



# EXECUTIVE COUNCIL OF IOWA

Teleconference Only

Monday, August 29, 2022 at 10:00 AM

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## AGENDA

### MEMBERS OF COUNCIL

Hon. Kim Reynolds | **Governor**

Hon. Paul D. Pate | **Secretary of State**

Hon. Rob Sand | **Auditor of State**

Hon. Michael L. Fitzgerald | **Treasurer of State**

Hon. Michael L. Naig | **Secretary of Agriculture**

### Teleconference Only

Conference Call Phone Number: (877) 304-9269

Conference Code Pin: 364626

### 1. **Approval of Minutes**

[A.](#) Approval of the minutes from the Executive Council meeting held on August 8, 2022.

### 2. **Personal Appearances**

[A.](#) Director Adam Steen and Jessica Lingo from the Iowa Department of Administrative Services will be present to request approval of the following:

1. Premiums for Health Insurance for 2023
2. Premiums for Dental Insurance for 2023
3. Delta Dental of Iowa Contract

### 3. **Emergency Allocations**

A. Department of Administrative Services is requesting a supplemental emergency allocation in the amount of \$2,153.93. This brings to total allocation to \$15,726.85. On July 9, 2021, vehicles 696, 319, 61, 31, and 775 were damaged by hail. Request is to cover repair costs.

The State Auditor's Office has reviewed this request and recommends allocation and payment. This represents full and final payment and this allocation will be closed.

- B. Department of Administrative Services is requesting a supplemental emergency allocation in the amount of \$76.07. This brings to total allocation to \$2,706.63. On July 23, 2021, vehicle 1079 was damaged by a deer. Request is to cover repair costs.

The State Auditor's Office has reviewed this request and recommends allocation and payment. This represents full and final payment and this allocation will be closed.

- C. Department of Public Safety is requesting a supplemental emergency allocation in the amount of \$2,126.20. This brings to total allocation to \$4,855.02. On November 3, 2021, state patrol vehicle 236 was damaged by a deer. Request is to cover repair costs.

The State Auditor's Office has reviewed this request and recommends allocation and payment. This represents full and final payment and this allocation will be closed.

- D. Department of Public Safety is requesting a supplemental emergency allocation in the amount of \$95.65. This brings to total allocation to \$7,650.84. On January 6, 2022, state patrol vehicle 217 was damaged by a deer. Request is to cover repair costs.

The State Auditor's Office has reviewed this request and recommends allocation and payment. This represents full and final payment and this allocation will be closed.

- E. Iowa Communications Network is requesting an emergency allocation in the amount of \$16,897.00. On June 6, 2022, a cable was damaged by rodent chews along I-80 near West Branch in Cedar County. Request is to cover repair costs.

The State Auditor's Office has reviewed this request and recommends allocation, subject to audit of actual invoices and supporting documentation and demonstration that no costs covered by the maintenance contract have been included.

#### **4. Payment of Cost Items**

- A. Department of Administrative Services .....\$139,097.84  
On August 10, 2020, a derecho caused damages to Capitol Complex. Request is to cover repair costs.

The State Auditor's Office has reviewed this request and recommends payment. This represents full and final payment, \$66,015.41 will be reverted and this allocation closed.

- B. Department of Administrative Services .....\$3,084.50  
On October 5, 2020, vehicle 1315 was damaged by a deer. Request is to cover repair costs.

The State Auditor's Office has reviewed this request and recommends payment. This represents full and final payment.

- C. Department of Administrative Services .....\$4,958.33  
On July 9, 2021, vehicle 296 was damaged by hail. Request is to cover repair costs.

The State Auditor's Office has reviewed this request and recommends payment. This represents full and final payment, \$303.77 will be reverted and this allocation closed.

- D. Department of Public Safety .....\$2,486.86  
On November 28, 2018, state patrol vehicle 248 was damaged by a deer. Request is to cover repair costs.

The State Auditor's Office has reviewed this request and recommends payment. This represents full and final payment.

