

Minutes from the Meetings of the Board of Trustees

April 26, 2000

CALL TO ORDER

Mr. Aubrey Temple, Chairman, called the monthly meeting of the Board of Trustees to order.

ROLL CALL

Members Present

Dr. Merline Broussard
Dr. James Calvin
Dr. Barbara Cicardo
Mr. Russell Culotta
Mr. Robert Greer
Mr. James Lee
Mr. Hubert Lincecum
Ms. Mary McDaniel
Mr. Richard O'Shee *
Mr. Aubrey Temple
Mr. Kelly Ward

Members Absent

Mr. Charles Castaing
Mr. David Hood
Rep. Tank Powell
Senator Tom Schedler
Mr. John Warner Smith

Roll call indicated ten (10) Board Members present, representing a quorum.

* Mr. Richard O'Shee arrived after roll call.

APPROVAL OF MINUTES OF MARCH 29, 2000 BOARD MEETING AND APRIL 10, 2000 (SPECIAL) BOARD MEETING

The minutes of March 29, 2000 meeting and the minutes of April 10, 2000 meeting were presented for review and approval.

A motion was made by Mr. Lincecum, seconded by Ms. McDaniel, to accept the minutes of both March 29, 2000 and April 10, 2000 Board Meetings. There being no objections, the minutes were unanimously adopted.

CEO/COO REPORT

Employee of the Month

Mr. Wall announced that Ms. Francine Juneau was selected as April Employee of the Month. He stated that due to the absence of Ms. Juneau, the presentation would be deferred until the next Board meeting.

PPO Comparison Report

Mr. Wall reported that SEGBP and representatives of Our Lady of Lourdes Hospital in Lafayette were presently discussing the possibility of a physician network that would enhance the PPO offerings for plan members in that area. The discussions were very encouraging and he would report to the Board in May on the issue.

Operations/ACD Report on Telephone Calls

Mr. Wall reported that the outstanding performance by staff in reducing the claims backlog, was reflected on the Daily Claims Inventory. In February, there were approximately 200,000 claims in-house, and at the present, there are approximately 40,000 claims. He stated that 10,000 claims are delivered each day to the agency. Focus on the overpayments, and CSCL (customer service call log) would be the next projects. Upon completion of those projects, a complete evaluation would be finalized in regard to a reduction in the contract labor. The ACD Report on Telephone Calls was presented for review.

Financial Report

Mr. Wall stated that the agency had a cash balance of \$3.2 million dollars. There was a cash management issue, but claims that were submitted last week were being paid in a timely manner. Mr. Bruce Minor had discussed the financial report in the Internal Audit/Finance Committee held April 25, 2000. The financial report was presented for review.

Legal Report

Mr. Wall stated that the Legal Report was presented for review.

CIO REPORT

General Comments

Mr. Thommy Boesch, CIO, reported that on April 10, 2000, the Division of Administration approved the contract for the scanning system. ScanOptic had a deadline of July 10, 2000 (90 days) to complete the implementation process of the system.

The initial testing of the electronic claims (Envoy) was completed. The test went very well.

RFP for Business Recovery Consulting Services

Mr. Boesch stated that the IS Division was seeking approval for issuing an RFP for Business Recovery Consulting Services. The services would be the complete documentation of a disaster and recovery plan, and also cover a risk analysis on the critical points.

Mr. Temple questioned Mr. Boesch on the re-evaluation of the RIMS system. Mr. Boesch stated that the IS Division had not started the re-evaluation, but following

the outcome of the strategic sessions, the Division would start reviewing other options available. The imaging system and EDI process were system independent, and would be capable for any adjudication system.

COMMITTEE REPORTS

Provider Compensation Committee

Mr. Lee, acting Chairman, reported on the April 24, 2000 Provider Compensation Committee meeting. Mr. Lee reported that there were no actions taken. The Committee discussed in length the Woman's Hospital contracting issue. Woman's Hospital submitted a proposal to the Committee and it was sent to Aon for evaluation.

Mr. James Blakely, Marketing Director, would prepare a spreadsheet with the compensation rates for the different facilities, whether DRG or Per Diem, and identify the carve-outs. The next meeting was scheduled for May 5, 2000. Mr. Lee invited Board Members to participate in the Committee.

Claims Committee

Mr. Kelly Ward reported on the April 25, 2000 Claims Committee meeting. Mr. Ward stated that the minutes of the September 14, 1999 meeting were approved and no other actions were taken at the Committee meeting.

The Committee discussed the different things the program had done to enhance effectiveness and efficiency productivity in the Claims Processing area. He reported there were three responses to the EOB RFP (check voucher system). The program was presently evaluating those responses. In February, a contract was signed with Envoy Corp. (clearinghouse). Mr. Boesch, CIO, had explained the electronic claims capabilities. An update on the status of the IS Division in reference to computer software and hardware was also presented.

Mr. Ward delivered a hand out that was presented to the Committee by Ms. Meri Ann Worley, Claims Processing Director. The information was an overview of the operations in the Claims Processing Division.

Internal Audit/Finance Committee

Mr. James Lee reported on the April 25, 2000, Internal Audit/Finance Committee meeting. Mr. Lee presented recommendations from the Committee and requested that the Board take action on the items.

The Committee recommends authorizing the CEO to seek the opinion of outside legal counsel concerning the issue of risk rating the St. Landry Parish School Board and Vernon Parish School Board.

The Committee recommends acceptance for issuance of the RFP for Business Recovery Consulting Services.

The Committee recommends acceptance of the April Financial Statement as presented.

Mr. Lee stated that the Internal Audit Report was presented in regard to the 1999-2000 Audit Plan and Audit Resolution.

