



**STATE OF LOUISIANA**  
DIVISION OF ADMINISTRATION  
**OFFICE OF GROUP  
BENEFITS**



**MINUTES**

**OGB POLICY AND PLANNING BOARD  
COMBINED WITH  
OGB ESTIMATING CONFERENCE  
January 8, 2025  
2:00 PM  
Thomas Jefferson A & B (1-136 A & B)  
1201 North Third Street  
Baton Rouge, LA 70802**

- I. Call to Order
  1. Policy and Planning Board Roll Call

Sen. Adam Bass	Present
Rep. Chad Brown	Present
Rep. Kim Carver	Absent
Dr. Gwile Freeman	Present
Mr. Dannie Garrett	Present
Mr. Frank Jobert	Present
Mr. Frank Opelka	Present
Mr. Mike Saylor	Present
Sen. Alan Seabough	Absent
Sen. Jeremy Stine	Absent
  2. Estimating Conference Roll Call

Mr. Sam Blount	Present
Mr. Manfredo Dix	Present
Mr. Chas Nichols	Present
Ms. Stephanie Little	Present
Ms. Andree Miller	Present
Mr. Robert Schneckenberger	Present
- II. Approval of Minutes from October 14, 2024 Joint Estimating Conference and Policy and Planning Board meeting.

1. For the Estimating Conference, Mr. Chas Nichols made a motion to approve the minutes as amended from the October 14, 2024 Joint Estimating Conference and Policy & Planning Board Meeting. Ms. Andree Miller seconded the motion. The Estimating Conference approved the motion unanimously.
  2. For the Policy and Planning Board (Board), Dr. Gwile Freeman made a motion to approve the minutes of the October 14, 2024 Joint Meeting of the OGB Estimating Conference and Policy and Planning Board Meeting. Mr. Dannie Garrett seconded the motion. The Board approved the motion unanimously.
- III. Public Comment
1. Mary Patricia Wray with Top Drawer Strategies, LLC asked what would be different about Pharmacy Benefit Manager (PBM) Request for Proposals (RFP) to get a different result. She stated she wanted the Office of Group Benefits (OGB) to consider transparency, accountability through auditability, and rebates.
- IV. Financial Update
1. Mr. Heath Williams updated the Estimating Conference and the Board about OGB's financials.
    - a. Various Estimating Conference and Board members asked questions about the financials and Mr. Williams responded. Mr. Dannie Garrett asked about increased utilization and Mr. Williams stated that OGB's actuary is performing an analysis, benchmarking utilization with the industry and it appears OGB is experiencing high utilization.
  2. Mr. Williams provided a historical overview of the fund balance and informed the Estimating Conference and the Board that OGB anticipates losing money in 2025. Additionally, medical and pharmacy costs are expected to increase significantly in 2026 and 2027.
    - a. The minimum recommended fund balance is \$289 million which represents the cost to pay two months of medical claims and a month and a half of pharmacy claims.
      - i. Mr. Chad Brown responded that he is leery when he hears that OGB's current \$400 million fund balance is too high, given past experience.
      - ii. Mr. Williams stated that even with 7.5% premium rate increase year over year, OGB will still lose money.
  3. The Estimating Conference and Board asked questions regarding the financials.
    - a. Mr. Manfredo Dix inquired about the anticipated losses in 2025. Mr. Williams responded that changes in drug prices is the main driver of anticipated losses, drugs such as those seen in commercials. For example, Ozempic is OGB's highest cost right now. Additionally, increases in medical costs are driving the anticipated losses.

- b. In response to a question, Mr. Williams provided that OGB's plan members are taking more prescription drugs and the drugs are more expensive.
- c. Ms. Miller asked what OGB is doing to encourage healthy lifestyle changes. Mr. Williams said we are looking into several options.
- d. Mr. Nichols asked if there any revenues that OGB is losing out on in the coming years. Mr. Williams responded that OGB is looking at options. Some may not be popular, but OGB has options like reducing benefits, raising rates, or cutting out certain benefits.

V. Procurement Matters – Contracts

1. Prudential Insurance Company of America (Group Term Life Insurance)

- a. This Contract is for term life insurance for members and retirees and is a standard three-year contract with options for an additional two years. The Estimating Conference and Board discussed the Contract.

2. Access Health Inc. (Access2day)

- a. Mr. Williams said OGB negotiated for better prices with Access Health for the Primary Care Network from October to December 2024. This is a standard three-year contract with options for an additional two years. The Estimating Conference and Board discussed the Contract.

3. Motions

a. Prudential

- i. For the Estimating Conference, Mr. Dix made a motion to forward the information to the Board. Mr. Robert Schneckenberger seconded the motion.
- ii. For the Board, Mr. Garrett made a motion to recommend this Contract. Mr. Mike Saylor seconded the motion. The motion passed unanimously.

b. Access Health

- i. For the Estimating Conference, Mr. Dix made a motion to forward the information to the Board. Mr. Nichols seconded the motion. The motion passed unanimously.
- ii. For the Board, Mr. Saylor made a motion to recommend the Contract. Mr. Opelka seconded the motion. The motion passed unanimously.

