

MINUTES

POLICY AND PLANNING BOARD MEETING OFFICE OF GROUP BENEFITS

February 26, 2003

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
Ms. Pam Bollinger**
Dr. James Calvin
Mr. Charles Castaing*
Dr. Barbara Cicardo*
Mr. Russell Culotta
Mr. Charles Lazare
Mr. James LeBlanc
Mr. James Lee*
Mr. Hubert Lincecum
Representative Tank Powell
Mr. William Quinlan
Mr. Jackie Self
Mr. Aubrey Temple

Members Absent

Mr. John Warner Smith
Senator Tom Schedler

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

*Mr. Castaing, Dr. Cicardo and Mr. Lee arrived after roll call.

**Designee of the Commissioner of Insurance.

APPROVAL OF MINUTES OF DECEMBER 11, 2002 BOARD MEETING

The minutes of the December 11, 2002, board meeting were presented for approval.

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

APPOINTMENTS TO THE BOARD

Mr. Temple explained that Mr. Kelly Ward, Board member from the Louisiana Department of Public Safety and Corrections, has retired, creating a vacancy to be filled by appointment of the Board.

Mr. Lincecum nominated Mr. Jim LeBlanc to fill Mr. Ward's unexpired term. Mr. Lincecum stated that Mr. LeBlanc is the warden at the Dixon Correctional facility in Jackson, La. Rep. Powell seconded the nomination. There being no objection Mr. LeBlanc was appointed to the OGB Policy and Planning Board.

Also, Mr. Temple reported that Mr. William Quinlan was appointed to the Board by the Governor to fill the vacancy that represents the Health and Life Insurance Sector. Mr. Quinlan is an independent agent representing the Life and Health industry. He has been in business for approximately 15 years.

Mr. Tommy Benoit, special counsel for the board administered the oath of office to Mr. LeBlanc and Mr. Quinlan.

PLAN OPTIONS FOR PLAN YEAR 2003-04

Mr. Wall provided a summary of the plan options for plan year 2003-04. The summary sheet is compiled from the information provided by the agency representatives who conduct the annual enrollment meetings and the summary includes the information that most plan members inquire about.

Plan Members will have four options:

PLANS	ADMINISTRATOR	AVAILABILITY AND RESTRICTIONS
PPO	OGB	Available statewide
EPO	Blue Cross Blue Shield	Available statewide and has out-of-network benefits. This plan may be the best choice for plan members who have dependents living in other states, children enrolled in college, and/or reside outside of the state. Through the EPO plan, plan members will be able to access the Blue Cross Blue Shield network nationwide. This has limited out-of-pocket expenses. This plan will have a high cost.

HMOs	Ochsner	Available in regions 1 through 8. The Monroe region is not available. Out-of-network benefits available in this plan
	Vantage	Only available in Region 9, Monroe.
MCO	OGB	The managed care option is an effort to hold cost down for the lower paid employees. There will be certain restrictions: No out-of-network benefits, prescription drug formulary, and mandatory generics.

Mr. Culotta asked about the prescription drug benefit maximum \$50 per prescription increase. Mr. Culotta objected that there was no mention that the OGB Policy and Planning Board did not support the increase of the prescription benefit. He requested that when presentations for the plan of benefits for 2003-04 are made at annual enrollment meetings that it be stated that the Board did not support the change in the prescription drug benefit.

Mr. Temple suggested that Mr. Culotta make a motion requesting that the Division of Administration have it stated in presentations for the plan of benefits for 2003-04 for annual enrollment meetings that the board did not support increasing the prescription drug benefit.

A motion was made by Mr. Culotta, seconded by Mr. Lazare, to approve a resolution requesting that the Division of Administration put in presentations for the plan of benefits for 2003-04 at annual enrollment meetings that it be stated that the Board did not support the change in the prescription drug benefit.

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

Yeas

Dr. Broussard
 Dr. Calvin
 Mr. Culotta
 Mr. Lazare
 Mr. LeBlanc
 Mr. Lincecum
 Mr. Self

Nays

Mr. Lee
 Rep. Powell
 Mr. Quinlan
 Mr. Temple

With seven (7) yeas, four (4) nays, the motion failed.

