

MINUTES

POLICY AND PLANNING BOARD MEETING OFFICE OF GROUP BENEFITS

October 30, 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. Hubert Lincecum
Ms. Pam Bollinger**
Representative Tank Powell
Senator Tom Schedler*
Mr. Jackie Self
Mr. John Warner Smith*
Mr. Kelly Ward
Mr. Aubrey Temple

Members Absent

Mr. James Lee

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

*Dr. Cicardo, Mr. Smith, and Sen. Schedler arrived after roll call.

**Designee of the Commissioner of Insurance.

APPROVAL OF MINUTES OF JULY 31, 2002, BOARD MEETING

The minutes of the July 31, 2002, board meeting were presented for approval.

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

STATE PRESENTATION OF DATA OUTCOMES FROM LOURDES WELLNESS PROGRAM

Mr. Wall stated that representatives of Our Lady of Lourdes were to present data outcomes from their cardiac wellness program, but the program is currently undergoing staffing changes and is unable to provide the information.

2003-04 PLAN OF BENEFITS

Mr. Culotta reviewed the following Benefit Committee and OGB staff recommendations with the Board.

Retirees with Medicare

Waive the \$50 per day hospital inpatient deductible for the first five days for retirees with Medicare at facilities contracted with OGB.

Mr. Culotta stated that this is a recommendation from the Benefit Committee. This recommendation will not be included in the plan of benefit modifications proposed by OGB.

After further discussion a motion was made by Mr. Lincecum, seconded by Dr. Calvin, that the Board include in its report to the oversight committees a recommendation to waive the \$50 per day hospital inpatient deductible for the first five days for retirees with Medicare at facilities contracted with OGB.

Following discussion of the motion a roll call vote was taken with the following result:

Yeas

Dr. Broussard
Dr. Calvin
Mr. Castaing
Dr. Cicardo
Mr. Culotta
Mr. Lazare
Mr. Lincecum
Rep. Powell
Sen. Schedler
Mr. Self
Mr. Temple

Nays

Mr. Smith
Mr. Ward

With eleven (11) yeas, two (2) nays the motion passed.

Morbid Obesity

Surgical treatment of morbid obesity at a center of excellence, 40 patients a year going through pilot program, BMI of 40 or greater, one occurrence lifetime maximum, and no treatment for reversal of the surgery.

Mr. Culotta stated that the Benefits Committee recommended soliciting proposals for surgical treatment for morbid obesity in lieu of the OGB staff recommendation of entering into a cooperative agreement with Louisiana State University Health Sciences Center (LSUHSC) to administer the pilot program.

Mr. Wall stated that during the last board meeting there were discussions regarding whether or not to pursue the agreement with LSUHSC or explore other alternatives. He stated that in order to solicit information it would be necessary to send out a Notice of Intent (NIC) to contract. Based on the last board meeting the OGB staff is pursuing an NIC. The program is finalizing the NIC and preparing to send it out to solicit information.

After further discussion a motion was made by Mr. Lincecum, seconded by Representative Powell, that the Board concur with the process of issuing an NIC for the surgical treatment of morbid obesity.

Following discussion of the motion a roll call vote was taken with the following result:

Yeas

- Dr. Broussard
- Dr. Calvin
- Mr. Castaing
- Dr. Cicardo
- Mr. Culotta
- Mr. Lazare
- Mr. Lincecum
- Rep. Powell
- Sen. Schedler
- Mr. Self
- Mr. Smith
- Mr. Ward
- Mr. Temple

Nays

With thirteen (13) yeas, no (0) nays the motion passed.

Prescription Drug Benefits

Recommendation to the board that any fiscal impact to retirees and active employees who earn \$18,000 or less annually be absorbed by the state.

Mr. Culotta explained that this recommendation came out of the Benefits Committee but after further consideration there would be numerous problems with trying to administer this benefit.

Mr. Wall explained the recommendation from OGB for increasing the maximum cost for a single prescription from \$40 to \$50 and the annual out-of-pocket threshold from \$1,000 to \$1,200. He stated that in FY 2001-02, OGB spent approximately \$101 million on prescription drugs. Based on current spending levels, OGB is projected to spend approximately \$120 million on drugs during FY 2002-03. In FY 2003-04 OGB is projected to spend approximately \$130 million.

After further discussion a motion was made by Mr. Lazare, seconded by Mr. Castaing, that the Board include in its report to the oversight committees a recommendation to make no changes to the prescription drug benefits.

Following discussion of the motion a roll call vote was taken with the following result:

<u>Yeas</u>	<u>Nays</u>
Dr. Broussard	Rep. Powell
Dr. Calvin	Sen. Schedler
Mr. Castaing	Mr. Smith
Dr. Cicardo	Mr. Ward
Mr. Culotta	Mr. Temple
Mr. Lazare	
Mr. Lincecum	
Mr. Self	

With eight (8) yeas, five (5) nays the motion passed.