VI. Procurement Matters - Amendments

1. CVS Caremark Emergency Contract Amendment #1 – Medical Prescription Payment Plan

- a. Mr. Williams stated this amendment relates to the Medicare Prescription Payment Program, which is part of Inflation Reduction Act (IRA) mandated by the Centers for Medicare and Medicaid Services. This program gives Medicare retirees the right to defer their cost share at the point of sale. OGB does not know

- what the impact is going to be yet. There is a per utilizing member per month (PUMPM) administrative fee for those who participate.
- b. Mr. Schneckenberger asked if a member participates and doesn't make the payments, who will hold the debt. Mr. Williams responded that OGB will. OGB has a right to collect, but it is an extensive process and will be an administrative burden.
2. Louisiana Health Service & Indemnity Company (Blue Cross/Blue Shield ASO) Amendment #4 – No Surprise Billing
    - a. Mr. Williams provided that this Amendment outlines the process for handling surprise billing to comply with the No Surprises Act.
  3. Buck Global Inc. Amendment #2 – Mental Health Parity and Addiction Equity Act
    - i. Mr. Williams explained OGB must meet provisions showing parity between medical and mental health benefits as mandated by the federal government.
  4. Motions
    - i. CVS Caremark Emergency Contract Amendment #1 – Medical Prescription Payment Plan
      - a. For the Estimating Conference, Mr. Schneckenberger made a motion to forward the Contract to the Board. Mr. Dix seconded the motion. The motion passed unanimously.
      - b. For the Board, Mr. Garrett made a motion to recommend the Contract. Dr. Freeman seconded the motion. The motion passed unanimously.
    - ii. Louisiana Health Service & Indemnity Company (Blue Cross/Blue Shield ASO) Amendment #4 – No Surprise Billing
      - a. For the Estimating Conference, Ms. Stephanie Little made a motion to forward the Contract to the Board. Mr. Nichols seconded the motion. The motion passed unanimously.
      - b. For the Board, Mr. Opelka made a motion to recommend this information to JLCB. Mr. Saylor seconded the motion. The motion passed unanimously.
    - iii. Buck Global Inc. Amendment #2 – Mental Health Parity and Addiction Equity Act
      - a. For the Estimating Conference, Ms. Miller made a motion to forward the Contract to the Board. Ms. Little seconded the motion. The motion passed unanimously.
      - b. For the Board, Mr. Frank Opelka made a motion to recommend the Contract. Dr. Freeman seconded the motion. The motion passed unanimously.
- VII. Procurement Matters – Medicare Advantage Emergency Contract Amendments
1. OGB's three fully-insured Medicare Advantage Emergency Contracts with HMO Louisiana, INC. d/b/a/Blue advantage, Humana Health Benefit Plan of Louisiana, and New Orleans Regional Physician Hospital Organization, LLC d/b/a Peoples Health were initially entered into for Plan Year 2024 due to the uncertainty created by the Inflation Reduction

Act (IRA). OGB is extending these Emergency Contracts for Plan Year 2025 because of continued uncertainty. OGB's consultant informed that going out for RFP for 2025 services while there is such uncertainty would likely result in very high bids. OGB intends to issue an RFP for services in 2026.

## 2. Motions

### a. HMO Louisiana, INC

- i. For the Estimating Conference, Mr. Dix made a motion to forward the Contract to the Board. Mr. Schneckenberger seconded the motion. The motion passed unanimously.
- ii. For the Board, Mr. Opelka made a motion to recommend the Contract. Mr. Saylor seconded the motion. The motion passed unanimously.

### b. Humana Health Benefit Plan of Louisiana

- i. For the Estimating Conference, Mr. Dix made a motion to forward the Contract to the Board. Mr. Sam Blount seconded the motion. The motion passed unanimously.
- ii. For the Board, Mr. Opelka made a motion to recommend the Contract. Dr. Freeman seconded the motion. The motion passed unanimously.

### c. New Orleans Regional Physician Hospital Organization, LLC – Peoples Health

- i. For the Estimating Conference, Ms. Miller made a motion to forward the Contract to the Board. Mr. Dix seconded the motion. The motion passed unanimously.
- ii. For the Board, Mr. Opelka made a motion to recommend the Contract. Mr. Saylor seconded the motion. The motion passed unanimously.

## VIII. Request for Proposals

### 1. Administrative Services Only (ASO)

- a. OGB will issue an RFP for the ASO Contract in the first three months of the year.

### 2. Pharmacy Benefits Manager (PBM)

- a. OGB will issue an RFP for its next PBM contract in the first three months of the year.
- b. The Estimating Conference and Board asked questions and discussed the plan to issue an RFP. Senator Adam Bass asked if the contract is awarded based on a scoring model or is it another board. Mr. Williams stated it is a scoring model, informing that the PBM must show they can handle this business. OGB is the largest contract with the state. In response to questions, Mr. Williams provided that OGB is looking for transparency and that there are monetary penalties for failures to meet the terms of the Contract.
  - i. Sen. Bass asked if the Board could be a part of the RFP process. Assistant Commissioner Randy Davis

discussed the procurement process and assured that the Procurement Law would be followed.

3. Fully-insured Medicare Advantage Plan
  - a. OGB is planning to release an RFP seeking Medicare Advantage Plans for its eligible members.
4. Fully-insured HMO Plan
  - a. In accordance with law, OGB plans to issue an RFP to solicit a fully-insured HMO Plan.

IX. New Business

- a. Dr. Freeman requested a set calendar for future meetings. Mr. Williams responded that OGB wants to at least set quarterly meetings, but there will need to be some in between.

X. Adjournment

- a. For the Estimating Conference, Ms. Miller made a motion to adjourn the meeting. Mr. Nichols seconded the motion. The motion was approved unanimously.
- b. For the Board, Mr. Frank Jobert made a motion to adjourn the meeting. Mr. Garrett seconded the motion. The motion was approved unanimously.

Approved by Estimating Conference:  \_\_\_\_\_

Date Approved: 2/17/25 \_\_\_\_\_

Approved by Policy and Planning Board:  \_\_\_\_\_

Date Approved: 2/17/25 \_\_\_\_\_