

MINUTES
Approved by the Committee
State Employee Group Insurance & Benefits Committee
Thursday, May 04, 2017
9:00 A.M.
Room WW17
Boise, Idaho

Co-chair Fred Wood called the meeting to order at 9:04 a.m.; an oral roll call was taken. Committee members in attendance: Co-chair Representative Fred Wood and Co-chair Senator Todd Lakey; Senators Dan Johnson, Robert Nonini, and Jim Patrick; Representatives Neil Anderson, Robert Anderst, Dustin Manwaring, and Hy Kloc. Senator Mark Nye participated via conference-phone. Legislative Services Office staff present were: Kristin Ford, Robyn Lockett, Tetiana Kanashuk, and Ana Lara.

Other attendees: Tim Olson, Pacific Source; Tyler Kapfhammer, Propel Insurance; Mark Estess, Eiguren Ellis Public Policy Firm; and Jennifer Pike, Dept. of Administration.

Co-chair Wood called for the approval of the November 29, 2016 minutes. **Co-chair Lakey made a motion to approve the November 29, 2016 minutes. Senator Nonini seconded the motion. The motion passed unanimously.**

Co-chair Wood thanked the committee members and staff for the time they had put into preparing for this meeting. He also thanked the six companies that had submitted responses to the committee's request for proposal for a health care plan consultant. Co-chair Wood proceeded to introduce the two new committee members, Representative Manwaring and Senator Nye, and welcomed them to the committee.

Co-chair Wood addressed the agenda for the committee meeting, and pointed out that the majority of the committee meeting time would be spent in executive session. He also noted that Julie Weaver, Deputy Attorney General (DAG), would be with the committee for the entire day to ensure that all processes and procedures are done in accordance with statutes and rules. Co-chair Lakey also thanked staff for their efforts, as well as the committee members for their presence.

Co-chair Wood invited DAG Weaver to advise the committee on any guiding principles prior to the executive session. Ms. Weaver referred to the guiding principles in I.C. 67-9233 regarding ethics in procurement. She stated that in accordance with bribery laws and gifts to public servants laws, gifts or trivial benefits may not exceed \$50. She also reminded the legislators that it should be disclosed if the person they have met with has disclosed them on a lobbying report; these are matters to keep in mind, and there is a process to disclose any potential issues.

After some discussion, some of the committee members made disclosures in order to avoid even the appearance of a conflict of interest and to foster transparency and confidence in the process. Senator Nonini disclosed that a few weeks ago he had lunch with Mr. Chad Murray from The Murray Group and with former Senator Jim Hammond, who also does work for The Murray Group. Co-chair Lakey disclosed that, in regard to The Murray Group, he has had interactions with Mr. Josh Sears in the past, given that Mr. Sears had been an associate at Co-chair Lakey's law partner's firm years ago. He also had interactions with him in the past regarding a client, and with different aspects of joint public funding.

As far as the Gallagher Firm, Co-chair Lakey said that during his time as a county commissioner for Canyon County they had hired WBS (which was purchased by the Gallagher Firm) to be a consultant for Canyon County. He has also worked with some of the consultants from the Gallagher Firm on behalf of his clients, but at this time he does not have any business relationships with either applicant.

Co-chair Wood disclosed that at the end of the 2017 session, Senator Nonini introduced him to a member of The Murray Group, and subsequently their lobbyist invited him to dinner, although he did not know who the lobbyist was at the time. With respect to Mercer, Co-chair Wood said, he had worked superficially with them during the Statewide Healthcare Innovation Plan (SHIP) project since they were the contracting entity that was providing guidance. Co-chair Lakey disclosed that, at the end of the 2017 session, he had spoken with the lobbyist for The Murray Group about the process in general. Representative Kloc disclosed that he had been contacted by the lobbyist for The Murray Group, but there had been no transaction - they only spoke.

Senator Johnson asked if it was fair to assume that there is a process integrity guideline that states what can and cannot be discussed outside of the committee, although he has not received a written copy of such, and also asked how long those same guidelines would apply once this information becomes public. He also inquired whether it was fair to assume that the proposals received are responsive, in other words, they have fulfilled the requirements in the request for proposal (RFP). DAG Weaver responded that she was not aware of any guidelines that apply specifically to this committee as a legislative committee, although there are certainly guidelines for the Division of Purchasing that LSO staff could look to as a resource. Ms. Ford responded that it was her belief that all six proposals were responsive to the RFP.

Representative Kloc inquired whether the referrals had been checked. Ms. Ford responded no; this is something that could be done as the committee narrows down its choices. Senator Patrick expressed concern regarding the committee potentially selecting a consultant when reference checks have not yet been conducted. DAG Weaver explained that, typically, reference checks are performed after narrowing the field of candidates.

Representative Anderst asked if it was the committee's intent to select and contract with a consultant, or to make a recommendation. Co-chair Wood explained that the co-chairs had discussed potentially narrowing the candidate field to two candidates, performing in-depth interviews with them soon after today's meeting, and then making a final selection. He asked the committee members if they concurred or if they had a different idea on how to proceed. Senator Nye took this opportunity to disclose that he was contacted by a lobbyist representing an applicant, but could not recall the name - only that it began with the letter 'M.'

Co-chair Lakey opined that it would be a good idea to bring some of the candidates before the committee to answer questions before a selection is made. He added that he would be open to doing this with the top two or three candidates.

Executive Session

Co-chair Lakey made a motion to adjourn to executive session at 9:25 a.m., citing I.C. 74-206(1)(a) To consider hiring a public officer, employee, staff member or individual agent, wherein the respective qualities of individuals are to be evaluated in order to fill a particular vacancy or need. Senator Johnson seconded the motion. The motion passed unanimously with all members present, and Senator Nye participating via conference-phone. The executive session concluded at 1:58 p.m. Co-chair Wood allowed a few minutes for the public to enter the room before proceeding to the remainder of the meeting.

Open Committee Discussion

Co-chair Wood called the committee meeting to order at 2:02 p.m. and resumed open session. **Co-chair Lakey made a motion that the committee direct staff to invite consultants Milliman, Mercer, and Westcott to discuss their proposals with the committee, and to also direct staff to contact the references of each of the three consultants who have been invited to meet with the committee, and then report on the responses of those references to the committee. Senator Nonini seconded the motion.** Co-chair Lakey proceeded to explain that this motion is not intended to exclude any of the applicants; the three candidates mentioned in the motion are simply those

the committee has elected to meet with and discuss their proposals further at this time. **The motion passed unanimously.**

Co-chair Wood stated that the next committee meeting would be held on Thursday, May 18, 2017, at 9:30 a.m. He asked staff to contact the three consultants identified in the previously stated motion as soon as possible to ensure that each applicant is able to meet on this date; another date may be selected to accommodate the applicants' schedules, if needed.

The committee adjourned at 2:06 p.m.