- E. Department of Public Safety.....\$6,155.34  
On August 11, 2021, state patrol vehicle 77 was damaged by a fallen tree. Request is to cover repair costs.

The State Auditor's Office has reviewed this request and recommends payment. This represents full and final payment.

- F. Department of Public Safety .....\$2,328.90  
On November 3, 2021, state patrol vehicle 135 was damaged by a dog. Request is to cover repair costs.

The State Auditor's Office has reviewed this request and recommends payment. This represents full and final payment.

- G. Iowa Communications Network .....\$23,217.28  
On March 23, 2022, a cable was damaged by a rodent chew along 150th Street in Floyd County. Request is to cover repair costs.

The State Auditor's Office has reviewed this request and recommends payment. This represents full and final payment, \$1,139.08 will be reverted and this allocation closed.

- H. Department of Corrections .....\$3,186.00  
On October 12, 2021, vehicle 2297 was damaged by a raccoon. Request is to cover repair costs.

The State Auditor's Office has reviewed this request and recommends payment. This represents full and final payment.

- I. Board of Regents - University of Iowa .....\$14,051.50  
On July 3, 2020, a leaking pressure relief valve in the Mechanical Room at the Biology Building caused water damages. Request is to cover repair costs.

The State Auditor's Office has reviewed this request and recommends payment. This represents full and final payment.

- J. Gray Miller Persh, LLP.....\$131.10  
2233 Wisconsin Avenue NW  
Suite 226  
Washington, D.C. 20007  
Iowa PBS

Jeffrey S. Thompson, Solicitor General, has reviewed this invoice and recommends payment. Payment will be made from Iowa PBS.

- K. Michael Marquess.....\$5,000.00  
2183 Docks Drive  
Garwin, IA 50632  
Tribal cases when the offenses are committed by non-natives against non-natives (or without a victim) on the Sac and Fox Indian Settlement in Tama County

Jeffrey S. Thompson, Solicitor General, has reviewed this invoice and recommends payment. Payment will be made from the General Fund.

- L. Patterson Law Firm L.L.P.....\$32.00  
729 Insurance Exchange Building  
505 Fifth Avenue  
Des Moines, IA 50309-2390  
Richard Adrian v. University of Iowa, State of Iowa and Second Injury Fund of Iowa

Jeffrey S. Thompson, Solicitor General, has reviewed this invoice and recommends payment. Payment will be made from the Second Injury Fund.

- M. Patterson Law Firm L.L.P.....\$32.00  
729 Insurance Exchange Building  
505 Fifth Avenue  
Des Moines, IA 50309-2390  
Robert Allen v. University of Iowa Hospitals & Clinics, State of Iowa and Second Injury Fund of Iowa

Jeffrey S. Thompson, Solicitor General, has reviewed this invoice and recommends payment. Payment will be made from the Second Injury Fund.

- N. Patterson Law Firm L.L.P.....\$32.00  
729 Insurance Exchange Building  
505 Fifth Avenue  
Des Moines, IA 50309-2390  
Donald Briggles v. Iowa DOT, State of Iowa and Second Injury Fund of Iowa

Jeffrey S. Thompson, Solicitor General, has reviewed this invoice and recommends payment. Payment will be made from the Second Injury Fund.

- O. Patterson Law Firm L.L.P.....\$224.00  
729 Insurance Exchange Building  
505 Fifth Avenue  
Des Moines, IA 50309-2390  
Toribo Joseph Estrada v. ISP, State of Iowa and Second Injury Fund of Iowa

Jeffrey S. Thompson, Solicitor General, has reviewed this invoice and recommends payment. Payment will be made from the Second Injury Fund.

- P. Patterson Law Firm L.L.P.....\$248.00  
729 Insurance Exchange Building  
505 Fifth Avenue  
Des Moines, IA 50309-2390  
Michelle Franz v. Woodward Resource Center, State of Iowa and Second Injury Fund of Iowa

Jeffrey S. Thompson, Solicitor General, has reviewed this invoice and recommends payment. Payment will be made from the Second Injury Fund.

