

## **MINUTES**

### **POLICY AND PLANNING BOARD MEETING OFFICE OF GROUP BENEFITS**

**October 8, 2003**

#### **CALL TO ORDER**

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

#### **ROLL CALL**

##### **Members Present**

Dr. Merline Broussard  
Dr. James Calvin  
Mr. Charles Castaing  
Mr. Russell Culotta  
Mr. Charles Lazare  
Mr. James LeBlanc  
Mr. Hubert Lincecum  
Representative Tank Powell  
Mr. Jackie Self  
Mr. Aubrey Temple

##### **Members Absent**

Dr. Barbara Cicardo  
Mr. James Lee  
Mr. Richard O'Shee  
Mr. William Quinlan  
Mr. John Warner Smith  
Senator Tom Schedler

Roll call indicated 10 board members present, representing a quorum.

## **APPROVAL OF MINUTES OF JULY 23, 2003 BOARD MEETING**

The minutes of the July 23, 2003 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.

### **OPTIONAL LIFE INSURANCE**

Mr. Wall provided information regarding the optional life insurance premium increasing 10 percent. Prudential provided OGB with an experience analysis which indicated it could justify up to a 32 percent increase in premiums, but would only increase premiums 10 percent effective January 1, 2004. Mr. Lincecum explained that during the initial offering, Prudential did not meet the participation levels required to maintain the current premiums.

Mr. Lincecum stated that OGB will negotiate and work with Prudential to increase the enrollment in the optional life insurance. Rep. Powell stated that it is an excellent program, but has experienced adverse selection.

### **FY 2004-05 PLAN OF BENEFITS**

Mr. Wall advised the Board that the program was facing a minimum 15 percent rate increase for next year.

Mr. Culotta stated that the Benefits Committee discussed the following options:

- ❖ Reducing administrative expenses by cutting employees;
- ❖ Reducing unnecessary contracts;
- ❖ Use the \$86 million reserve to offset the rate increase;
- ❖ Appeal to the Administration to reallocate the funds they are providing to private organizations to OGB to help reduce the anticipated premium increases; and
- ❖ Appeal to the Administration to dedicate the \$20 million discretionary fund to help fund health care insurance protection for state employees and retirees.

Mr. Culotta reviewed the process and the information provided to the Benefits Committee regarding the following recommendations for proposed benefit modifications:

## **Wild Card Option**

**Discontinue wild card option for FY 2004-05 plan year.**

***This change would be contingent upon no disruptions occurring during annual enrollment next year.***

OGB is recommending that the wild card option be discontinued for FY 2004-05 plan year. The Benefits Committee recommendation is not to eliminate the wild card option.

A motion was made by Mr. Culotta, seconded by Mr. Lazare to recommend to the Legislative Oversight Committee to not discontinue the wild card option for FY 2004-05 plan year.

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

<b><u>Yeas</u></b>	<b><u>Nays</u></b>
Dr. Broussard	Mr. Castaing
Dr. Calvin	Mr. Leblanc
Mr. Culotta	Mr. Lincecum
Mr. Lazare	Rep. Powell
Mr. Temple	Mr. Self

With five (5) yeas, and five (5) nays, the motion failed.

## **MCO Lifetime Maximum Benefit**

**Institute a \$1 million lifetime maximum benefit.**

Mr. Culotta stated that the Benefits Committee approved this recommendation from OGB.

A motion was made by Mr. Culotta, seconded by Mr. Lincecum to recommend to the Legislative Oversight Committee to have OGB institute a \$1 million lifetime maximum benefit in the MCO plan.

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

**Yeas**

Dr. Broussard  
Dr. Calvin  
Mr. Castaing  
Mr. Culotta  
Mr. Lazare  
Mr. Leblanc  
Mr. Lincecum  
Rep. Powell  
Mr. Self  
Mr. Temple

**Nays**

With ten (10) yeas, and no (0) nays, the motion passed.

**Dependent Eligibility**

**Permit dependents to participate until age 25 without restriction.**

Mr. Culotta stated that the Benefits Committee approved this recommendation by OGB staff to allow dependents to participate until age 25 without restrictions.

A motion was made by Mr. Culotta, seconded by Mr. Lincecum to recommend to the Legislative Oversight Committee to permit dependents to participate until age 25 without restriction.

Following discussions, there being no objection to this recommendation, this motion was passed by unanimous consent.

Mr. Culotta and Mr. Wall discussed the following recommendations that were submitted by a representative of the Jefferson Parish School Board:

- **Offer a Medicare HMO to retirees**

Mr. Wall explained that the Jefferson Parish School Board wanted to do this on a group basis. This is not a feasible option for OGB because there is no statewide Medicare HMO for all eligible plan members.

