

Minutes from the Meetings of the Board of Trustees

July 26, 2000

CALL TO ORDER

Mr. Aubrey Temple, Chairman, called the monthly meeting of the Board of Trustees to order at 9:07 a.m.

ROLL CALL

Members Present

Mr. Russell Culotta
Dr. James Calvin
Mr. Charles Castaing
Mr. Robert Greer
Mr. James Lee
Mr. Hubert Lincecum
Mr. Richard O'Shee*
Mr. Aubrey Temple
Mr. Kelly Ward
Mr. Charles Lazare

Members Absent

Rep. Henry "Tank" Powell
Sen. Tom Schedler
Dr. Merline Broussard
Dr. Barbara Cicardo
Ms. Mary McDaniel
Mr. John Warner Smith

Roll call indicated nine (9) Board Members present, representing a quorum.

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

Deletions or Additions to the Agenda

Mr. Temple questioned if there were any deletions or additions to the July 26, 2000 agenda. A motion was made by Mr. Culotta, seconded by Mr. Greer, to amend the agenda to allow Mr. Watson Finister, President, Retired State Employees Association and Mr. Ed Reed, Director, Retired State Employees Association to address the Board.

The following is the result of a roll call vote:

YEAS

Dr. Calvin
Mr. Castaing
Mr. Culotta
Mr. Greer
Mr. Lazare
Mr. Lee
Mr. Lincecum
Mr. Ward
Mr. Temple

NAYS

With nine (9) yeas and no (0) nays, the motion was approved.

APPROVAL OF MINUTES OF JUNE 28, 2000 BOARD MEETING

The minutes of June 28, 2000 board meeting were presented for review and approval.

A motion was made by Mr. Lincecum, seconded by Mr. Greer, to accept the minutes of June 28, 2000 Board Meeting. There being no objections, the minutes were unanimously adopted.

SWEARING IN OF BOARD MEMBERS

Mr. Benoit swore in Mr. Lazare, Mr. Lee, Mr. Castaing, and Dr. Calvin.

Mr. Charles Lazare was elected to represent the employees of DHH/DSS and to complete the remaining two years of the expired initial term. Mr. James Lee was re-elected to represent the employees of DOTD for a six-year term. Mr. Charles Castaing and Dr. James Calvin were re-appointed to the Board to a six-year term.

Dr. Barbara Cicardo had been reelected to represent the employees of Higher Education for a full six-year term and she signed her Oath of Office at the Benefits & Rate Making Committee meeting on July 25, 2000.

Ms. Mary McDaniel was elected to complete the remaining two years of the initial term representing employees of elementary and secondary schools.

ELECTION OF OFFICERS FOR 2000-2001

Chairman

Mr. Lee assumed the Chair and opened the floor for nominations for the Chairman of the Board of Trustees.

A motion was made by Mr. Castaing, seconded by Mr. Greer, to nominate Mr. Aubrey Temple as Chairman of the Board of Trustees. There were no other nominations.

The following is the result of a roll call vote:

YEAS	NAYS	ABSTAINED
Dr. Calvin		Mr. Temple
Mr. Castaing		
Mr. Culotta		
Mr. Greer		
Mr. Lazare		
Mr. Lee		
Mr. Lincecum		
Mr. Ward		

With eight (8) yeas, no (0) nays, and one (1) abstention, Mr. Temple was elected as Chairman of the Board of Trustees.

Vice Chairman

Mr. Lee opened the floor for nominations for the Vice Chairman of the Board of Trustees.

A motion was made by Mr. Lee, seconded by Mr. Temple, to nominate Mr. Hubert Lincecum as Vice Chairman of the Board of Trustees. There were no other nominations.

The following is the result of a roll call vote:

YEAS	NAYS	ABSTAINED
Dr. Calvin Mr. Castaing Mr. Culotta Mr. Greer Mr. Lazare Mr. Lee Mr. Temple Mr. Ward		Mr. Lincecum

With eight (8) yeas, no (0) nays, and one (1) abstention, Mr. Lincecum was elected as Vice Chairman of the Board of Trustees.

Secretary

Mr. Lincecum assumed the Chair and opened the floor for nominations for the Secretary of the Board of Trustees.

A motion was made by Mr. Lincecum, seconded by Mr. Culotta, to nominate Mr. James Lee as Secretary of the Board of Trustees. There were no other nominations.

