit Plan design options to Fiscal Committee for approval
 - 10/1/15- 12/31/15: Retiree Education about plan design and premium contribution changes and effective dates
 - 1/1/16: Effective date of plan design changes
 - Introduction of legislation to put tools in DAS toolbox, if needed
 - 4/1/16- 5/30/16: Possible return to Fiscal Committee for additional plan design changes if legislative initiatives fail
 - 7/1/16: Effective date of new laws that put required tools in DAS toolbox
 - 8/1/16: Premium contribution changes for U65 if legislation passes; possible premium contribution for >65 retirees if legislation passes

Any plan will change if enrollment changes, cost trends change or if budget changes

Next Steps

- DAS needs and welcomes your input
- Prepare recommended options for final plan decision at September Fiscal Committee
- Identify sponsors for fast track legislation, if included in recommended options
- After short term (FY16/17) changes implemented, begin work on long term planning for retiree health benefits that provide optimum benefit for retirees within legislative authority and available resources



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DEPARTMENT OF ADMINISTRATIVE SERVICES
OFFICE OF THE COMMISSIONER
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September 14, 2015

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 21-I: 30, II, the Department of Administrative Services (DAS), Risk Management Unit (RMU) submits this request for approval of plan design changes to the Retiree Health Benefit Plan. All medical and prescription drug plan design changes, if approved, will become effective January 1, 2016. DAS also requests authority to increase the premium contribution for Under 65 (non-Medicare) retirees from 12.5% to 15% effective April 1, 2016; this request to increase the premium contribution amount is predicated on the passage of Fast Track legislation in the 2016 legislative session.

EXPLANATION

RSA 21-I: 30, II requires DAS to operate the Retiree Health Benefit Plan within the funds appropriated at each legislative session. RSA 21-I: 30, II also authorizes the Fiscal Committee of the General Court to approve plan design changes to the Retiree Health Benefit Plan.

Background on Retiree Health Benefit Budget Deficit

During the FY 16/17 budget process, DAS estimated a \$5.6 million deficit based on the difference between the agency's estimated required funding level to meet projected expenses of the Retiree Health Benefit Plan and the proposed budgeted amounts. Therefore, in order to meet our mutual goal of providing the most beneficial Retiree Health Benefit Plan possible within the funds appropriated for this purpose, DAS presented options that demonstrated some of the plan design and premium contribution changes that could have been made at that point to meet this goal.

After the Committee of Conference process was completed, DAS requested an updated analysis of the State's Cadillac Tax liability from its health care consultants, The Segal Company (Segal). Segal began this work by updating enrollment numbers and medical and prescription drug (RX) cost trends for the Active and Retiree Health Benefit Plans. In the course of doing this work, Segal analyzed more recent member claims experience and increased the RX cost trend for active employees and retirees by 5% over the trend used in calculating the agency's estimate of required funding. This increased RX cost trend is directly attributable to the many new medications that are being approved by the Federal Drug Administration (FDA) and that are available for prescribing. Many of these new drugs are high-cost specialty drugs that treat, and sometimes even cure, very serious health conditions.

Based on this increase in the RX trend and the increase in projected retiree RX claims costs, DAS updated its FY 16/17 budget analysis and identified a \$4 million increase in the Retiree Health Benefit Plan deficit. Around the same time as DAS was doing this budget analysis, DAS received notice that it would experience a \$1 million reduction in federal subsidy payments over the biennium to support the RX costs of the Over 65, Medicare eligible retirees. Effective 1/1/15, DAS had enrolled the Over 65 Retirees in a Medicare Prescription Drug Program called an Employer Group Waiver Plan (EGWP) in order to maximize federal revenue to support the Retiree Health Benefit Plan. The \$1 million reduction in federal subsidy brought the projected total FY 16/17 deficit in the Retiree Health Benefit Plan to \$10.6 million. Given its statutory obligation to operate the Retiree Health Benefit Plan within the funds appropriated at each legislative session, DAS began investigating the options it has to change the Retiree Health Benefit Plan in order to operate the benefit within budget.