- **Offer a high deductible catastrophic policy to pre-Medicare retirees.**

Mr. Culotta reported that the Benefits Committee made no recommendations regarding these benefit modification requests.

## **Study Commission**

**OGB establish a study commission of the OGB Policy and Planning Board members to study new and innovative ways to deliver health care to state employees and other governmental agencies and entities.**

Mr. Culotta explained that this was a recommendation from the Benefits Committee.

Representative Powell suggested that the study commission be made up of health care professionals who can examine OGB instead of it being predominately made up of OGB Policy and Planning Board members. Mr. Lincecum stated that the study commission should be made up of OGB Policy and Planning Board members and that other health care professionals would be invited to present information to the study commission.

Mr. Temple advised that Mr. Culotta should request funding for the study commission. Mr. Wall explained that the Board needs to organize the commission, identify the issues to discuss, estimate the length of time the commission needs to make recommendations. Mr. Lincecum asked about the cost of past study commissions. Mr. Wall stated that the most recent study commissions cost OGB approximately \$150,000 to \$200,000 for each commission.

A motion was made by Mr. Culotta, seconded by Mr. Lincecum, to recommend to the Legislative Oversight Committee that OGB establish a study commission of the OGB Policy and Planning Board members to study new and innovative ways to deliver health care to state employees and other governmental agencies and entities, and request a budget of a \$150,000, from the DOA.

Following discussion, there being one objection from Rep. Powell this recommendation was approved.

## **CEO REPORTS**

Mr. Wall presented for informational purposes the financial report which gives an overview of claims and cost. Mr. Wall stated that the complete report was not available at this time but would be sent to the Board members once it is available.

## **OLD BUSINESS**

**Mr. Culotta** stated that two recommendations he made at the Benefits Committee meeting should be included in the recommendations to the Legislative Oversight Committee. (1) That an appeal to the administration to reallocate the money that was dedicated to the New Orleans Saints, \$18 million a year, and (2) that the \$20 million discretionary fund to be dedicated to OGB to help the active and retired state employees who can't afford health care coverage.

**Mr. Temple** suggested that the Board request the same amount of money dedicated to the New Orleans Saints and the urban and rural caucus funds be dedicated to the OGB to help all state employees who can't afford health care coverage. Rep. Powell stated that the governor and legislature have shown concern for state employees by raising the state contribution from 50 percent to 75 percent. Mr. Temple stated that the governor and the administration has shown significant concern for the Program.

### **Morbid Obesity**

Mr. Wall stated that the contract for the morbid obesity pilot program has been signed by OGB, LSU, and Tenet Hospitals. Mr. Wall wanted to recognize Mr. Stan Hurder and Mr. Malcolm Veazie of OGB who worked extensively with the other parties to complete the contracting process. The contract is now pending at the Office of Contractual Review (OCR). The contract should be approved by OCR in the next few weeks and then the names of the individuals who have indicated an interest in the pilot program will be sent to LSU and they will contact these individuals and collect information.

### **Utilization Management Contract**

Mr. Wall stated that the new utilization management contract has been awarded to CBCA. Ms. Annette Sparkman of CBCA has worked with the program under a prior utilization management contractor.

### **Mental Health and Substance Abuse Contract**

Mr. Wall reported that a new mental health and substance abuse contract was awarded to United Behavioral Health (UBH). The contract went into effect on September 1, 2003. Mr. Wall stated that the change over from Magellan to UBH went very smoothly and thanked Ms. J. W. Kenyon with United Behavioral Health for her help.

## **NEW BUSINESS**

No new business was presented.

## **PUBLIC COMMENTS**

Ms. Kathleen Miller addressed the Board regarding the wild card issue. She suggested that during the next annual enrollment that the wild card be a limited option for a short time period of approximately 30 to 60 days after annual enrollment closes. This would allow plan members who feel that they did not have enough information during annual enrollment to make an informed choice to change plans.

Mr. Wall stated that eliminating the wild card option is contingent upon no disruptions occurring during annual enrollment next year. Mr. Wall also stated that when the provider directory is distributed during annual enrollment plan members need to review the directory to see if their hospital and/or doctors have contracted with OGB to provide services.

Mr. Wall explained the problems that the program has with providers signing contracts with OGB after the deadline to be put in the provider directories. In some cases OGB contracts with the provider after the deadline which causes them not to be in the provider directory, which in turn makes the plan member think that their provider is not participating in the plan, causing them to choose another plan. Representative Powell suggested that providers who do not submit contracts by the deadline not be allowed to participate.

Mr. Temple thanked the CEO, Kip Wall and OGB staff for doing a good job in a challenging health care marketplace.

## **ADJOURN**

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

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**Mr. Aubrey Temple, Chairman**