

Minutes from the Meetings of the Board of Trustees

June 28, 2000

CALL TO ORDER

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

ROLL CALL

Members Present	Members Absent
Dr. Merline Broussard	Dr. James Calvin
Dr. Barbara Cicardo	Mr. Russell Culotta
Mr. Charles Castaing	Mr. Robert Greer
Mr. James Lee	Mr. David Hood
Mr. Hubert Lincecum	Sen. Tom Schedler
Ms. Mary McDaniel*	Mr. Kelly Ward
Mr. Richard O'Shee**	
Rep. Henry "Tank" Powell	
Mr. John Warner Smith***	
Mr. Aubrey Temple	

Roll Call indicated eight (8) voting members present, representing a quorum.

*Ms. McDaniel participated through telephone conference call subsequent to Mr. Smith's departure.

**Mr. O'Shee is the designee of the Commissioner of Insurance and a non-voting member.

***Mr. Smith was present at roll call, but left the meeting early.

APPROVAL OF THE MINUTES OF MAY 31, 2000

The minutes of May 31, 2000 meeting were presented for review and approval.

Dr. Cicardo asked that the minutes of May 31, 2000 reflect that there was a discussion of how ballots were being distributed, and that Mr. Lincecum, Vice Chairman, presiding in the absence of the Chairman, stated that the ballots would be mailed, in accordance with the prior directive of the Board, unless a motion was made to change the distribution method. No motion to change the distribution method was made.

A motion was made by Dr. Cicardo, with a second by Dr. Broussard, to accept the minutes of the May 31, 2000 Board Meeting as amended. There being no objections, the minutes were unanimously approved as amended.

CEO/CIO REPORT

Employee of the Month

Mr. Wall introduced to the Board the June Employee of the Month, Mr. Kenny Chauvin. Mr. Chauvin has been employed with SEGBP for over 8 years. He is responsible for the warehouse, property, and supplies. Mr. Wall presented Mr. Chauvin with the Employee of the Month plaque and thanks for a job well done.

Eligibility and Claims Statistics, May 2000

Mr. Wall presented the Board with a new report to the Board with detailed information regarding this program, claims developments, enrollment numbers and other financial data. Mr. Wall will present this report to the Board monthly. It will include information on:

- Key indicators, executive summary
- FYTD comparative claims
- Plan participation by zip code
- Indemnity & HMO age/sex/coverage census
- FYTD claims activity by benefit type
- FYTD claims analysis by classification
- FYTD claims turnaround time report
- FYTD coverage analysis report

Mr. Wall discussed the number of claims payments sent out and the monthly call report. Over 40,000 calls were answered with an average wait time of 2:06 minutes.

Financial Report

Mr. Minor presented the financial report. He stated through May 31, 2000, the agency has lost over \$9 million this year. Mr. Minor stated when the budget was projected and rates were set for 1999-2000, a \$10 million surplus was expected. He reported that the fund deficit at the end of June could be as high as \$75 to \$80 million. Mr. Wall stated rates were increased by 12.5% for 2000-01. Mr. Wall stated he recommended to the Benefits and Rate Making Committee yesterday that we eliminate the 90-day supply of drugs for one co-pay drug benefit. This would save about \$12.5 million in a one year period and carry the Program through 2000-01 without an additional premium increase.

Mr. O'Shee stated that when premiums are raised in mid-year, most state agencies are not financially able to handle the expense. Mr. O'Shee stated the Committee recommended doing away with the 90-day supply of drugs for one co-pay drug benefit, but he recommends allowing diabetics to purchase their medication along with supplies needed for the month for one co-payment. He feels this benefit will allow diabetics to manage and monitor their medical problem.

Mr. Wall discussed premiums paid versus benefits paid and pointed out that benefits paid for the two-party active classification was more than \$20 million in excess of the collected premiums from these employees. He feels we need to look at this population and put programs in place to manage the diseases and conditions they suffer.