Plan Administration

OGB will solicit proposals, on both a fully-insured and self-insured basis, for the following

- **EPO benefits on a statewide basis,**
- **HMO benefits on a statewide basis,**
- **EPO and HMO benefits on a regional basis.**

Mr. Culotta stated that the Benefits Committee endorsed the OGB recommendation.

A motion was made by Mr. Lincecum, seconded by Mr. Culotta, that the Board endorse the OGB recommendation to solicit proposals on both a fully-insured and self-insured basis for the EPO and HMO benefits on a statewide basis and on a regional basis.

A roll call vote was taken with the following result:

Yeas

Dr. Broussard
Dr. Calvin
Mr. Castaing
Mr. Culotta
Mr. Lazare
Rep. Powell
Sen. Schedler
Mr. Self
Mr. Smith
Mr. Ward
Mr. Temple

Nays

Dr. Cicardo

Abstain

Mr. Lincecum

With eleven (11) yeas, one (1) nay, and one (1) abstention the motion passed.

Genetic Testing

OGB will research the advisability of providing coverage for genetic testing to detect tendencies for certain diseases such as breast and colon cancer. A formal recommendation will be submitted.

Mr. Culotta stated that the Benefits Committee endorsed the OGB recommendation.

A motion was made by Mr. Culotta, seconded by Rep. Powell, that the Board endorse the OGB recommendation to research the advisability of providing coverage for genetic testing to detect tendencies for certain diseases such as breast and colon cancer.

Following discussion of the motion a roll call vote was taken with the following result:

Yeas

Dr. Broussard
Mr. Castaing
Mr. Culotta
Mr. Lazare
Mr. Lincecum
Mr. Self
Mr. Temple

Nays

Dr. Calvin
Dr. Cicardo
Rep. Powell
Sen. Schedler
Mr. Smith
Mr. Ward

With seven (7) yeas and six (6) nays the motion failed.

Agency - Retiree Premium Subsidy

OGB requires that once an individual retires, the individual shall be treated as a retiree for all future purposes and that future premiums for the individual shall be paid by the agency from which the individual retired.

Mr. Culotta stated that the Benefits Committee endorsed the OGB recommendation.

A motion was made by Mr. Culotta, seconded by Mr. Lincecum, that the board endorse the OGB recommendation that requires that once an individual retires, the individual shall be treated as a retiree for all future purposes and that future premiums for the individual shall be paid by the agency from which the individual retired.

A motion a roll call vote was taken with the following result:

<u>Yeas</u>	<u>Nays</u>
Dr. Broussard	Dr. Cicardo
Dr. Calvin	
Mr. Castaing	
Mr. Culotta	
Mr. Lazare	
Mr. Lincecum	
Rep. Powell	
Sen. Schedler	
Mr. Self	
Mr. Smith	
Mr. Ward	
Mr. Temple	

With twelve (12) yeas, one (1) nay the motion passed.

Alignment of Plan Year and Deductibles

Align the plan year and the deductible year.

Mr. Culotta stated that the Benefits Committee endorsed the OGB recommendation to align the plan year and the deductible year.

Mr. Eschabach, Milliman USA, stated that to align the plan year and the deductible year would cost approximately \$9.7 million.

A motion was made by Mr. Culotta, seconded by Mr. Lazare, that the Board endorse the OGB recommendation to align the plan year and the deductible year.

Following discussion of the motion a roll call vote was taken with the following result:

<u>Yeas</u>	<u>Nays</u>
Dr. Broussard	
Dr. Calvin	
Mr. Castaing	
Dr. Cicardo	
Mr. Culotta	

Mr. Lazare
Mr. Lincecum
Rep. Powell
Sen. Schedler
Mr. Self
Mr. Smith
Mr. Ward
Mr. Temple

With thirteen (13) yeas, no (0) nays the motion passed.

Wellness Benefit

Change the Plan Document to read:

\$200 every 1095 days – age 16 – 39
\$200 every 730 days - age 40 – 49
\$200 every 365 days – age 50 +

Mr. Culotta stated that the Benefits Committee endorsed OGB's recommendation to make the following changes to the plan documents.

\$200 every 1095 days – age 16 – 39
\$200 every 730 days - age 40 – 49
\$200 every 365 days – age 50 +

A motion was made by Mr. Culotta, seconded by Mr. Lincecum, that the Board endorse the OGB recommendation to make the following changes to the plan document adult wellness benefits:

\$200 every 1095 days – age 16 – 39
\$200 every 730 days - age 40 – 49
\$200 every 365 days – age 50 +

Following discussion of the motion a roll call vote was taken with the following result:

Yeas

Dr. Broussard
Dr. Calvin
Mr. Castaing
Dr. Cicardo
Mr. Culotta
Mr. Lazare
Mr. Lincecum
Rep. Powell
Sen. Schedler
Mr. Self
Mr. Smith

Nays

Mr. Ward
Mr. Temple

With thirteen (13) yeas, no (0) nays the motion passed.