- Q. Patterson Law Firm L.L.P.....\$946.00  
729 Insurance Exchange Building  
505 Fifth Avenue  
Des Moines, IA 50309-2390  
Jason Hawk v. Iowa State Penitentiary and State of Iowa and Second Injury Fund of Iowa

Jeffrey S. Thompson, Solicitor General, has reviewed this invoice and recommends payment. Payment will be made from the Second Injury Fund.

- R. Patterson Law Firm L.L.P.....\$941.00  
729 Insurance Exchange Building  
505 Fifth Avenue  
Des Moines, IA 50309-2390  
Gail Martens v. University of Iowa and State of Iowa and Second Injury Fund of Iowa

Jeffrey S. Thompson, Solicitor General, has reviewed this invoice and recommends payment. Payment will be made from the Second Injury Fund.

- S. Patterson Law Firm L.L.P.....\$245.00  
729 Insurance Exchange Building  
505 Fifth Avenue  
Des Moines, IA 50309-2390  
Leland Mitchell v. Iowa Department of Transportation and State of Iowa and Second Injury Fund of Iowa

Jeffrey S. Thompson, Solicitor General, has reviewed this invoice and recommends payment. Payment will be made from the Second Injury Fund.

- T. Patterson Law Firm L.L.P.....\$32.00  
729 Insurance Exchange Building  
505 Fifth Avenue  
Des Moines, IA 50309-2390  
Debra Oelrich v. University of Iowa Hospitals & Clinics, State of Iowa and Second Injury Fund of Iowa

Jeffrey S. Thompson, Solicitor General, has reviewed this invoice and recommends payment. Payment will be made from the Second Injury Fund.

- U. Patterson Law Firm L.L.P.....\$1,456.00  
729 Insurance Exchange Building  
505 Fifth Avenue  
Des Moines, IA 50309-2390  
Larry Opal v. Clarinda Correctional Facility, State of Iowa and Second Injury Fund of Iowa

Jeffrey S. Thompson, Solicitor General, has reviewed this invoice and recommends payment. Payment will be made from the Second Injury Fund.

- V. Patterson Law Firm L.L.P.....\$80.00  
729 Insurance Exchange Building  
505 Fifth Avenue  
Des Moines, IA 50309-2390  
Larry Opal v. Clarinda Correctional Facility, State of Iowa and Second Injury Fund of Iowa

Jeffrey S. Thompson, Solicitor General, has reviewed this invoice and recommends payment. Payment will be made from the Second Injury Fund.

- W. Patterson Law Firm L.L.P.....\$96.00  
729 Insurance Exchange Building  
505 Fifth Avenue  
Des Moines, IA 50309-2390  
Bryson Powell v. Glenwood Resource Center, State of Iowa and Second Injury Fund of Iowa

Jeffrey S. Thompson, Solicitor General, has reviewed this invoice and recommends payment. Payment will be made from the Second Injury Fund.

## **5. Information Items**

- A. Board of Regents - University of Iowa was reimbursed for replacing a stolen instrument at the November 16, 2020 meeting. On April 26, 2022, the stolen instrument was returned and there was no damage to the stolen instrument. To reimburse the claim, the School of Music then sold the replacement instrument via GovDeals. \$26,262.75 will be refunded from the sale of the instrument.

## **6. Adjourn Meeting**



# EXECUTIVE COUNCIL OF IOWA

Teleconference Only

Monday, August 08, 2022 at 10:00 AM

## MINUTES

The Executive Council met in regular session at 10:00 a.m. via conference call. Governor Kim Reynolds presided over the meeting. Auditor of State Rob Sand, Treasurer of State Michael Fitzgerald, and Secretary of Agriculture Michael Naig were present. Secretary of State Paul Pate was absent.

### 1. Approval of Minutes

Moved by Auditor Sand and seconded by Secretary Naig that the Council approve the minutes from the Executive Council meeting held on July 18, 2022.