Mr. O'Shee discussed that changing the program to one in which the State pays 100% of the premiums for the employee and the employee pays for dependents may bring in younger, healthier members. Mr. Wall and Mr. Minor stated they have been working on the fiscal impact of this.

Mr. Temple said we need to look at these options and notify the governor of any legislative changes needed.

Dr. Cicardo suggested that a uniform fee schedule and standardized contracts for the whole state might save money.

Mr. Temple announced the Mr. Smith has left the meeting and there is no longer a quorum for voting purposes.

Mr. Wall stated that he would present a proposal to the legislature to set aside the \$80 million deficit until the program stabilizes.

Mr. O'Shee stated that right now the employees are paying 50% of the premiums for this program. They are paying co-payments and coinsurance amounts toward the cost of the program. This means the employees and participants are paying the majority of the program so they have to have a large voice in the program.

LEGISLATIVE BILLS

Mr. Wall presented information on bills presented to the legislature:

- concurrent study on statutory exemptions and exceptions to SEGBP,
- an act regarding rating classifications for the SEGBP,
- concurrent resolution that SEGBP adopt actuarially certified premium rates for operation, and
- a resolution that the House and Senate Committees on Health and Welfare act and function as a joint committee to study the delivery and cost of health care services in the state of Louisiana.

CIO REPORT

Mr. Boesch reported on the progress of implementing an imaging system that will significantly re-engineer the process of getting data into the system. It is scheduled to go on-line by July 10. A recommendation has been made for awarding of the bid for the check/voucher system. The recommendation is being reviewed at state purchasing. The IS staff has replaced the uninterruptible power supply for the computer systems. There is a written plan for back-ups due to emergencies such as hurricanes.

COMMITTEE REPORTS

Without a quorum, the committee reports were deferred. Ms. Mary McDaniel joined the meeting via conference telephone call.

OLD BUSINESS

The Board discussed mail order prescriptions. Mr. Wall stated there is a mail order prescription service in effect and about 3 percent of the members use it. Mr. Temple asked for a fiscal impact on mail order prescriptions. Merck Medco will prepare information for the July meeting.

UM Contract (from the Internal Audit/Finance Committee)

Mr. Benoit presented the report and recommendation of the evaluation committee for the Utilization Management RFP. The selection committee recommends awarding the contract to National Health Services of Louisville, Kentucky, which received the highest overall score based upon the evaluation of criteria set forth in the RFP.

A motion was made by Mr. Lincecum, with a second by Mr. Lee, to award the UM contract to National Health Services. There being no objection, the motion was unanimously adopted.

90 Day Maintenance Prescriptions (from the Benefits and Rate Making Committee)

Mr. Castaing made a motion, with a second by Mr. Lincecum, to eliminate the 90-day maintenance prescriptions for one co-pay effective July 1, 2000. Discussion followed.

Mr. O'Shee offered a substitute motion to eliminate the 90 day maintenance for one co-pay at both retail and mail order, but allow a standard 34 day supply with a single co-pay for members with diabetes so that diabetics will be able to purchase medications (insulin and oral diabetic agents) together with maintenance supplies on a monthly basis for a single co-pay. Mr. Lee seconded this motion. The following is a result of a roll call vote:

YEAS

Dr. Broussard
Mr. Castaing
Dr. Cicardo
Mr. Lee
Mr. Lincecum
Ms. McDaniel
Rep. Powell
Mr. Temple

NAYS

There being no objection, the motion passed.

NEW BUSINESS

Mr. Wall discussed new options of the Plan of Benefits for 2001-02. He will present more details of this plan to the Board in July.

Dr. Broussard asked that Merck Medco present to the Board at the July meeting information on how many people are diabetics and how many are on maintenance medication.

Mr. Wall asked the Board to authorize him to send a resolution to the Attorney General to expedite an opinion request regarding provider contracting. A motion was made by Dr. Cicardo, with a second by Mr. Lee to authorize the resolution. There being no objection, the motion passed.

ADJOURN

There being no further discussion, a motion was made by Mr. Castaing, with a second by Mr. Lee, to adjourn. With no opposition, the motion was unanimously adopted.