

MINUTES

POLICY AND PLANNING BOARD MEETING OFFICE OF GROUP BENEFITS

July 31, 2002

CALL TO ORDER

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

ROLL CALL

Members Present

Dr. Merlin Broussard
Dr. James Calvin
Mr. Charles Castaing
Dr. Barbara Cicardo*
Mr. Russell Culotta
Mr. Charles Lazare
Mr. James Lee
Mr. Hubert Lincecum
Ms. Pam Bollinger**
Representative Tank Powell
Mr. Jackie Self
Mr. John Warner Smith
Mr. Kelly Ward*
Mr. Aubrey Temple

Members Absent

Senator Tom Schedler

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

*Dr. Cicardo and Mr. Ward arrived after roll call.

**Designee of the Commissioner of Insurance.

APPROVAL OF MINUTES OF MARCH 20, 2002 BOARD MEETING

The minutes of the March 20, 2002 board meeting were presented for approval.

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

ELECTION OF OFFICERS FOR 2002-2003

Chairman

Mr. Temple opened the floor for nominations for the office of chairman of the Board.

Rep. Powell nominated Mr. Aubrey Temple. The nomination was seconded by Mr. Lincecum.

A motion was made by Mr. Culotta, seconded by Rep. Powell to close the floor for nominations. The motion was adopted without objection. There being no opposition Mr. Temple was elected by acclamation as chairman of the Board.

Vice Chairman

Mr. Temple opened the floor for nominations for the office of vice-chairman of the Board.

Mr. Lee nominated Mr. Hubert Lincecum. The nomination was seconded by Dr. Calvin.

A motion was made by Rep. Powell, seconded by Mr. Self to close the floor for nominations. The motion was adopted without objection. There being no opposition Mr. Lincecum was elected by acclamation as vice chairman of the Board.

Secretary

Mr. Temple opened the floor for nominations for the office of secretary of the Board.

Mr. Lincecum nominated Mr. Lee. The nomination was seconded by Mr. Culotta.

A motion was made by Mr. Culotta, seconded by Rep. Powell to close the floor for nominations. The motion was adopted without objection. There being no opposition, Mr. Lee was elected by acclamation as secretary of the Board.

SéBois Demonstration

Mr. Wall requested that this item be moved up on the agenda. Mr. Wall introduced Mr. Rizwan Ahmed, director of IT for the Louisiana Department of National Resources, to the Board. Mr. Wall stated that Mr. Ahmed has been working with OGB for the last year on major initiatives, one being SéBois (State Employees Benefit Online Information System). This is the program's new web site application. A major effort was made to upgrade the program's web site to make it more interactive and provide more information to state employees. This is the first stage and there will be changes and upgrades in the future. This was implemented July 1, 2002. The OGB worked with the

State Human Resource Association and providers during the process of developing this new web site.

Mr. Ahmed explained the process that the OGB staff followed to develop the web site, and he presented a tutorial demonstration of the new web site to the Board on the things that can be accessed through it.

Mr. Ahmed also explained that the program is working on developing an online enrollment process. Mr. Wall explained that there are many logistical problems due to having approximately 350 agencies, each with its own system. He also explained that some agencies have no on-line systems and the OGB most likely have to operate two processes – online and paper.

Mr. Culotta asked how the program planned to educate plan members. Mr. Lincecum stated that the program has recently completed a tour of the state where staff from the Eligibility Section have met with all the agencies throughout Louisiana and presented a demonstration of Sébois and information has been put in the OGB newsletter.

Mr. Wall thanked Mr. Ahmed and OGB staff for the hard work done to implement the conversion.

FY 2001-2002 EXPERIENCE REPORT

Mr. Wall presented preliminary figures for the prior plan year, which summarizes expenses. The report provides three years of data. Mr. Wall reported that the OGB is projecting a cash “surplus” of approximately three million dollars for the plan year that ended June 30, 2002.

Mr. Wall stated that it is now time to start planning for 2003-2004 plan year.

Dr. Cicardo asked how the new LSU program, Definity, is working. Mr. Wall reported at this time it is too early to report. The program’s information indicates approximately 4,000 enrollees. This is an LSU sponsored program, and the OGB has not received any complaints,

PLAN AND ENROLLMENT INFORMATION

Mr. Wall reported the following are OGB product offerings by region:

Regions	Area	Products
1	New Orleans	PPO, EPO, OHP
2	Houma/Thibodaux	PPO, EPO, AmCare
3	Slidell	PPO, EPO, OHP
4	Lafayette	PPO, EPO, AmCare
5	Lake Charles	PPO, EPO, AmCare

6	Baton Rouge	PPO, BestCare/Fara, Blue Cross, OHP
7	Alexandria	PPO, EPO, AmCare
8	Shreveport	PPO, EPO, OHP
9	Monroe	PPO, EPO, Vantage

Mr. Wall explained the changes in enrollment of each product by region.