The vote:	Ayes:	Governor Reynolds Auditor Sand Treasurer Fitzgerald Secretary Naig
	Nays:	None

### 2. Personal Appearances

- A. Dennis Harper, Recovery Division Administrator, Iowa Department of Homeland Security and Emergency Management was present to request a Contingency Fund Loan for the South-Central Iowa Landfill Agency's (SCILA's).

Moved by Auditor Sand and seconded by Secretary Naig that the Executive Council approve the requests.

The vote:	Ayes:	Governor Reynolds Auditor Sand Treasurer Fitzgerald Secretary Naig
	Nays:	None

- B. Christie Templeton, Department of Human Services, was present to request a Resolution of Funds in the amount of \$90,000.00 pursuant to Iowa Code §29C.20A with regard to Governor's Proclamation of a State of Disaster Emergency for Allamakee, Clayton, Harrison, Shelby and Winneshiek Counties.

Moved by Treasurer Fitzgerald and seconded by Secretary Naig that the Executive Council approve the requests.

The vote:	Ayes:	Governor Reynolds Auditor Sand Treasurer Fitzgerald Secretary Naig
	Nays:	None

### 3. Outside Counsel

Moved by Treasurer Fitzgerald seconded by Auditor Sand that the Council approve the request from the Department of Justice, Attorney General's office as follows:

- A. The Department of Justice, Attorney General's office requests retention of outside counsel pursuant to Iowa Code section 13.3(1) in *Debbie Wessels v. Department of Correctional Services and State of Iowa and Second Injury Fund of Iowa*, a workers' compensation case filed by a state employee.

Firm:	Patterson Law Firm, L.L.P.
Attorney:	Ryan Clark 505 5th Avenue Suite 729 Des Moines, IA 50309
Rate:	\$160.00 Per Hour

The vote:	Ayes:	Governor Reynolds Auditor Sand Treasurer Fitzgerald Secretary Naig
	Nays:	None

### 4. Emergency Allocations

Moved by Treasurer Fitzgerald and seconded by Auditor Sand that the Council approve the following emergency allocations:

- A. Department of Administrative Services requested an emergency allocation in the amount of \$5,694.60. On July 9, 2021, hail damaged vehicle 2318. Request was to cover repair costs.

The vote:	Ayes:	Governor Reynolds Auditor Sand Treasurer Fitzgerald Secretary Naig
	Nays:	None



## 5. Payment of Cost Items

Moved by Auditor Sand and seconded by Secretary Naig that the Council approve the following cost items:

- A. Richard J. Bennett, Sr.....\$174.00  
PO Box 65666  
West Des Moines, IA 50265  
Special Counsel for the Criminal Appeals Division of the Iowa Attorney General's Office
- B. Gray Miller Persh, LLP.....\$1,284.90  
2233 Wisconsin Avenue NW  
Suite 226  
Washington, D.C. 20007  
Iowa PBS
- C. Michael Marquess.....\$5,000.00  
2183 Docks Drive  
Garwin, IA 50632  
Tribal cases when the offenses are committed by non-natives against non-natives (or without a victim) on the Sac and Fox Indian Settlement in Tama County
- D. Davis, Brown, Koehn, Shors & Roberts, P.C.....\$1,560.27  
The Davis Brown Tower  
215 10th Street, Suite 1300  
Des Moines, IA 50309-3993  
Legal Services to state agencies on issues related to the visa status of prospective state employees
- E. Hall Render Killian Health & Lyman P.C. (Baker) .....\$540.00  
PO BOX 771910  
Detroit, MI 48277-1910  
University of Iowa Hospitals and Clinics (UIHC)
- F. Hall Render Killian Health & Lyman P.C. (Baker) .....\$1,365.44  
PO BOX 771910  
Detroit, MI 48277-1910  
University of Iowa Hospitals and Clinics (UIHC)
- G. Hall Render Killian Health & Lyman P.C. (Baker) .....\$332.05  
PO BOX 771910  
Detroit, MI 48277-1910  
University of Iowa Hospitals and Clinics (UIHC)
- H. Denton Davis Brown PC.....\$85.00  
215 10th Street,  
Suite 1300  
Des Moines, IA 50309-3993  
Special Counsel for Copyright, Trademark & Patent Issues

