

Minutes from the Meetings of the Board of Trustees

June 27, 2001

CALL TO ORDER

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

ROLL CALL

Members Present

Mr. Charles Castaing
Mr. Russell Culotta
Mr. Robert Greer
Mr. Charles Lazare
Mr. James Lee
Mr. Hubert Lincecum
Mr. Richard O'Shee
Rep. Tank Powell
Senator Tom Schedler*
Mr. Jackie Self
Mr. Kelly Ward*
Mr. Aubrey Temple

Members Absent

Dr. Merline Broussard
Dr. James Calvin
Dr. Barbara Cicardo
Mr. John Warner
Smith

Roll call indicated twelve (12) Board Members present, representing a quorum.

*Mr. Ward and Sen. Schedler arrived after roll call.

APPROVAL OF MINUTES OF THE MAY 23, 2001 MEETING

The minutes of May 23, 2001 meeting were presented for review and approval.

A motion was made by Mr. Lincecum, seconded by Mr. Lee, to accept the minutes of the May 23, 2001 meeting. There being no objections, the minutes were approved.

SWEARING IN OF MR. JACKIE SELF

Mr. Jackie Self was sworn in as board member to the seat vacated by Ms. Mary McDaniel, which represents teachers and other employees of elementary and secondary schools.

CEO REPORT

Employee of the Month

Mr. Wall introduced Ms. Elaine Tullier, April 2001, Employee of the Month. Ms. Tullier has been employed with SEGBP for more than 4 years as a Marketing Representative

for the Flexible Benefits Plan. Mr. Wall presented Ms. Tullier with the 2001 April 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 stated that the Program currently does not have a PPO or EPO contract with Our Lady of the Lake, but staff is currently communicating with them. He stated that there is a PPO contract with Woman's Hospital, but no EPO contract.

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 May 2001. Total Revenues - \$53,143,033; total expenses - \$80,996,829; and pended claims at May 31, 2001 - \$0. The coverage analysis report indicates the breakdown of expenses for medical claims.

The Operations - ACD Telephone Calls Report, Key Indicators Report, and the Legal Report were presented for review.

COMMITTEE REPORTS

Grievance Committee

Mr. Lincecum reported on the May 29, 2001 Grievance Committee Meeting. The Committee considered six plan member appeals, and one agency appeal from the imposition of a penalty for late payment of a premium and 51 decisions of the Administrative Claims Committee.

A motion was made by Mr. Lincecum, seconded by Mr. Culotta, to accept the report of the May 27, 2001 Grievance Committee Meeting, there being no objections the report was accepted as read.

Mr. Culotta reported on the June 21, 2001 Grievance Committee Meeting. The Committee considered four plan member appeals, one agency appeal from the imposition of a penalty for late payment of premiums, and 33 decisions of the Administrative Claims Committee.

A motion was made by Mr. Culotta, seconded by Mr. Lee, to accept the report of the June 21, 2001 Grievance Committee meeting, there being no objections the report was accepted as read.

OLD BUSINESS

HB 1492

Mr. Wall provided the Board with a copy of House Bill 1492 Enrolled for informational purposes.

Drug Benefit Changes

Mr. Wall advised the Board that the Division of Administration had secured funding to modify the 50-50 co-insurance drug benefit. Mr. Wall stated that changes would be as followed:

- The co-insurance maximum would be reduced from \$50 to \$40 per prescription.
- After a plan member reaches \$500 in out-of-pocket pharmaceutical expenses between July 1, 2001 and December 31, 2001, the plan member will be charged a \$15 copay for each brand name drug purchase and there will be no co-payment for generic drug purchases.
- On and after January 1, 2002, plan members will be required to expend \$1,000 each year before receiving brand name drugs for \$15 copay and generic drugs for no copay.

Mr. Wall stated that this would help the sickest and most chronically ill patients pay their pharmaceutical expenses. He estimated the change will cost an additional \$28 million. Rep. Powell voiced objection to spending an additional \$28 million that the drug benefit changes would incur. He asked how the program could justify charging no copay for generic drugs. Mr. Wall stated that this would prompt plan members to chose generic over name brand drugs when they have a choice. This would be cost savings to the program if more plan members start using generic drugs. Rep. Powell stated that charging \$15 cost for name brand would not be enough difference to make plan members choose generic over name brand drugs.

Mr. Benoit advised that Advance PCS, the new pharmacy benefits manager, would be able to implement this drug benefit change effective July 1, 2001.

A motion was made by Mr. Culotta, seconded Mr. Lincecum, to approve the drug benefit changes presented to the Board by Mr. Wall.

YEAS

Mr. Russell Culotta
Mr. Robert Greer
Mr. Charles Lazare
Mr. James Lee
Mr. Hubert Lincecum
Senator Tom Schedler*
Mr. Jackie Self
Mr. Kelly Ward
Mr. Aubrey Temple

NAYS

Rep. Tank Powell

ABSTAINED

Mr. Charles Castaing

With nine (9) yeas, one (1) nay, and one (1) abstention, the motion passed.

Mr. Ward stated that he had received request from plan members questioning if their providers were billing them correctly. He encouraged the plan members to send him a copy of the bill so that he could provide it to the staff to audit the bills. Mr. Ward stated that as an advisory board that they should be briefed on the methods that the program utilizes to detect fraud by providers.

Mr. Wall stated that a new EOB format will be implemented in the near future which should be easier for the plan members to understand, as well as a new program that will allow checks and vouchers to be sent at the same time to providers. Mr. Ward requested an executive summary of the programs efforts on fraud detection. Senator Schedler stated that he sponsored a senate resolution adopted in the legislative session which addresses the duplicate and balance billing issues. The resolution will have the Senate Insurance Committee review the issues involved. The Insurance Department has registered approximately 30,000 complaints in the last year on these issues.

Mr. Ward asked if there was a way to notify spouses of plan members of their rights to continue coverage in case of divorce. Mr. Lincecum stated by law they receive a COBRA notice.

Mr. Ward requested that the new policy and planning board be advised of its responsibility and duties. Mr. Temple stated that he had spoken with the Division of Administration and they were developing a strategic plan, which would include participation with the new board.

NEW BUSINESS

No new business was presented.

ADJOURN

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