Following discussion, a motion was made by Mr. Lee, with a second by Mr. Ward, to adopt the Internal Audit/Finance Committee report and the recommendations. There being no objection, the report and the recommendations were adopted.

Mr. Lee reported that Merck/Medco, SHPS, and Magellan Behavioral Health gave presentations/summaries of the previous 12 month period and their ideas on cost savings for the agency.

Ms. Brenda Bassett, Merck/Medco, highlighted their presentation for the Board. Mr. Lincecum delivered information on the Top100 Drugs that was prepared by Merck/Medco.

NEW BUSINESS

CEO Appointment

Mr. Temple stated that Kip Wall had been Interim CEO for the past eight months. Mark Drennen, Commissioner of Administration, had established a search committee for recommendations for the CEO position. Mr. Temple received a letter from Mr. Drennen recommending Kip Wall as permanent CEO.

A motion was made by Mr. Lincecum, seconded by Mr. Ward, to appoint Mr. Kip Wall as CEO of the SEGBP. There being no objection, the motion was approved.

Mr. Culotta stated that the phrase "You have the right to appeal this claim....." was printed on all claim forms, which caused a lot of unnecessary work for the staff. The statement should only be on the forms that were utilized to deny a claim. The issue was deferred to the Claims Committee for review and recommendation.

OLD BUSINESS

Dr. Cicardo stated that in regard to HMO & EPO providers not renewing their contracts in the Houma/Thibodaux and Alexandria area, a plan member in the seventh month of pregnancy who paid the physician and part of the co-pay on the hospital would be left paying 50%. She suggested a continuing contract with regard to plan members for pregnancy, cancer, diabetes, or heart patients. Mr. O'Shee stated that a provision could be included in the provider contract, indicating that when the provider gives notice of termination, providers also agree to continue that treatment up to 90 days, or in the case of pregnancy, up to delivery. Mr. Temple requested Tommy Benoit, Legal Counsel, to take under advisement and report back to the Board on the issue.

Mr. Lincecum delivered a letter from a plan member who was dissatisfied with the higher premiums Ochsner Health Plan members must pay in the North Shore and Hammond area. For informational purposes, Mr. Lincecum explained the issue. According to the RFP, if a plan member lives in Baton Rouge and chooses to see a physician in the Hammond area, Ochsner's higher compensation rate would be in effect and Ochsner had the right to charge a higher premium.

Dr. Cicardo questioned who was developing the bylaws since Representative McMains had stepped down from the Board. She stated that Errors and Omission Professional Liability insurance policies were not available without bylaws for the agency.

Mr. Ward requested Mr. Wall to give an update on the EPO-PPO negotiation status in the Baton Rouge area. Mr. Wall stated that Summit, Baton Rouge General, Lane Memorial, and OLOL were in the EPO network. In the PPO network, no contracts have been finalized due to the standardized contract. Woman's Hospital submitted a proposal that was a blending of the EPO and PPO rates. This proposal was sent to Ken Viera, Aon, for evaluation. Mr. Wall stated that plan members would have one free change during the year. Mr. Wall stated that at annual enrollment, the plan members are provided with the most complete information at that time. Situations change between annual enrollment and the beginning of the plan year. Dr. Cicardo requested a list of providers in Region IV.

Mr. Ward questioned whether the PPO-EPO physician list was updated on the SEGBP web site. Mr. Wall stated that the list was not updated and the agency is in the process of hiring in-house web master.

OLOL Prevention - Intervention - Wellness Program

Mr. Lincecum reported that representatives of Our Lady of Lourdes Regional Medical Center presented a presentation to the Benefits and Rate Making Committee concerning their Wellness Program. The Committee voted to take under advisement and discuss further with staff. Following a meeting with the representatives, it was decided to present the services to the Board to consider a one-year pilot program in the Lafayette area. A mailing list of the plan members was needed to send correspondence concerning the Wellness Program and educate the plan members on how to better manage their health with this type of program. Mr. Temple questioned Mr. Benoit concerning the distribution of the mailing list. Mr. Benoit stated that a letter of agreement would be made before the mailing list was made available. Mr. Lincecum stated that any correspondence would be approved by SEGBP before sending it to the plan members.

Following discussion, Mr. Temple recommended giving the Benefits and Rate Making Committee authority on behalf of the Board to enact the OLOL Wellness Program, if deemed appropriate.

A motion was made by Mr. Lincecum, seconded by Ms. McDaniel, to defer back to the Benefits and Rate Making Committee and give authority to the Committee to implement the program if deemed appropriate. There being no objection, the motion was adopted.

Mr. Temple suggested May 11, 12, 25, and 26 as tentative dates for the Work Session. Mr. Wall stated that it was necessary for the Board to have strategic planning in order to set goals and objectives before reviewing the plan of benefits. He delivered a handout from SSA Consultants, Inc. and recommended Ms. Christel C. Slaughter, Ph.D. to coordinate the first phase of the strategic planning. Mr. Culotta asked how much the strategic planning session would cost. Mr. Wall stated that the presentation was approximately \$200.00 per hour. Mr. Temple suggested inviting the legislature staff to participate in the Work Sessions.

Mr. Wall reported on the preliminary results from the LSU survey. SEGBP received approximately 20,000 responses. A finalized report would be presented at the strategic planning session.

Mr. Wall stated that an RFI for an HMO ASO contract was submitted. Gulf South responded to the request and submitted a proposal. SEGBP was in the process of evaluating the proposal. AETNA Health Plan had also shown interest. There is a possibility of having a contract in place by July 1, 2000, for the Lafayette and Houma/Thibodaux area.

ADJOURN

There being no further business to discuss, a motion was made by Mr. Culotta, seconded by Mr. Lee, to adjourn. With no opposition, the motion was unanimously adopted.