- I. Denton Davis Brown PC.....\$127.00  
 215 10th Street,  
 Suite 1300  
 Des Moines, IA 50309-3993  
Special Counsel for Copyright, Trademark & Patent Issues

The vote:      Ayes:      Governor Reynolds  
                                  Auditor Sand  
                                  Treasurer Fitzgerald  
                                  Secretary Naig  
                          Nays:      None

## 6. Iowa Code §97C.13A

Moved by Treasurer Fitzgerald and seconded by Secretary Naig that the Council approve the following item:

- A. Request from IPERS for reimbursement for Federal-State Agreement Administration Costs in the amount of \$9,387.64.

The vote:      Ayes:      Governor Reynolds  
                                  Auditor Sand  
                                  Treasurer Fitzgerald  
                                  Secretary Naig  
                          Nays:      None

## 7. Adjourn Meeting

Moved by Auditor Sand and seconded by Treasurer Fitzgerald that the meeting adjourn.

Respectfully submitted,



Victoria Newton

# Executive Council Insurance Renewal August 29, 2022

# Agenda

- ❑ 2023 Health Plans
- ❑ Health Contracts/Covered Members
- ❑ Key Points for 2023 Renewal
- ❑ Trends
- ❑ Pharmacy
- ❑ Dashboards
- ❑ 2023 Health Plan Premium Recommendations
- ❑ 2023 Recommended Dental Premiums
- ❑ 2023 Life and Long Term Disability Rates
- ❑ DAS Recommendation

# 2023 Health Plans

- ❑ Continue with one plan design with two options
  - ❑ Iowa Choice (HMO) – access to network of providers in Iowa and continued access in contiguous counties – 79% of the State's enrollment
  - ❑ National Choice (PPO)– access to network of providers nationwide – 21% of the State's enrollment
- ❑ With the PPO plan, the employee buys-up the difference between the PPO plan and the HMO plan
- ❑ Other health promoting, value-added services available through the plan
- ❑ Diabetes Prevention Program offered through Livongo
- ❑ Enrollment Period: October 3<sup>rd</sup>- November 4<sup>th</sup>

# Health Contracts/Covered Members

- Covered contracts as of 7/1/2022 were 20,337 (previous year 20,798 contracts)
  - Contracts are the State employees who hold the contract
- Covered members as of 7/1/2022 were 52,482 (previous year 53,639 members)
  - Members include the State employee contract holder plus dependents on the plan