The following is the result of a roll call vote:

YEAS	NAYS	ABSTAINED
Dr. Calvin Mr. Castaing Mr. Culotta Mr. Greer Mr. Lazare Mr. Temple Mr. Lincecum Mr. Ward		Mr. Lee

With eight (8) yeas, no (0) nays, and one (1) abstention, Mr. Lee was elected as Secretary of the Board of Trustees.

Mr. Temple returned to the Chair.

BOARD ACTION TO ELIMINATE 90-DAY ONE COPAY DRUG BENEFIT

A motion was made by Mr. Lee, seconded by Mr. Culotta, that the board reconsider the action taken at the meeting on June 28, 2000, eliminating the 90-day dispense of maintenance medications for a single co-payment.

Following discussion, a substitute motion was made by Mr. Greer, seconded by Mr. Culotta, to change the effective date of the elimination of the 90 day 1 co-pay drug benefit from July 1, 2000 to October 1, 2000.

The following is the result of the roll call vote on the substitute motion:

YEAS	NAYS
Dr. Calvin	Mr. Castaing
Mr. Culotta	Mr. Lazare
Mr. Greer	Mr. Lee
Mr. Lincecum	Mr. Ward
Mr. Temple	

With five (5) yeas and four (4) nays, the motion failed.

Mr. Finister, President of the Retired State Employees Association and Mr. Reed who is a legislative consultant to the Retired State Employees Association spoke to the board and expressed concern on the legality of the phone in vote of Ms. McDaniel in regard to the elimination of the 90 day one co-pay drug benefit at the June 28, 2000 Board of Trustees Meeting.

The following is the result of a roll call vote on the original motion to reconsider:

YEAS	NAYS	ABSTAINED
Mr. Culotta	Mr. Castaing	Dr. Calvin
Mr. Lazare	Mr. Greer	
	Mr. Lee	
	Mr. Lincecum	
	Mr. Ward	
	Mr. Temple	

With two (2) yeas, six (6) nays and one (1) abstention, the motion failed.

Mr. Temple appointed an Ad Hoc Drug Formulary Committee with Dr. Calvin as the chairman. This Committee will review the drug program.

A motion was made by Mr. Lincecum and seconded by Mr. Culotta to eliminate attendance via conference call at board and committee meetings, with exception of vendor and contractors.

The following is the results of a roll call vote:

YEAS

Dr. Calvin
 Mr. Culotta
 Mr. Greer
 Mr. Lazare
 Mr. Lincecum
 Mr. Temple

NAYS

Mr. Castaing
 Mr. Lee
 Mr. Ward

With six (6) yeas and three (3) nays, the motion failed.

Mr. Tommy Benoit advised the board that when a board member is absent from three (3) consecutive board and committee meetings, the board member was automatically removed from the Board of Trustees.

A motion was made by Mr. Lincecum, seconded by Mr. Culotta, that participation via conference telephone call does not constitute presence at the board meeting or committee meeting.

The following is the result of a roll call vote:

YEAS

Dr. Calvin
 Mr. Culotta
 Mr. Greer
 Mr. Lincecum
 Mr. Temple

NAYS

Mr. Lee
 Mr. Ward

ABSTAINED

Mr. Castaing
 Mr. Lazare

With five (5) yeas, two (2) nays and two (2) abstention, the motion failed.

A motion was made by Mr. Lincecum, seconded by Mr. Lee, to allow Senator Clo Fontenot to speak to the board. There being no objection, the motion was approved.

Senator Clo Fontenot spoke to the board and expressed concern on the legality of the vote on the elimination of the 90 day one co-pay drug benefit.

A motion was made by Mr. Lincecum, seconded by Mr. O'Shee, to request an opinion from the Attorney General's Office regarding participation by Board members via conference telephone call and whether that complies with the Open Meetings Law.

Following is the result of a roll call vote:

YEAS

Dr. Calvin
 Mr. Culotta
 Mr. Greer
 Mr. Lazare
 Mr. Lee
 Mr. Lincecum
 Mr. Ward

NAYS

Mr. Castaing

Mr. Temple

With eight (8) yeas and one (1) nay, the motion passed.

CEO/COO REPORT

Employee of the Month

Mr. Wall announced that Mr. Vincent Randolph was selected as June Employee of the Month. Mr. Randolph is employed in the IS Section, and has been with the agency over seven years. He is a great asset to the Help Desk and assists with overseeing the smooth operation of computers in the agency. Mr. Wall stated that Mr. Randolph is greatly appreciated for his efforts.

