MINUTES

POLICY AND PLANNING BOARD MEETING
OFFICE OF GROUP BENEFITS

December 12, 2001

CALL TO ORDER

Mr. Aubrey Temple, chairman called the meeting of the Policy and Planning Board to order.

ROLL CALL

Members Present	**Members Absent**
Dr. Merline Broussard	Dr. Barbara Cicardo
Dr. James Calvin	Mr. Richard O'Shee*
Mr. Charles Castaing	Mr. John Warner Smith
Mr. Russell Culotta	
Mr. Robert Greer	
Mr. Charles Lazare	
Mr. Hubert Lincecum	
Mr. James Lee	
Representative Tank Powell	
Senator Tom Schedler**	
Mr. Jackie Self	
Mr. Kelly Ward	
Mr. Aubrey Temple	

Roll call indicated twelve board members present, representing a quorum.

*Ms. Pamela Bollinger represented the Commissioner of Insurance.

** Sen. Schedler arrived after roll call.

APPROVAL OF MINUTES OF OCTOBER 17, 2001 BOARD MEETING

The minutes of the October 17, 2001 board meeting were presented for approval.

A motion was made by Mr. Lincecum, seconded by Mr. Castaing, to accept the minutes as presented. There being no objection the minutes were approved.

FY 2002 - 2003 PLAN OF BENEFITS

Mr. Wall presented and reviewed the report to be submitted to the House Appropriations Committee and the Senate Finance Committee from the Office of Group Benefits Policy and Planning Board on the Fiscal year 2002-03 Plan of Benefits:

Pursuant to LSA-R.S. 42:881 the Office of Group Benefits (OGB) Policy and Planning Board (the "Board") is charged with the responsibility of submitting an annual report to the appropriate legislative oversight committees concerning the plan of benefits proposed by OGB. This report is submitted as specified by statute.

During the regularly scheduled meeting of the Board on July 25, 2001, the chief executive officer of OGB advised that modifications to the plan of benefits would be submitted to the Board in August and requested that the Board submit suggestions or recommendations for consideration. The Benefits Committee of the Board met on August 8, 2001 to receive and review modification recommendations. The Board met on October 17, 2001 to review the recommendations of the Benefits Committee.

The Board has considered the recommended modifications for Fiscal Year 2002-03 and recommends them as appropriate and necessary to maintain operation of the program on a fiscally responsible basis. The Board understands that health care rates are increasing at double-digit rates for the foreseeable future. In the current environment, OGB and other employers face a significant challenge in maintaining viable benefit programs at affordable cost.

Options considered by the Board and pertinent comments are provided below.

Plan Options

- **Continue to offer the Exclusive Provider Organization (EPO) in regions in which cost-effective rates can be negotiated. In light of increasing costs, it is recommended that a $300 deductible be implemented for all EPO services other than physician office visits. Projections indicate that failing to institute minimal cost controls will result in reduced affordability for current participants.**
- **The benefit structure for the Preferred Provider Organization (PPO) will not be modified this year. It is acknowledged that changes on the prescription drug program for the PPO will likely be necessary for fiscal year 2003-04.**
- **OGB management has informed the Board of its efforts to develop a low cost option for state employees. Such an option would provide limited benefits in order to achieve lower premium rates. The Board supports such an effort in concept, but reserves the right to review and comment on any proposed low -cost option plans.**
- **For the fiscal 2002-03 plan year, OGB will fully implement a four - tier premium structure. The Board recognizes that such a plan will increase costs for some plan members, however, the net effect will result in a more equitable alignment of costs incurred in relation to premiums paid.**

- **OGB is in the process of reviewing responses to a request for proposals seeking administrative services for the establishment of a Medical Flexible Spending Account. The Board supports this effort and believes that such an account will benefit OGB participants by allowing for the establishment of tax deferred funds for the payment of medical expenses.**
- **The Board has been advised that a committee of OGB stakeholders has been established to develop proposals for soliciting dental and vision benefits for state employees. The Board supports this initiative. Utilizing the purchasing power of the OGB participant group to secure lower costs for vision and dental services is in the best interest of plan participants.**
- **For fiscal year 2001-02, OGB solicited proposals for a fully - insured life insurance program for state employees. The Board recommends that OGB establish a committee to review the contract that has been issued to Prudential Life Insurance Company. The committee should seek to determine if modifications could be made to the contract that would be in the best interest of plan participants.**
- **Previously, the Board has recommended that surgical treatments for the condition of morbid obesity be treated as a covered benefit. The Board recommends that this issue continue to be reviewed and considered in light of developing research in this area of health care.**
- **The Board has been informed that certain plan participants who retired from the military are eligible for the Tricare health benefit program. The Board recommends that plan participants be permitted to withdraw from participation in OGB in order to enroll in the Tricare program. It is further recommended that provisions be adopted to permit plan members who join the Tricare program to enroll in OGB, in the future, in the event of a significant reduction in benefits offered through the Tricare program.**
- **The Board recommends that coverage for the treatment of services resulting from suicide attempts be included in the plan of benefits. The Board feels that such treatments are appropriate and will not result in a significant increase in cost to the plan. Furthermore, Federal statutes support extending such services.**