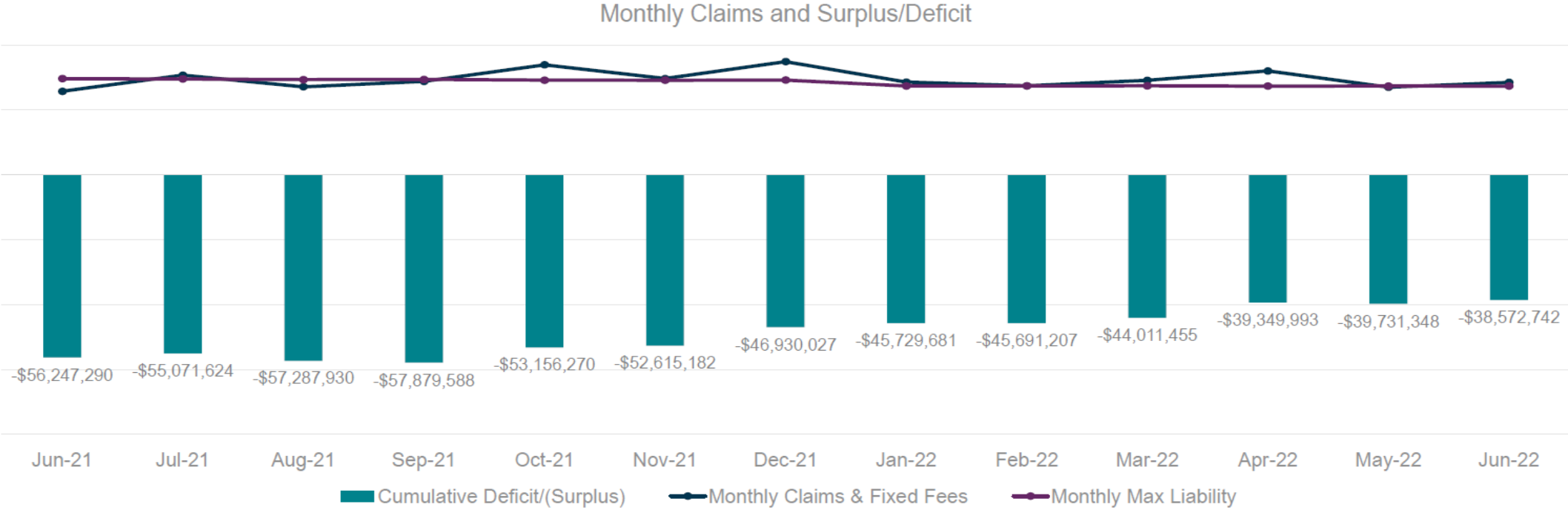
\*These numbers are an average over the last 12 months (ex. 7/1/2021 – 6/30/2022)

# Key Points for 2023 Renewal

- Minimal Administrative fee changes were made for the 2023 renewal, as outlined in the RFP. The fee increased by 1.97% from the prior year.
- State saved \$23 million in Pharmacy costs for the period.
- The State experienced an increase in the number of large claimants from the prior period 21% (\$3 million increase). Large claimants account for 14% of total claims paid.
- Total claims paid were up \$8.1 million (9% from 2021).
- Pharmacy claims paid increased \$3.4 million from 2021 (9%).
- Projected CY 2023 claims \$359 million (Projected CY 2022 \$329 million for a 9.10% increase)

# Surplus Summary

## SURPLUS/DEFICIT SUMMARY





# Positive Trends

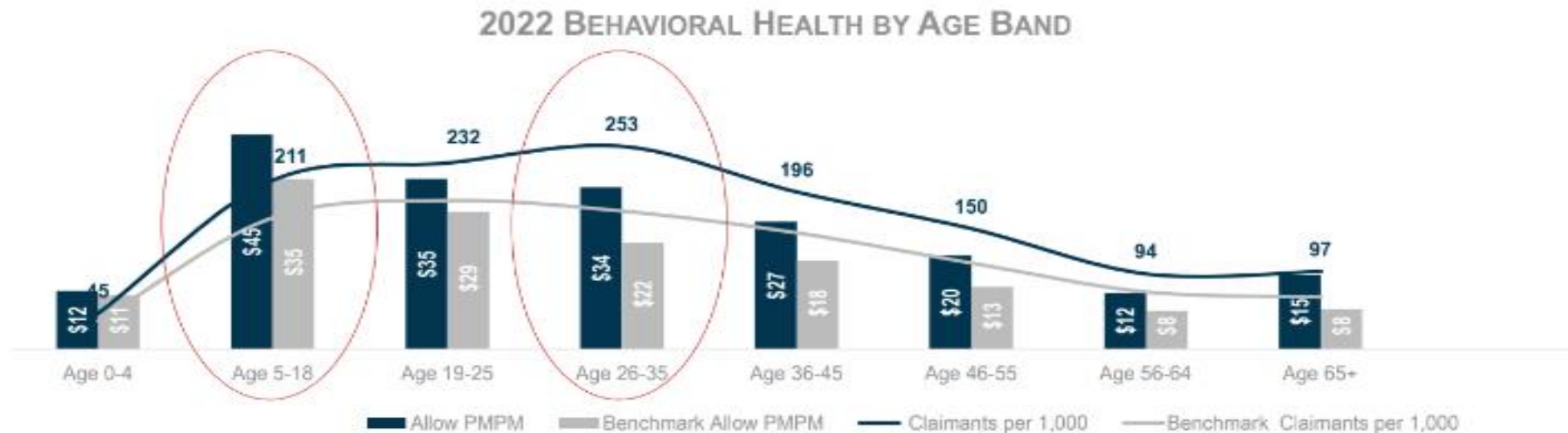
- Livongo enrollment has exceeded the 1,000 member mark. Overall goal is 1,692 members (approximate 18 month ROI).
- Most preventive care categories were higher than the 2019 pre-pandemic levels and higher than the benchmark.
- Rise in mental health utilizers and claims costs means members were addressing both their physical health along with their mental health.
- Musculoskeletal services shifted from the inpatient setting to the less costly outpatient setting.
- Antidiabetics was the top drug class, driven by increased utilizers and 30-day supply for treatment and medication compliance of diabetic conditions.