2003-04 PLAN OF BENEFITS

Mr. Wall provided articles from several publications concerning the rising cost of health care across the country.

Mr. Wall explained that now is the time for planning for July 1, 2003, and the plan of benefits for next year. He would like input from board members for any design and/or plan recommendations. The plan of benefits for 2003-2004 needs to be completed by October 2002. A process needs to be set up for the board members to provide recommendations. Mr. Temple stated he would appoint a new Benefits Committee.

Mr. Culotta also stated that he would like to see the Board meet more than once every quarter, so that the Board members can be kept informed. Mr. Temple stated that he has received numerous calls regarding this issue. He stated that the Board would begin meeting on the last Wednesday of every month. Mr. Temple stated that last year's legislation gave the Division of Administration more responsibility and took the active management responsibility from the Board, but the Board still has the oversight responsibility. Mr. Temple stated that the Board members should contact Commissioner Mark Drennen, Governor Foster, or Mr. Wall to relate any problems that they have with the program. Mr. Castaing requested a definition of the role of the Board and its responsibilities. Mr. Wall stated that the Policy and Planning Board is charged with reviewing the plan of benefits and making recommendations to the Division of Administration and submitting an annual report to the Legislature regarding the plan of benefits. Mr. Temple stated that the program is a huge budgetary concern for the legislature every year. It is an \$800 million program. The combined budgets of the DHH and the OGB are over \$5 billion, representing a third of the state budget. Mr. Wall stated that CMS (formerly HCFA) reported that they expect health care costs to double by 2011.

Mr. Temple stated that Representative Powell will meet with the Department of Health and Hospitals (DHH), the Division of Administration (DOA), LSU Health Science Center, and the OGB to coordinate a mission plan that would not adversely affect any programs, guidelines, or laws that are administered by these agencies.

Mr. Temple requested that a representative from the DOA speak to the Board at the next Board meeting and provide a statement of the Board's mission.

PROCEDURES FOR PUBLIC COMMENTS

Mr. Wall explained that the statute passed last year requires all public meetings to accept comments from the public. He recommended providing cards to the attendees. If someone wants to speak, he fills out a card and would be allowed three minutes to speak to the Board.

A motion was made by Mr. Culotta, seconded by Mr. Lincecum, that an item be put on the agenda of each meeting and procedures established by the OGB staff for public comments, with a maximum of three minutes for each speaker. There being no objection, the motion was approved.

Mr. Wall asked if anyone in the audience would like to address the Board. He read one comment to the Board regarding a better wellness program for plan members.

OLD BUSINESS

Multi-State PBM

Dr. Broussard asked about the status of the multi-state PBM. Mr. Wall reported that they are still in the negotiation stage. The response to the multi-state PBM was not significantly better than the one the program has in place currently. The company that won the bid for the multi-state PBM has made a presentation to the program. They are also scheduled for another presentation to the program on August 21, 2002.

Dr. Broussard asked about the status of the retirees on Medicare, the \$300 deductible, and the copay. This should cost between \$1.3 and \$1.7 million. In light of the \$3 million "surplus" this benefit should be provided according to Dr. Broussard. Mr. Wall stated that this needs to be presented to the Benefits Committee so that it may be considered and the actuary can provide a more definitive cost.

Dr. Cicardo asked if the \$150 emergency room deductible could be reviewed. She stated that her constituents tell her that doctors will send patients to the emergency room after hours on a regular basis. Mr. Wall requested that Dr. Cicardo present this to the Benefits Committee for consideration.

Mr. Ward requested an increase in wellness benefits and a study of the possibility of providing a financial incentive for those plan members with healthy habits.

NEW BUSINESS

Executive Session

Mr. Culotta, seconded by Dr. Broussard, made a motion, to make a change to the agenda to have the Board go into executive session to discuss personnel matters. There being only one objection by Mr. Castaing, the agenda was so amended.

A motion was made by Mr. Culotta, seconded by Dr. Broussard, to have the Board go into executive session to discuss personnel matters. There being no objection the Board went into executive session.

No action was taken in executive session.

OGB Legal Section

Mr. Culotta asked for an explanation as to why the OGB Legal Section was moved to the Division of Administration downtown. Mr. Wall explained that they are still being funded and still work for the OGB and that the DOA and the OGB are working together to combine functions, lower cost, and produce greater efficiency for the program. Mr. Culotta stated that he objected to the Legal Section being moved to the Division of Administration building.

Appeal Process

Mr. Lazare asked about the appeals process. Mr. Wall stated that the program has an Administrative Claims Committee that handles appeals. The plan member sends a letter of appeal to the Administrative Claims Committee at the Office of Group Benefits address.

PUBLIC COMMENTS

None

ADJOURN

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