

Minutes from the Meetings of the Board of Trustees

May 31, 2000

CALL TO ORDER

Mr. Hubert Lincecum, Vice Chairman, called the monthly meeting of the Board of Trustees to order.

ROLL CALL

Members Present

Dr. Merline Broussard
Dr. James Calvin
Mr. Charles Castaing
Dr. Barbara Cicardo
Mr. Robert Greer
Mr. James Lee*
Mr. Hubert Lincecum
Ms. Mary McDaniel
Mr. Richard O'Shee*
Mr. John Warner Smith*
Mr. Aubrey Temple*
Mr. Kelly Ward

Members Absent

Mr. Russell Culotta
Mr. David Hood
Representative Tank Powell
Senator Tom Schedler

Roll call indicated eight (8) Board Members present, representing a quorum.

*Mr. James Lee, Mr. Richard O'Shee, Mr. John Warner Smith, and Mr. Aubrey Temple arrived after roll call.

APPROVAL OF MINUTES OF MAY 31, 2000 BOARD MEETING

The minutes of April 26, 2000 meeting were presented for review and approval.

A motion was made by Mr. Castaing, seconded by Dr. Calvin, to accept the minutes of April 26, 2000 Board Meeting. There being no objections, the minutes were unanimously adopted.

EXECUTIVE SESSION

A motion was made by Mr. Castaing, seconded by Ms. McDaniel, to go into executive session to discuss pending litigation.

Without objection, the motion was approved and the Board convened in Executive Session. Upon reconvening in open session, Mr. Lincecum indicated that discussion was limited to pending litigation and that the Board took no action during the executive session.

CEO/COO REPORT

Employee of the Month

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

PPO Comparison Report

Mr. Wall stated that the PPO comparison report was presented for review.

Operations/ACD Report on Telephone Calls

Mr. Wall reported the call delay time in the past week was as low as one (1) minute and 27 seconds. The goal is to get to one minute. This is due in part to the Verifax system that allows physicians and hospitals to call in and get confirmation of eligibility and check on claims status.

Financial Report

We are paying at least \$30 million of claims again this month. We receive approximately 10,000 claims per day as opposed to 6,500 claims this time last year. The reason for this is that we have at least 20,000 more plan members at this time. Mr. Wall stated that excessive drug costs attribute to higher claims payments. AON has reported that the EPO is saving money; we are collecting more in premiums from the EPO members than we are paying in claims. The EPO attracted younger, healthier members who had higher utilization than projected.

The financial report was presented for review. Mr. Wall predicted a \$15 million deficit this year due to the number of claims. Mr. Wall discussed enrollees with health care by regions and the number of plan members.

Legal Report

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

CIO Report

General Comments

Mr. Thommy Boesch, CIO, reported that the new scanning system is approximately 45 days from being operational. Data has been reviewed and tested on the system and good installation of the system is expected. Test claims have been run through the EDI system and providers have been selected to participate in a pilot program to pay them live. We are looking to get them on-line in June. After 30 days of successful testing, we will fully implement processing all claims through EDI.

COMMITTEE REPORTS

Provider Compensation Committee

Mr. Lee, Acting Chairman, reported that no action was taken by this Committee.

Benefits Committee

Mr. Greer reported on the meeting of May 5, 2000 wherein the Committee discussed and approved the Our Lady of Lourdes Wellness Program. Our Lady of Lourdes will present a letter of agreement to the CEO. At the May 30, 2000 meeting, the Committee discussed the payment of certain vitamins for specific diseases; consideration of HMO/COB rules; neonatal screening, and obesity medication. The Committee agreed that a fiscal impact statement would be necessary before any changes could be made to the plan of benefits. The Committee agreed to hold all requests for plan changes to review once a year for recommendations for the following year. The Committee also decided that plan members who request changes should be notified by letter that the committee would review these requests once a year.

Grievance Committee

Mr. Lincecum presented the Grievance Committee report and stated the committee acted on appeals presented from plan members on May 30, 2000.

Internal Audit and Finance Committee

Mr. Lee gave a report on the Committee meeting of May 26, 2000. The committee reviewed the financial statement and discussed payroll operations and internal audit reports.

Mr. Wall stated we were projected to have a ten million dollar cash balance at the end of this year and now we anticipate a 10 to 15 million dollar deficit this year. Our unfunded liability is expected to increase from 38 million dollars to 70 to 80 million dollars.

NEW BUSINESS

Flexible Benefits Plan Modification

Mr. Ray Harrison, Flexible Benefits Plan Administrator, recommended a modification to the Flexible Benefits Plan to allow members to make family status changes at any time within the year. Currently, plan members have 30 days to report family status changes. Mr. Harrison suggested changing the language of Section 4.05 (b) of the Flexible Benefits Plan. There being no objection, the Board approved this change.

Life Insurance

Mr. Wall reviewed the CNA renewal plan for life insurance. There being no objection, the Board approved continuing this coverage.

Family Medical Leave Act

Mr. Wall explained the need to make an amendment to the plan document to require participating agencies to pay both employer's share and employee's share of medical insurance of an employee who is on family leave or leave without pay. Mr. Lincecum explained that the agency recovers this cost when the employee returns to work after family leave or leave without pay. Mr. Ward moved to table this motion to get further information on whose responsibility this is. The motion died for lack of a second. Mr. Castaing made a motion to adopt this change, with a second by Mr. Smith. There being only one objection, Mr. Ward, the motion was adopted.

Old Business

LSU Letter (election for Higher Education - ballots distribution)

Mr. Wall reported that the nominations were re-held to include the VoTech schools. LSU requested distributing the ballots through the HR offices. Dr. Cicardo expressed concern about distribution of the ballots other than by mail.

Plan Member Survey

Mr. Wall presented information from the plan member survey and stated he felt the agency as a whole fared very well.

EPO/PPO Woman's Hospital

Mr. Wall announced that Woman's Hospital signed the EPO and PPO contracts for next year.

Pro Pharma Report (Merck-Medco audit results)

Dr. Craig Stern presented the results of the recent audit and made several recommendations for cutting drug costs. Mr. O'Shee made a motion to remove the coverage of DESI Drugs, which are drugs that are no longer considered safe or effective by the FDA. Mr. O'Shee changed his motion to refer this issue to the

Benefits Committee. Mr. Ward seconded. There being no objection, the motion was adopted.

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.