# Pharmacy

- Still seeing increases in specialty drugs - \$2.4 million – drivers are increased utilization in medications related to dermatology medications.
  - ▣ Specialty medications account for 50% of the paid amount but only 0.9% of days supply
- Non-specialty increased by \$1 million, driven by antidiabetic medications (4% increase in these medications).
- Total savings of \$36.6 million in pharmacy costs: Formulary management \$5.3 million, Prior Authorizations \$5.5 million, Quantity Limits \$2.5 million, Rebates \$23 million

# Behavioral Health

## BEHAVIORAL HEALTH



- Proportionately, the 5 to 18 age band accounted for the highest number of claimants at 27%, allowed costs at 35%, and highest allowed PMPM at \$45. Their average allowed per claimant was \$1,273.
- The 26 to 35 age band experienced the highest claimants per 1,000 at 253 and was higher than the benchmarks 172. The allowed PMPM at \$34 was higher than the benchmark's \$22 PMPM. The age band accounted for 13% of the claimants and 11% of allowed costs with an average allowed per claimant of \$799.

# 2023 Health Plan Premium Recommendation

2022 Health Premiums					
	Total	State Share	%	EE Share	%
Iowa Choice					
Single	\$769.00	\$715.00	93%	\$54.00	7%
Family	\$1,804.00	\$1,624.00	90%	\$180.00	10%
National Choice					
Single	\$845.00	\$715.00	85%	\$130.00	15%
Family	\$1,966.00	\$1,624.00	83%	\$342.00	17%
2023 Health Premiums					
	Total	State Share	%	EE Share	%
Iowa Choice					
Single	\$799.00	\$743.00	93%	\$56.00	7%
Family	\$1,874.00	\$1,687.00	90%	\$187.00	10%
National Choice					
Single	\$878.00	\$743.00	85%	\$135.00	15%
Family	\$2,057.00	\$1,687.00	82%	\$370.00	18%
Difference 2022-2023	State	Employee			
Iowa Choice Single	3.88%	3.70%			
Iowa Choice Family	3.88%	3.89%			
National Choice Single	3.92%	3.85%			
National Choice Family	3.88%	8.19%			

# 2023 Recommended Dental Premiums

2022						2023				
	Total	Employee		Employer		Total	Employee		Employer	
		Share	%	Share	%		Share	%	Share	%
Single	\$34.00	\$0.00	0%	\$34.00	100%	\$35.00	\$0.00	0%	\$35.00	100%
Family	\$88.00	\$44.00	50%	\$44.00	50%	\$90.00	\$44.50	50%	\$44.50	50%

# Life and Long Term Disability Rates

- There are no changes to the Life and LTD rates for 2023
- Life/LTD rates are guaranteed for the remainder of the contract (12/31/23)

# DAS Recommendations for Executive Council

- Approve recommended premiums for health insurance for 2023
- Approve recommended premiums for dental insurance for 2023
- Approval of the Delta Dental of Iowa Contract