  Dr. Calvin requested that language be added to clarify that medical treatment services are covered in addition to benefits provided under the mental health and substance abuse coverage.

- **OGB management has recommended that the period in which to file a claim be established as a maximum of 12 months from the initial date of service. Currently, plan members and providers can file claims for a period of up to six months after the end of the plan year. Plan members have as long as 18 months to file a claim or as little as six months depending on the date of service. The Board recommends a consistent 12 month period in which to file claims.**

A motion was made by Mr. Lincecum, seconded by Mr. Lee, to adopt the report with Dr. Calvin's suggestions of clarifying the language to the attempted suicide benefit. There being no objection, the report was adopted.

Mr. Lincecum requested that a signature page be prepared so that the Board members present could sign it. Mr. Wall stated that he would make the changes requested by Dr. Calvin and send the report out to all of the Board members for their approval.

RFP UPDATES

Mr. Wall provided information on the Requests for Proposals (RFPs) that the program has issued. He stated that the program has issued a Notice of Intent to Contract (NIC) to provide EPO services in the Baton Rouge region for the upcoming year. This is an experiment. The plan, on a limited basis for next year, is to look for an administered program in the Baton Rouge region for the EPO. The NIC ask for two options; Fully Insured basis or an Administrative Services Only (ASO) basis. The proposals are due in early January 2002. Ten companies have indicated a preliminary interest in this process.
Mr. Wall stated that a Fraud and Abuse Detection and Prevention RFP has been issued. The proposals are due January 11, 2002.
Mr. Wall stated that three responses were submitted to OGB for the Mental Health and Substance Abuse RFP. The proposals have been evaluated and that Magellan has been awarded the contract.
Mr. Wall stated that the program has prepared and will mail out a Request for Information (RFI) for Disease Management. The purpose of this RFI is to solicit information so that the program can draft a comprehensive RFP for these services.

CEO REPORT

Employee of the Month

Mr. Wall introduced Ms. Tammara Holt, September 2001, Employee of the Month. Ms. Holt is a Customer Service Representative in our Lake Charles Office and has been employed with OGB for more than 4 years. Mr. Wall presented Ms. Holt with the 2001 September Employee of the Month plaque and thanked her for her efforts and contribution to the agency.
Mr. Wall introduced Ms. Carolyn Wilford, August 2001, Employee of the Month. Ms. Wilford is the Manager of the Eligibility Division of OGB. She is responsible for the annual enrollment process each year as well as many other responsibilities. Mr. Wilford has been with OGB since 1975, the longest active employee currently employed with OGB. Mr. Wall presented Ms. Wilford with the 2001 August Employee of the Month plaque and thanked her for her efforts and contribution to the agency.

Provider Contract Status Report/Operations - ACD Telephone Calls/Key Indicators - Where Does the Money Go?/Legal Report

The Provider Contract Status Report was presented for review.

Mr. Wall presented the report "Where Does the Money Go?" an overview of claims expenses. He reported on the Schedule for Revenues and Expenses for July 2001. Total Revenues - $60,452,359; total expenses - $60,655,033; and pended claims at November 30, 2001 - $0,00. The coverage analysis report indicates the breakdown of expenses for medical claims. The program is currently paying claims as they are adjudicated, which is approximately 20 days.
The Operations - ACD Telephone Calls Report, Key Indicators Report and the Legal Report were presented for review.

OLD BUSINESS

Dr. Calvin suggested that a survey be done of the plan members to determine how many members would be considering having surgery done for morbid obesity. Mr. Wall stated that currently the program does not collect any kind of data that could determine who would be considering surgery for morbid obesity. Dr. Calvin suggested that the program put some information in the quarterly newsletter for plan members to contact OGB if they would be interested in this benefit. Mr. Ward suggested that the members who contact OGB concerning surgery for morbid obesity should be asked if a case management study could be done of their case. This would study the cost of treating them for illnesses that are caused by being morbidly obese versus the cost of the surgery.