Mr. Culotta stated that he wanted it noted in the minutes that the Board was opposed to any changes in the prescription drug benefit.

Mr. Wall stated that annual enrollment will begin April 1, 2003 and continue through the month. The OGB quarterly newsletter will go out early in March. The newsletter will include the schedule of meetings and the facts about the offerings next year. Plan members should receive newsletters before the annual enrollment meetings begin. OGB will be conducting training for human resources personnel this year in Baton Rouge, Alexandria and, Monroe.

A motion was made by Mr. Temple, seconded by Mr. Culotta, to have an article in the newsletter stating that the prescription drug benefits were approved by the Division of Administration and not by the OGB Policy and Planning Board.

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

<u>Yeas</u>	<u>Nays</u>	<u>Abstain</u>
Dr. Broussard		Mr. Castaing
Dr. Calvin		
Dr. Cicardo		
Mr. Culotta		
Mr. Lazare		
Mr. LeBlanc		
Mr. Lee		
Mr. Lincecum		
Rep. Powell		
Mr. Quinlan		
Mr. Self		
Mr. Temple		

With twelve (12) yeas, no (0) nays and one (1) abstention, the motion passed.

Ms. Bollinger asked if human resources personnel would have access to the summary of medical benefits comparison sheet. Mr. Wall stated that it is currently being published and that a video will be on the web site which will discuss the medical benefits comparison sheet.

HEWITT AUDIT

Mr. Wall stated that OGB conducts audits of the internal claims procedures. Three separate firms have conducted audits, the latest by Hewitt. The executive summary indicated that the financial accuracy is 99.6%, payment accuracy 97.7%, and overall accuracy 96.8%. Claim turnaround in 14 calendar days 80.9%, and 30-calendar days 95.5%, a little under industry standards best practices. This audit utilized claims from the beginning of the conversion process. Since the completion of the conversion process OGB is up to speed. Mr. Wall stated that he was very proud of these results and it shows the hard work by OGB staff.

Dr. Cicardo requested the cost of the audit. Mr. Wall stated it was approximately \$50,000.

Rep. Powell asked about claims processed and claims paid. Although the claims are processed in a certain amount of days are they being paid also? Mr. Wall stated that they are being paid. Mr. Temple asked how many claims a year the program receives. Mr. Wall stated that 2 million plus claims are received. Mr. Temple stated that at least 1 percent of members will not be happy with the processing of their claim.

HIPAA

Mr. Benoit provided the Board with a status report and information regarding the Health Insurance Portability and Accountability Act (HIPAA) and the privacy and security requirements of HIPAA.

CEO REPORT

Mr. Wall provided the report on *Where the Money Goes* for review. Mr. Wall reported that the program has a cash balance of \$18.1 million as of January 31, 2003.

Mr. Wall stated that premium rates will be available in the middle of March 2003. The delay is attributable to the need for data to base projections for next year for accuracy. The premium rate increase will be approximately 15%.

Ms. Bollinger asked if contracting with hospitals will be complete prior to the annual enrollment period. Mr. Wall stated that it will be complete for the hospitals that return contracts timely.

Dr. Cicardo asked about the out of state reimbursement of 80%. Mr. Wall stated that the program pays 70% reimbursement for out-of-network for in state or out of state benefits. Dr. Cicardo asked if it was an emergency they only pay 70%. Mr. Wall stated that if it was a life or limb threatening emergency the program pays 80%.

Mr. Lazare asked if plan members will have a wild card choice for next year. Mr. Wall stated yes, but every plan member will be required to submit a Scantron form in April. If they do not their coverage will default to the PPO plan. This is due to there being so many changes in the plan design and premium rate schedules. Ochsner will have regional rates. If the program is going to continue to allow a wild card then plan members need to make a conscious decision of what plan fits their needs and not shop around during the year. If they do nothing and default to the PPO plan they will be able to use their wild card to change. This will not apply to the Definity Pilot Program; they will default back to that plan.

