



## State of Louisiana

Office of Group Benefits  
P. O. Box 44036  
Baton Rouge, Louisiana 70804



October 24, 2012

Dear PPO Plan Member:

As the Office of Group Benefits transitions toward Blue Cross/Blue Shield of Louisiana providing administrative services for the PPO plan, we wanted to provide important information about the advantages of this transition to our valued PPO members.

As you know, Blue Cross has already been providing administrative services for the HMO, the most popular plan that covers 164,765 people, compared to 62,010 people covered by the PPO plan. Under an administrative services only contract, Blue Cross simply administers the Plans of Benefits established by OGB, including preparing and providing participant materials, processing and paying claims, and issuing explanations of benefits.

While Blue Cross has successfully performed its administrative services of the HMO, we believe that it's important for PPO members to have the facts concerning additional advantages they can expect in the coming plan year, including:

- **OGB is not being sold.** OGB will maintain control over benefits and premiums, and OGB will continue to perform oversight and quality control over all plans, including the PPO. And OGB's reserved fund will continue to be used for its intended purpose of paying claims.
- **There will be no change in benefits while premiums for all the plans**, which were reduced by 7 percent starting in July 2012, **will remain at these lower premium levels through 2013.** As a result of these premium reductions, state and school district employees and retirees are saving around \$10 million this year, and will see additional savings of \$19.5 million next year.
- **Customer service centers will increase from 7 to 8**, with continued timely customer call answering, customer inquiry response, and claims payment.
- **PPO plan members will now gain access to a nationwide healthcare provider network**, a benefit HMO members already have. This means that PPO members, many of whom are retirees, who are traveling or residing outside the state will no longer be subject to more expensive out-of-network costs.
- In terms of PPO member access to care in state, because the number of providers will increase under Blue Cross's provider network, there should be **no change to the doctor-patient relationship.**
- In fact, **with Blue Cross, the number of primary care doctors available to PPO members will increase from 4,151 to 4,255.** The number of **specialists will increase from 3,365 to 3,849.** The number of **hospitals will increase from 127 to 140.** And **surgical centers will increase from 80 to 82.**
- PPO members will also now have access to other benefits already available to HMO plan members, including discounts on gym memberships, hearing aids, diet programs and other services.

As you can see, this transition improves the access and quality of care and service to PPO plan members, while also reducing their out-of-pocket expenses. We hope that you find this information useful, and as always we continue to be honored to assist our valued OGB plan members.

Sincerely,

Charles D. Calvi, Jr.  
Chief Executive Officer  
Office of Group Benefits