Operations/ACD Report on Telephone Calls

Mr. Wall reported that the program was consistent with previous months in regard to the handling of high volume calls.

Financial Report

Mr. Bruce Minor, Fiscal Director, presented the financial report as follows:

- mail receipt was 213,000 for the month which indicated the volume of claims;
- claims over 30 days old are within a tolerable and acceptable range;
- claims entry was at 7,900 (last year 31,000 claims entry);
- total claims processed during June were 68,000, compared to previous month 44,000;
- claims entered by CBE 206,000; previous month 204,000 (72,000 last year);
- claims processed and completed were 91,000 in June, prior month 101,000 (last year 103,000);
- claims expense, medical benefits paid \$28.6 million, prior month \$28.7 million, (last year \$19 million);
- total claims expenses \$39 million in June, prior month \$38.9 million, (last year \$24 million).
- We have experienced about a 33% increase in membership.

Legal Report

Mr. Wall presented the Legal Report for review.

CIO Report

General Comments

Mr. Thommy Boesch, CIO, reported that ScanOptics (imaging systems) is in effect. It was being used to process all of HCFA claims which are approximately 80% of the incoming mail. Mr. Boesch complimented the CASSS Section, which is the data entry section, for performing a great job with assisting the IS Section.

Mr. Boesch announced that SEGBP is alive with electronic claims. Accepting claims electronically takes pressure off the data entry staff and both products have been working well. The outsourcing of the check and vouchers has been awarded to Advance Business Forms of St. Louis, MN., which is a business partner of our adjudication systems RIMS. He stated that SEGBP is in the process of contracting with that firm and anticipated less than a 60 day implementation phase.

Mr. Wall requested that once the contract for the checks and voucher system was finalized, the Claims Committee would meet with the implementation group.

COMMITTEE REPORTS

Benefits and Rate Making Committee

Mr. Greer reported that there was not a quorum present at the May 30, 2000 meeting. There were no recommendations made to the Board. The Benefit and Rate Making Committee met on July 25, 2000 and discussed the benefits for next year. The Committee will be refining benefits in August and September and refer back to the Board with recommendations at a later date.

Internal Audit and Finance Committee

Mr. Lee presented a report on the Internal Audit & Finance Committee meeting of July 25, 2000. Discussions were made in regard to retroactive HMO adjustments to payments made to HMO vendors. The Committee heard from Ochsner Health Plan on problems that they were having with agencies and departments which participated in the program not clearing the terminated employees from their invoice to Ochsner. The Committee agreed with Ochsner's recommendation that SEGBP place an administrative rule requiring all agencies to make appropriate adjustments to their vouchers no later than the second invoice following the date of the termination of the employee. A motion was made by Mr. Lee, seconded by Mr. Lincecum to allow SEGBP to place an administrative rule requiring all agencies to make appropriate adjustments to their voucher no later than the second invoice following the date of the termination of the employee. There being no opposition, the motion passed.

NEW BUSINESS

Mr. Kip Wall presented an informational item for the Board Members to review. A memorandum dated June 29, 2000 on pharmaceutical benefits covered a report from Segal on government employees and prescription prices. Mr. Wall requested that the board members read the information because it summarized a lot of the information that they needed to be aware of.

OLD BUSINESS

90 Day One Copay Drug Benefit

Following discussion, a motion was made by Mr. Culotta, seconded by Mr. Lincecum, that the action of the board at the June 28, 2000 meeting to eliminate the 90 day one co-pay drug benefits effective July 1, 2000, be rescinded and that the

elimination of the 90 day one co-pay drug benefit be made effective October 1, 2000.

Following is the result of a roll call vote:

YEAS

Dr. Calvin
Mr. Castaing
Mr. Culotta
Mr. Greer
Mr. Lee
Mr. Lincecum
Mr. Ward
Mr. Temple

NAYS

Mr. Lazare

With eight (8) yeas and one (1) nay, the motion passed.

RFP's

Mr. Wall reported that the RFP for the Pharmaceutical Benefit Management (PBM) would be mailed out on Monday, July 31, 2000. The Life and Health RFP was at the Office of State Purchasing. It had been at the Office of State Purchasing for approximately 6 weeks.

Mail Order Drugs

Mr. Ward requested that SEGBP staff review the alternative of the mail order drug cost savings for the chronically ill members.

COMMENTS

Mr. Temple thanked everyone from the audience that attended the Board meeting. He stated that he would like to see the same concern voiced in regard to discussions of the finances of the program and the budget process.

ADJOURN

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