Mr. Wall stated that some plan members who participated in Ochsner lived in one region and received their healthcare in another will not be able to this year. Ms. Melissa

McDonald stated that members will be charged the premium based on where they reside, but will be able to seek services throughout the state.

OLD BUSINESS

Morbid Obesity

Mr. Wall stated that a notice was sent to plan members regarding a possible pilot program for the surgical treatment of morbid obesity. Plan Members were asked to write to OGB if they would be interested in participating. The office has received 1,005 responses. There will only be 40 participants chosen. The Office also conducted a Notice of Intent to Contract (NIC) for facilities.

Mr. Malcolm Veazie reported that Vista Surgical, LSU Healthcare Network, Pendelton Methodist, and Lake View Regional have responded to the NIC. Two major criteria were used to review these proposals, quality and cost. Quality consisted of volume, number of complications, and surgical experience over time. The second criterion was cost, and the components were the cost of the procedure and the cost of treating the complications.

Representative Powell stated that he has requested that additional information be provided regarding the surgeons who will perform these procedures. The number of procedures performed per year, the average one year weight loss, average length of stay per procedure, the number and types of complications, the mortality rate at 30 and 60 days, re-operation rate, and any voluntary or involuntary relinquishment of operative or hospital privileges. Mr. Wall stated that some of this information has been provided and the rest of the information will be requested.

Mr. Temple left the meeting at this time and Mr. Lincecum assumed the chair.

Disease Management

Mr. Wall reported on the progress of the Disease Management RFP. Due to the contract process during the awarding of the disease management contract, the winning bidder stated that since there would likely be a decrease in the PPO population they would not honor their bid for the reduced number. The price quotes have been sent out again to be re-quoted. Rather than having to re-bid the entire contract, OCR indicated that OGB could have the vendors re-quote the prices. It was mailed to all of those that were qualified to bid.

Mental Health and Substance Abuse

Mr. Wall reported that Magellan Behavioral Health is currently the program's provider for mental health and substance abuse services. Magellan is facing financial challenges at this time. As a precautionary effort the program has issued an RFP for mental health

and substance abuse services to evaluate Magellan's financial status against other providers for this service in the marketplace.

Customer Service and Claims Processing

Mr. Wall stated that a large part of the program's claims adjudication is out-sourced and currently the program's claims adjudication vendor, Medplans, has chosen not to renew their contract in April.

Mr. Wall also reported that a customer service outsourcing RFP was sent out last year and Medplans was awarded that contract. It was during the finalization of this contract that Medplans decided not to renew the contract for claims adjudication, and the OGB withdrew the customer service contract. Mr. Wall stated that it was decided it would be better to contract for these services together, allowing for one vendor.

Board of Trustees versus the St. Landry Parish School Board

Mr. Wall explained that several years ago the St. Landry and Vernon Parish School Boards joined the program and at that time they were risk rated. There was a dispute between the school boards regarding whether or not the Board of Trustees had the authority to risk rate them. The initial hearing was held in 19th JDC in Baton Rouge and the judgement was for the school boards. The program appealed this to the First Circuit and the decision was for the OGB. This matter is subject to appeal for the Supreme Court and the school boards may request a rehearing by the Court of Appeals.

NEW BUSINESS

Mr. Lazare suggested that the Office of Group Benefits identify itself as being part of the Division of Administration.

A motion was made by Mr. Culotta, seconded by Mr. Lazare, to require that the Office of Group Benefits identify itself on letterhead and in newsletters as being part of the Division of Administration.

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

Yeas

Dr. Broussard
Dr. Cicardo
Mr. Culotta
Mr. Lazare

Nays

Mr. Castaing
Mr. LeBlanc
Rep. Powell
Mr. Quinlan
Mr. Self

Abstain

Dr. Calvin
Mr. Lincecum

With four (4) yeas, five (5) nays and two (2) abstentions, the motion failed.

Mr. Lincecum stated that Mr. Temple requested that the next board meeting be scheduled for April 2, 2003 at 9:00 a.m.

PUBLIC COMMENTS

Ms. Kathleen Miller addressed the Board about several issues including the premium rates for next year, annual enrollment meetings, privatization of the program, and claim errors.

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.