

MINUTES OF THE HOUSE KANSAS 2000 SELECT COMMITTEE.

The meeting was called to order by Chairperson Kenny Wilk at 1:30 p.m. on January 25, 1999 in Room 526-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative research Department
Paul West, Legislative Research Department
Jim Wilson, Revisor of Statutes
Janet Mosser, Committee Secretary

Conferees appearing before the committee: Bobbi Mariani, Assistant Director, Division of Personnel Services, Department of Administration
Steve Ashley, Department of Administration

Others attending: See attached list

Bobbi Mariani provided information in follow-up to questions at the January 12, 1999 meeting on the Fiscal Year 1997 Work Force Report (**Attachment 1**).

Steve Ashley gave a presentation on the health insurance benefits program (**Attachment 2**). He provided committee members a copy of the State of Kansas 1999 Benefit Information and Options for Active Employees booklet which is a good reference to all benefits. The booklet is on file in the Legislative Research Department.

Chairperson Wilk adjourned the meeting at 2:37 p.m.

The next meeting is scheduled for January 26, 1999.

RESPONSE TO FY97 WORKFORCE REPORT QUESTIONS

Page 15 **Percent of Full-Time and Part-Time Filled Classified Positions**

Why the decrease in the number of part-time positions?

- Legislative mandates and program changes can affect the number of part-time employees. For example, 1995 legislation moved long-term care workers (more than 800 part-time employees) from the classified to the unclassified service. Another example is privatization of foster care and adoption from Fiscal Years 1995 to 1997, which affected part-time employees.
- State temporary services contract, which helps with cyclical work in agencies, was established in March, 1996 (FY96). Agencies do not have to maintain part-time workers for work load fluctuation.
- FY98 numbers leveled out and the number of part-time employees remained at 4%. Sharpest decline was from FY93 – FY96.

Page 20 **Average Salaries for Classified Employees**

Is this just base? (FY97 salary coincides with gold sheet distributed yesterday)

- Average annual salary was calculated based on annual salaries derived by multiplying hourly rates by 2080 hours. In other words, average annual salary is based on the employee's hourly rate, not actual salary received.

Page 26 **Employment & Average Salaries in All States**

What does this include? Why does it differ from Legislative Research's gold sheet?

- Chart is based on **1995** U.S. Census Bureau data (the most recent at time of publication), not **FY1997** Kansas data.
- Allows comparison of states listed within the chart; not with other individual state workforce data.
- Represents employment and average salaries in governments in **all** other states, which may include county and city government.
- U.S. Census Bureau states that their statistics often do not agree with those issued by the governments themselves because they recategorize data into a standard framework.

Page 38 **Classified Employees by County**

County of work or residence?

- County of work

STATE OF KANSAS

Health Benefits Plan Components

Health

Two Indemnity Plans - Statewide

Blue Cross - Self Insured Plan Year 1996

Blue Select

- Primary Care Physician Level - higher level of reimbursement
- Self Referral

Traditional - Fee For Service

Preferred Health Systems

New Insured Plan Effective PY 1999

Preferred Provider Network (PPO) - no (PCP Required)

Some differences in benefit schedule

Seven Health Maintenance Organizations - Standardized Benefit Schedule

Prescription Drug

One Option - Carved Out Effective Plan Year 1996

Self Insured - Oct. 1997

Dental

Two Plan Options

Delta - Effective Plan Year 1996 - Self Insured

United Dental - Effective Plan Year 1997 - Managed Dental Plan

Vision

Employee Paid

Effective Plan Year 1999

Provides Hardware Benefit

Department of Administration
Division of Personnel Services
1/23/99

Kansas 2000 Select Committee

Meeting Date 1-25-99

Attachment 2

STATE OF KANSAS

Health Benefits Funding

Employee Only Coverage

Full time Employee Contribution (Bi-Weekly)

Three Salary Levels	< \$17,000	\$ 7.39
	\$17,000 - \$30,000	\$11.08
	> \$30,000	\$14.77

Part time Employee Contribution = \$28.60

(Contribution rates without Non Tobacco User Discount of \$4.62)

Bi-Weekly Employer Contribution (Composite Rate)**

Full Time	\$90.10
Part Time	\$73.69

Dependent Coverage

Three Dependent Tiers

Employee Contribution	Bi-Weekly Cost Range
Employee and Spouse	\$58.38 to \$ 88.45
Employee and Child(ren)	\$48.05 to \$ 73.58
Employee, Spouse and Child	\$99.04 to \$147.25

(Contribution rates without Non Tobacco User Discount of \$4.62)
(Coverage includes medical and prescription drug, dental is optional)

State contribution (Composite Rate)

Bi-Weekly Employer Contribution (Composite Rate)**

Full Time	\$46.21
Part Time	\$39.12

** Affected by the draw down on reserves

STATE OF KANSAS

Large Organization Comparison

	State	Other Employers*
<u>Medical</u>		
Employees Covered	1,000 hours	All Employees 20 hour min
Dependent Maximum Age	23	18/19 unless full time student
Pre-Existing Condition Policy	None	Comply with HIPAA
Employee Copayments		
In Network	20%	15%/30%
Out of Network	30%	15%/30%
Plan Deductible		
In Network	\$0	\$0
Out of Network		
Employee	\$200	None to \$2,000
Dependent	\$400	None to \$4,000
Annual Out of Pocket Maximum		
Individual		
In Network	\$ 500	\$500 to \$3,000
Out of Network	\$1,000	\$700 to None
Family		
In Network	\$1,000	\$1,200 to None
Out of Network	\$2,000	\$2,000 to None
Plan Maximum		
Lifetime	\$2,000,000	\$1,000,000

	State	Other Employers*
<u>Prescription Drug</u>		
Co-payments	\$5/\$10 or 25% Up to \$900	\$2/\$5 to 20%
Mail Order	No	Yes
<u>Dental</u>		
Deductible		
Preventive	\$0	\$0
Basic	\$0	None to \$75
Restorative	\$0	None to \$150
Copayment		
Preventive	\$0	\$0
Basic	50%	20%
Restorative	50%	20%
<u>Contribution Level</u>		
Employee Only		
State	95%	90%-95%
Employee	5%	5%-10%
Dependent		
State	35%	50%
Employee	65%	50%

* From Mercer Benchmark Study

STATE OF KANSAS

Health Benefits History

	Plan Year			
	1995	1996	1997	1998
Total Cost*	\$170.5	\$151.3	\$162.4	\$171.5
Rx Cost	\$ 23.0**	\$ 18.8	\$ 23.9	\$ 38.0
Number of Plans				
Medical	8	10	10	10
Prescription	6***	1	1	1
Dental	1	1	1	2
HMO Penetration	22%	27%	32%	34%
Number of Participants				
Active	38,100	37,100	36,100	36,300
Direct Bill	9,000	9,100	9,600	9,700
COBRA	350	350	1,050	540

* In millions

** Excludes HMO Prescription Drug Costs

*** Each HMO had a prescription drug plan

STATE OF KANSAS

Cafeteria Benefits Plan

Three Components -

Pre-Tax Premium Option for Group Health Insurance
Dependent Care Flexible Spending Accounts
Health Care Flexible Spending Accounts