DAS's Retiree Health Benefit Plan Presentation at 8/26/15 Fiscal Committee Meeting

On August 26, 2015, DAS Commissioner Vicki Quiram and RMU Director Catherine Keane made a presentation to the Fiscal Committee explaining the FY 16/17 deficit as discussed during the budget process, the increased RX trend, and the updated estimated Retiree Health Benefit Plan budget deficit of \$10.6 million. At this presentation, DAS explained that there are many variables that affect health care management including headcount or enrollment, cost trends, premium contributions that are paid by all applicable plan members, and plan design components such as increases in deductibles, co-pays, maximum out-of-pocket expenses that are paid by people using the health plan, as well as cost saving programs such as Site of Service. In addition to reviewing the statutory obligation to manage the Retiree Health Benefit Plan within budget, DAS also explained that it intended to use approximately \$4 million of the Retiree Health Benefit Plan surplus pursuant to its authority under RSA 21-I: 30-e. RSA 21-I: 30-e provides that the Employee and Retiree Risk Management Fund shall be non-lapsing and continually appropriated to DAS.

Another key component of the August 26, 2015 DAS presentation, was a discussion about the tools that DAS does not have available to manage the Retiree Health Benefit Plan. For example, at this point in time, DAS does not have the authority under current law to change the 12.5% premium contribution that 3,082 (as of July 31, 2015) Under 65 retiree participants pay toward the cost of their retiree health benefit. In addition, DAS does not have the authority under current law to charge a premium contribution to the 8,800 (as of July 31, 2015) Over 65 retirees.

For this reason, the plan proposed by DAS in this request to increase the Under 65 premium contribution percentage from 12.5% to 15% is predicated on the passage of Fast Track legislation that would grant the Fiscal Committee the authority to approve an increase in the premium contribution for Under 65 retirees from 12.5% to a percentage recommended by the DAS Commissioner. While the timing of this request may be unusual, time is of the essence with respect to managing retiree health benefit costs and communicating comprehensively and clearly to retirees about the changes to the Retiree Health Benefit Plan that they will experience. Although the recommended short-term plan design changes proposed in this letter do not include a premium contribution by Over 65 retirees, additional legislation to grant the Fiscal Committee authority to approve a recommendation by the DAS Commissioner to charge a percentage of premium to individuals participating in the Over 65 Retiree

Health Benefit Plan would also increase the options available for managing the Retiree Health Benefit Plan if necessary in the future.

Requested Short-Term Changes to the Retiree Health Benefit Plan

DAS worked with Express Scripts, the Pharmacy Benefit Management (PBM) vendor, and with Anthem, the medical vendor, to model many different options involving changes in copays, deductibles and maximum out-of-pocket expenses in order to achieve a balance between plan design changes and premium contribution changes that would minimize the impact on the state's retirees. In doing so, DAS took into consideration that the vast majority of retirees (8,800) are in the Over 65 (Medicare eligible) plan as compared to the lower enrollment in the Under 65 (non-Medicare) plan (3,082). DAS also considered the ages of the individuals in the Over 65 plan since there are approximately 5,000 people over the age of 70, 1,800 people over the age of 80 and nearly 300 people who are over the age of 90. Given the projected deficit of \$10.6 million, it was necessary that some plan design changes to the RX and medical benefits would fall to the 8,800 Over 65 members.

Accordingly, as contained in Tables 1 and 2, DAS recommends the following changes to the Retiree Health Benefit Plan for Under and Over 65 plan members:

(1) Plan design changes, including increases in co pays, deductibles and maximum out of pocket expenses that apply to the RX and medical benefits for both retiree groups. As discussed during the 8/26/15 Fiscal Committee presentation, on 8/31/15 DAS notified Express Scripts of the RX plan design changes referenced below in order to meet Express Scripts and Medicare notice deadlines for plan design changes effective 1/1/16.