Mr. Culotta stated that these recommendations completed the report to the Board from the Benefits Committee.

Mr. Lazare requested that the Board consider the following recommendations:

Elimination of the administrative fee for Medical Flexible Spending Accounts and Dependent Care Accounts

Mr. Lazare stated that not all agencies charge a fee for these accounts. The state should pay the fee.

After further discussion a motion was made by Mr. Lazare, seconded by Dr. Cicardo, that the Board include in its report to the oversight committees a recommendation to eliminate the administrative fee for Medical Flexible Spending Accounts and Dependent Care Accounts.

Following discussion of the motion a roll call vote was taken with the following result:

Yeas

Mr. Lazare

Nays

Dr. Broussard
Dr. Calvin
Mr. Castaing
Dr. Cicardo
Mr. Culotta
Mr. Lincecum
Rep. Powell
Sen. Schedler
Mr. Self
Mr. Smith
Mr. Ward
Mr. Temple

With one (1) yea, and twelve (12) nays the motion failed.

Emergency Room Deductible

Reduce the deductible for the first two visits to the emergency room to \$100 per visit, and subsequent emergency room visits would be \$150 per visit.

After further discussion a motion was made by Mr. Lazare, seconded by Dr. Cicardo, that the Board include in its report to the oversight committees a recommendation to

reduce the deductible for the first two visits to the emergency room to \$100 per visit, and subsequent emergency room visits would be \$150 per visit.

Following discussion of the motion a roll call vote was taken with the following result:

Yeas

Dr. Cicardo
Mr. Lazare

Nays

Dr. Broussard
Dr. Calvin
Mr. Castaing
Mr. Culotta
Mr. Lincecum
Rep. Powell
Sen. Schedler
Mr. Self
Mr. Smith
Mr. Ward
Mr. Temple

With two (2) yeas, and eleven (11) nays the motion failed.

Mr. Wall stated for informational purposes that the program has been approached by some agencies regarding benefit modifications. These requests are being considered and evaluated. The first is to change the effective date of life insurance increases. Life insurance is based on an employee's salary. When they receive a merit increase or any other increase in salary they become eligible for additional life insurance. Agencies are requesting to make life insurance increases effective on a common anniversary date. This would probably be July 1 of each year.

The second item is the elimination of coverage for temporary employees. Based on past interpretation this program provides health insurance for temporary employees who work 121 days or more. It has been recommended to the program that it be eliminated. This request was made by the agencies.

Dr. Cicardo stated that the universities and colleges hire adjunct professors occasionally for only a semester, which would make these employees temporary employees. This could cause some problems in the recruiting for the universities and colleges. Mr. Temple stated that this would need to be researched and evaluated further before any consideration would be made.

CEO REPORT

Mr. Wall provided the report on *Where the Money Goes* for review. Mr. Wall stated that the staff is further developing the new data management system that breaks out some of the costs to provide an overall view of where the money is going. Currently the program has a positive balance of approximately \$26 million. Claims payment lag is less than 30 days. The staff has cleaned out all in-house questions from hospitals and

providers regarding claims payment issues. There are still some refund issues to resolve. The conversion has been completed to the new Impact claims adjudication system and things are progressing well.

OLD BUSINESS

None

NEW BUSINESS

Dr. Cicardo stated that she requested information from AdvancePCS regarding a 90-day supply of prescription medication. If someone doesn't refill the prescription within a 120-day period than he or she must start over with receiving a 34-day supply. Mr. Wall stated that the staff would investigate this matter and provide her this information. Mr. Temple requested that Dr. Cicardo meet with the AdvancePCS and Mr. Wall after the meeting to resolve this issue.

Dr. Cicardo asked about the patient responsibility for conscious sedation. If the hospital doesn't bundle this item then the patient is responsible. If an anesthesiologist is present that patient is billed with a PR96 code. Mr. Wall requested that Dr. Cicardo provide him with all the information regarding this issue so that he could research it and respond to her.

Mr. Culotta advised the Board members that the Governor is conducting a third study commission. They met today at the Claiborne building and a schedule of meeting dates has been provided to each Board member. The meetings are held every Wednesday for the next four weeks. On December 5, 2002, the study commission will submit its recommendations to the governor. He encouraged every member of the Board to attend the meetings if his/her schedule permits.

Mr. Wall discussed with the Board the process to develop the report to the Legislative Oversight Committee from the Board. Mr. Temple stated that he would work with Sharon Runyan to outline the report and contact each Board member for input, then craft the report.

PUBLIC COMMENTS

None

ADJOURN

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