Dr. Calvin reported that he received a letter from a plan member asking why AdvancePCS would not allow him to purchase a 90-day supply of maintenance drugs for three copays. Mr. Wall stated that plan members are not allowed currently to purchase a 90-day supply of maintenance drugs for three copays, but that the program is reviewing this issue and hopes to allow this in the near future. Dr. Calvin strongly requested that plan members with chronic pain be allowed to purchase a 90-day supply of maintenance drugs for three copays.

Mr. Lazare stated that he has received many complaints that plan members are not being charged the amount for their prescriptions. Mr. Wall stated that he is aware of some issues with the payment of prescriptions and the program is working with AdvancePCS to correct the problem.

Dr. Broussard that there is a problem with providers for submitting incorrect code for services rendered for plan members. OGB cannot pay a claim with incorrect coding. When the provider is notified to correct to coding so that the claim could be made, they do not and then bill the plan member. Or another provider waits after the 12 month period to submit the claim to OGB and then the claim is denied due to late filing and the plan member is billed. Mr. Wall stated that this has been a problem for OGB, but that currently there is no solution for the incorrect coding. To address the provider filing issue, the program could review contractual language to prevent collection of payments after a 12 month period. Mr. Lincecum stated that when providers file incorrect codes and the plan members contact the program's customer service representatives, they contact the provider and ask that they refile with the correct coding so that the claim can be paid. He is not aware of any provider that has refused to change coding to have the claim paid.

Vesting Requirement

Mr. Wall provided information on the vesting requirement. He stated that approximately 2,000 new plan members have enrolled as a result of the new employee vesting requirement. This was much lower than was anticipated. There are at least two circumstances that employees that are covered under spousal plans and did not enroll during the allowed period and have been notified by their spouses insurance carrier that they will not be covered and they know want to enroll in OGB which is too late to be grandfathered in. Mr. Wall stated that he anticipates that legislation could be filed to allow some employees to enroll.

Mr. Ward complemented the OGB staff for the coverage of information supplied to all agencies well in advance of this new requirement to allow employees to make an informed decision as to enrolling in OGB.

Grievance Committee

Mr. Culotta asked if there still a Grievance Committee now that the Board responsibilities have changed. Mr. Wall stated that the program no longer has a Grievance Committee made of members of the Board. Mr. Wall explained that when an appeal is filed that it is handled by an internal Claims Committee made of staff personnel and a determination is made in the Claims Committee.

Multi-State PBM

Mr. Lincecum reported on the status of the Multi-State Prescription Benefits Manager (PBM). The Multi-State PBM would combine the buying power of several states to receive a better cost for their prescription drugs. Several states have issued a Multi-State PBM RFP. A mandatory bidders conference was held in West Virginia on November 7, 2001. Proposals have been submitted and the grading process will begin in the next month. Louisiana is one of the states involved in the process but that they are not obligated to participate through the complete process. If the State finds that there is a substantial savings they would consider participating.

NEW BUSINESS

Dr. Broussard requested that the Board consider reviewing the requirement that plan members who are on Medicare and become ill and hospitalized must pay $700 up front and are required to pay an additional $50 per day for 5 days inpatient cost. Dr. Broussard request that the $50 per day for 5 days cost be eliminated for plan members on Medicare.

Dr. Broussard requested the Board's consent and Mr. Wall's support to recommend and follow through with the implementation of a plan for plan members who are on Medicare: that the $300 deductible and the $50 per day for 5 days inpatient cost be eliminated for them. Mr. Wall stated that unless the program receives additional funds the cost would be apportioned back to the plan members; they would see an increase in their premiums to cover the cost. Mr. Lincecum requested that the actuary review removing that the $300 deductible and the $50 per day for 5 days inpatient cost that is covered by Medicare. Mr. Culotta requested that this issue be referred to the Benefits Committee and the Benefits Committee can give the Board a recommendation.

Mr. Lee asked how many plan members have had their mental health benefits discontinued because they have exhausted their benefits. Mr. Wall stated that Representative James Donelon adopted the benefits offered by this program for statewide standards in legislation a couple of years ago. He stated that the Program would have the staff research the surrounding states and see what they provide their employees and compare it to what the program currently has.

Mr. Wall stated for informational purposes that Milliman USA has been re-engaged as the program's actuary. In October 2001 Mr. Nicholas Simmons notified the program that he would no longer continue his employment with Arthur Andersen and at that time they had no one else in their organization that had worked with OGB or had any substantial knowledge of the OGB program and the contract with Arthur Andersen was terminated.

ADJOURN

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