(2) An increase in the premium contribution paid by Under 65 retirees from 12.5% of total premium cost to 15% of total premium cost effective 4/1/16. This recommendation anticipates the passage of Fast Track legislation authorizing the Fiscal Committee to approve a change in premium contribution as recommended by the DAS Commissioner.

DAS also plans to use \$4.1 million of its \$5.57 million retiree health surplus to manage this deficit. In addition, it is important to note that DAS will be working closely with Express Scripts and Anthem to continue to explore cost saving measures and programs. Accordingly, DAS has directed Express Scripts to implement effective 1/1/16 its Compound Medication Solution that will limit the dispensing of costly compound medications to only those that are medically necessary. Many compound medications are not FDA approved for safety and efficacy. While implementation of the Compound Medication Solution is not a plan design change, it is a decision that DAS needs to make responsibly to manage the Retiree Health Benefit Plan seriously.

TABLE 1

Medicare Eligible (Over 65)			
	Current Benefit Plan	Proposed Plan Changes	Biennium Savings (assuming 1/1/16 implementation)
Medical Plan Change Component			
Medicare Part A Deductible (Inpatient Hospital and Skilled Nursing Facility Benefits)	Member pays \$0	\$500	\$1,100,000
Pharmacy Plan Change Component			
Retail Copayments (generic/preferred brand/non-preferred brand)	\$10 / \$20 / \$35	\$10 / \$25 / \$40	\$1,600,000
Mail Copayments (generic/preferred brand/non-preferred brand)	\$1 / \$40 / \$70	\$10 / \$50 / \$80	
Maximum Out-of-Pocket (MOOP)	\$500 Individual \$1,000 Family	\$750 Individual/ \$ 1,500 Family	

TABLE 2

Non-Medicare Eligible (Under 65)				
	Current Benefit Plan	Proposed Plan Changes	Biennium Savings (assuming 1/1/16 implementation)	
Medical Plan Change Component				
PCP Copayment (Including allergy shot, behavioral health, chiropractic, vision & substance abuse)		\$10	\$15	\$2,300,000
In-Network:	Deductible	\$500 Individual/ \$1,000 Family	\$1,000 Individual/ \$2,000 Family	
	Out-of-Pocket Max (OOPM)	\$1,000 Individual/ \$2,000 Family	\$1,500 Individual/ \$3,000 Family	
Out-of-Network:	Deductible	\$650 Individual/ \$1,350 Family	\$2,000 Individual/ \$4,000 Family	
	Coinsurance Maximum	\$1,350 Individual/ \$2,650 Family	\$4,000 Individual/ \$8,000 Family	
	Out-of-Pocket Max (OOPM)	\$2,000 Individual/ \$4,000 Family	\$6,000 Individual/ \$12,000 Family	
High Cost Radiology		\$150 copayment	Subject to Deductible	
Site of Service		None	Implement Site of Service	
Pharmacy Plan Change Component				
Retail Copayments (generic/preferred brand/non-preferred brand)		\$10 / \$20 / \$35	\$10 / \$25 / \$40	\$400,000
Mail Copayments (generic/preferred brand/non-preferred brand)		\$1 / \$40 / \$70	\$10 / \$50 / \$80	
Maximum Out-of-Pocket (MOOP)		\$500 Individual/ \$1,000 Family	\$750 Individual/ \$1,500 Family	
Premium Contribution				
Monthly Health Premium Contribution Percentage		12.5%	15%	\$1,100,000

Table 3 lists the total projected savings associated with the proposed changes in plan design and premium contributions.

