



STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF GROUP BENEFITS



Group Benefits Estimating Conference Minutes
Monday, July 20, 2020
1:30 PM – Via Video Conference

Link to Meeting: <https://la-ogb.zoom.us/join/91234567890>

- I. Call to Order
 - a. Roll Call
 - i. David Dillon **Absent**
 - ii. Mandfredo Dix **Present**
 - iii. Bill Guerra **Present**
 - iv. Connie Nelson **Present**
 - v. Chas Nichols **Present**
 - vi. Mei Su **Present**
- II. Certification of Inability to Operate Due to Lack of Quorum
- III. Introduction of New Conference Member
 - a. Connie Nelson
- IV. Approval of Minutes from September 25, 2019 Meeting
 - a. Motion to approve minutes made by Chas Nichols. Connie Nelson seconded the motion. Minutes from September 25, 2019 meeting are approved.
- V. Public Comments
 - a. No public comments
- VI. Financial Update
 - a. Tommy Teague went over the financial update slides with assistance from Thomas Tomzyck of Buck Global, LLC, OGB's actuary.
 - b. Questions submitted via email from Estimating Conference member David Dillon
 - i. From Page 4,
 1. The expense increase from 2019 to 2020 is approximately 3.5% which is less than trend.
 - a. Is the reduction purely from utilization decreases resulting from the pandemic?
 - i. For FY 2020, both medical & Rx expenditures were relatively flat over FY 2019 due to the anticipated impact of COVID-19. In addition, there is an anticipated savings reflected due to the move to the Access Health program. Overall expenses were impacted by a one-time payment to Express Scripts for an overpayment of rebates.
 - b. What utilization assumptions are used for July-Dec? i.e. 100% of a pre-COVID month, 102%, etc.
 - i. Due to COVID-19, CY 2020 medical expenditures for the active and pre-Medicare population are assumed to be 3.8% lower than what typical expenditures would dictate. The actual expenditures through May 2020 are reflected; the remainder

of the year assumes lower than expected utilization for June-September and an uptick in utilization in November and December.

2. The expense increase from 2020 to 2021 is ~8.5% and 2021 to 2022 is ~9.5%. Both are higher than trend.
 - a. Is this from deferred services resulting from the pandemic? If so, was actual Louisiana claims experience used or was national data used.
 - i. Both FYE 2021 & FYE 2022 are directly impacted by the expected costs in CY 2021. The increase in medical expenditures assumed for CY 2021 is comprised of several components: expected trend, increased costs due to both direct and indirect COVID-19 expenses, additional expenses due to high cost claimants resulting from delayed care and the completion of care deferred in 2020. Both Louisiana's claims data and demographics were used in conjunction with national information to project the expected 2021 costs.
3. There is essentially no claims expense increase from 2022 to 2023.
 - a. Please clarify.
 - i. Medical expenditures beyond CY 2021 were assumed to revert to pre-COVID-19 utilization levels. For FYE 2022, this reduction in expenditures offsets the increases from July - Dec 2021 due to COVID-19.

ii. From Page 5

1. What is the assumed impact of COVID?

- a. For CY 2020, the reduction due to COVID-19 from expected medical expenses is 3.8%. For CY 2021, an additional trend of 15% was applied to the expected trend to account for the impact of COVID-19.

c. Bill Guerra asked why is OGB seeing a savings related to COVID-19.

- i. We are seeing an avoidance of care. People are delaying elective procedures, not going to the doctor, etc. We do anticipate people will return to doctors' offices and elective procedures in the fall. Utilization is lower than expected in a typical year, thus resulting in less expenditures.

d. Chas Nichols asked what is driving the increase in 2021?

- i. Direct COVID-19 costs, return to care – people deferring care to 2021.

1. Complexities and comorbidity may be higher due to members deferring care to 2021.

e. Chas Nichols asked what portion would be direct COVID-19 costs and what portion would be deferred care costs?

- i. Buck will get that information and share with the conference members.

VII. 2021 Health Insurance Rates

- a. Tommy Teague went over the need for a rate increase in 2021. There were no questions from the conference members.

VIII. Recommendation for Award of ASO-TPA Contract

- a. Tommy Teague went over the award of the ASO-TPA contract to Blue Cross and Blue Shield of Louisiana. There were no questions from the conference members.

- IX. Recommendation for Award of PBM Contract
- a. Tommy Teague went over the award of the PBM contract to CaremarkPCS, LLC (CVS). There were no questions from the conference members.
- X. Recommendation for Contract Extension for Discovery Benefits, LLC
- a. Tommy Teague went over the need for a contract extension with Discovery Benefits, LLC for FSA and COBRA services. There were no questions from the conference members.
- XI. Requests for Proposals
- a. Tommy Teague went over the status for the following RFPs:
 - i. Medicare Broker
 - ii. Flexible Benefits and COBRAThere were no questions from the conference members.
- XII. Contract Amendments
- a. Tommy Teague discussed the need for contract amendments for the following contracts:
 - i. BCBSLA
 - ii. MedImpact
 - iii. Buck Global, LLC
 - iv. Extend HealthThere were no questions from the conference members.
- XIII. Summary of Legislation
- a. Tommy Teague went over legislation that was passed in the last regular and special session of the Louisiana Legislature.
 - i. Chas Nichols asked how OGB was proceeding with the requirements put forth in HR 33?
 1. OGB's actuary, Buck Global, LLC has created a project timeline and has requested historical data. The project completion date is set for late November, early December. They will be putting together a report – showing all the recommended actions and strategies OGB has put into play to reduce costs. A meeting will be held to share this report with stakeholders. After this meeting, Buck will put together a final report to present to the legislature in mid-December.
 - ii. Chas Nichols asked if OGB knew of the outcome of Senator Kirk Talbot's surprise billing bill.
 1. It was turned into a resolution and was held over until the next regular session of the legislation.
- XIV. New Business
- a. Chas Nichols asked about OGB's plan to bring contracts for approval to JLCB.
 - i. The ASO contract will be ready for the August JLCB meeting.
 - ii. It will be a tight deadline for the PBM contract. Barring any protest, OGB thinks they will have contract negotiations settled in time to bring the contract in front of JLCB in August.
 - iii. We are in the black out period for the Medicare broker RFP and cannot discuss. Once an award is made, OGB will work with OSP and the winning bidder to get a contract to JLCB quickly.
 - iv. The plan is to have contracts approved ahead of annual enrollment.
 - b. Tommy Teague requested a motion to pass this information on to the Policy and Planning Board. Chas Nichols made the motion and it was seconded by Manfredo Dix.
- XV. Adjournment

Approved by Conference: 

Date Approved: 10/8/2020