TABLE 3

	<u>Components</u>	<u>Biennium Savings (assuming 1/1/16 implementation)</u>
Medical Plan Design Deductibles and Copayments	<ul style="list-style-type: none"> • Non-Medicare Eligible <ul style="list-style-type: none"> ○ Site of Service ○ PCP Office Visit ○ High Cost Radiology ○ Medical Deductible and Out-of-Pocket Max • Medicare Eligible <ul style="list-style-type: none"> ○ Medicare Part A Deductible 	\$3,400,000
Pharmacy Copayments	<ul style="list-style-type: none"> • Mail Order Copay • Retail Copay 	\$2,000,000
Premium Contributions	<ul style="list-style-type: none"> • Monthly Premium Contribution Increase <i>(assuming 4/1/16 effective date)</i> 	\$1,100,000
Administrative	<ul style="list-style-type: none"> • Retiree Health Benefit Surplus 	\$4,100,000
		\$10,600,000

At this point in time, based on the changes presented in Tables 1 and 2 and assuming the passage of Fast Track legislation authorizing Fiscal Committee approval of the premium contribution increase for Under 65 retirees, DAS expects the proposed changes to generate sufficient savings in the short term to operate the Retiree Health Benefit Plan within the projected FY16/17 appropriations. In its regular bimonthly report on Fund 60, DAS will keep the Fiscal Committee informed of the Retiree Health Benefit Plan's budget management. However, if any of the variables such as enrollment, cost trend or even budgeted amounts differ materially from projections used in this analysis, DAS will return to the Fiscal Committee for further modification of the Retiree Health Benefit Plan. For example, if Fast Track legislation authorizing the Fiscal Committee to make changes in the premium contribution for Under 65 retirees is not successful, DAS will return swiftly to Fiscal Committee with a proposal to make further changes to the Retiree Health Benefit Plan.

Education of Retirees and State Employees about Changes

Just as DAS did in 2011 to communicate significant changes to the Retiree Health Benefit Plan, DAS is in the process of establishing a comprehensive education and marketing plan to ensure that retirees understand the health benefit plan changes that they will experience. DAS will begin this communication in early October by mailing a letter to retirees explaining the plan design and premium contribution changes and the effective dates of those changes. DAS also plans to host a series of meetings throughout the state so that retirees can learn about the plan design changes. DAS will also be sending an updated benefits brochure to retirees as well as updating its website to reflect these changes. Furthermore, DAS believes it is equally as important to educate state employees about the changes to the Retiree Health Benefit Plan and the requirement that the plan be operated within appropriated funds.

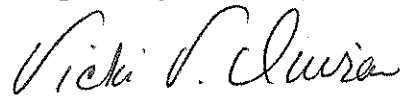
Long Term Retiree Health Benefit Planning

While Tables 1 and 2 present plan changes that help manage the Retiree Health Benefit Plan in the short term, DAS has also been looking at other new and innovative options for the future that will take additional time to coordinate with retirees and to research, evaluate and implement. As DAS looks to the future of the Retiree Health Benefit Program, it will continue to work with the legislature to communicate required funding levels and the changes that will need to be made to the Retiree Health Benefit Plan to ensure that it is operating within appropriated funds. However, given that one-third of all state employees are currently eligible to retire and receive Retiree Health Benefits, DAS expects the numbers of retirees to grow and is awaiting the arrival of the "silver tsunami". Assuming that funding levels are unable to keep pace with headcount and cost trend growth, DAS will have to consider different approaches to providing retiree health benefits. Among the options DAS intends to explore are limited networks and defined contribution plans as well as other innovations that other private and public employers may have implemented. These options require careful consideration and planning and thus are considered as possible long term solutions.

Conclusion

DAS is committed to managing the Retiree Health Benefit Plan budget in order to maximize retiree benefits while also working with the state's retirees to help them understand the changes to their benefits so they can make the best possible decisions when accessing the care they need. DAS appreciates the Fiscal Committee's and legislature's partnership as we work together to manage the needs of the state's retirees and the fiscal constraints experienced by the state.

Respectfully Submitted,



Vicki V. Quiram
Commissioner



Catherine A. Keane
Administrator, Risk & Benefits