

MINUTES
POLICY AND PLANNING BOARD MEETING
OFFICE OF GROUP BENEFITS

July 18, 2006

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
Sen. James David Cain
Mr. Russell Culotta
Mr. Scott Kipper
Mr. Jimmy LeBlanc
Mr. James Lee
Mr. Hubert Lincecum
Mr. Rick Ramsey
Mr. William Quinlan
Mr. Jackie Self
Mr. Aubrey Temple

Members Absent

Mr. Mark Brown
Mr. Buford Huckleberry
Mr. Charles Lazare
Dr. Stan Mays
Rep. Tank Powell

Roll call indicated 11 board members present, representing a quorum.

APPROVAL OF MINUTES OF JUNE 15, 2006 BOARD MEETING

The minutes of the June 15, 2006 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 objections, the minutes were approved as presented.

OATH OF OFFICE FOR NEW BOARD MEMBERS

Mr. Tommy Benoit, general counsel, administered the Oath of Office to Mr. Rick Ramsey who was elected to the seat that represents plan members from the public institutions of higher education.

DECLARATION OF VACANCY DISCUSSION OF DOTD SEAT

Mr. Temple reported that the DOTD seat on the Board held by Mr. James Lee needed to be declared vacant because no one qualified as a candidate to run for this seat in the recent election. Mr. Benoit advised the Board that the seat could be filled by appointment until the next regular scheduled election in 2008.

A motion was made by Mr. Lincecum, seconded by Mr. Culotta that a vacancy be declared for the DOTD seat, and that Mr. James Lee be appointed to serve until the next regular scheduled election in 2008. There being no objection the vacancy was declared and, Mr. Lee was appointed by acclamation to serve until the next regular scheduled election in 2008. At this time Mr. Benoit administered the Oath of Office to Mr. Lee.

ELECTION OF OFFICERS FOR 2006-07

Secretary

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

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

There being no opposition, Mr. Lee was elected by acclamation as secretary 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. Lincecum. The nomination was seconded by Mr. Quinlan.

There being no opposition, Mr. Lincecum was elected by acclamation as vice chairman of the Board.

Chairman

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

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

There being no opposition, Mr. Temple was elected by acclamation as chairman of the Board.

DISCUSSION OF OPERATIONAL ACTIVITIES

Mr. Teague discussed the operational activity indicator reports. He stated that OGB's current budget is \$1.3 billion.

He also reported that the Humana plan has become self funded and will provide claims data to OGB. This was not available in the past because it was fully insured and its claims data was considered proprietary information. Also Vantage has agreed to provide OGB with its claims data, even though it is fully insured, so beginning this month OGB will have the claims data from all of the plans.

Mr. Teague updated the Board on its request to receive the claims data from LSU concerning the Definity Plan. He met with the LSU health plan administrator and is working out the details so that OGB will be getting the monthly reports required under the Memorandum of Understanding. OGB will also provide LSU with the life-time accumulators on plan members who have switched from an OGB plan to Definity.

Mr. Teague reported that the governor vetoed the legislation which would have allowed legislators to keep the OGB coverage if they had at least 10 years of service.

Mr. Temple asked about the New Orleans Public School Board System (NOPSS). Mr. Teague reported that there was a bill filed in the 2006 Regular Legislative Session to allow for NOPSS to enter into OGB, however, the school board did not wish to participate. Eventually, the legislature provided supplemental funding for employee and retiree health benefits to the school boards most seriously impacted by the 2005 hurricanes.

Mr. Teague also reported that actuarial specifications for next year's plans are being developed for competitive procurement, which will commence in August, for next year's medical plans, disease management program, and prescription drug plans.

Mr. Temple then asked about how the year-ending totals looked for Fiscal Year 2006. Mr. Bruce Minor reported that the 2005-06 plan year started with a \$102 million fund deficit. Included \$102 was \$96 million for Incurred But Not Reported (IBNR) claims. The reason that number was so high is because OGB ran out of cash last year to pay claims and carried approximately \$24 million of claims processed but not released into the next plan year. OGB projects that it will have a \$60 million surplus for the 2005-06 plan year and approximately \$72 million in IBNR. Mr. Temple requested that once the 2005-06 financial reports have been completed that copies be provided to Board members.

Mr. Lee asked about the office relocation. Mr. Teague reported that the contractors are working on the new space. There was an issue regarding the type of cable to be used and that resulted in some delay, but that has been resolved. The preliminary date for the move is October 26, 2006. A committee has been appointed to develop a detailed plan for the actual move. Mr. Teague reported that the new rent is not significantly higher than the current rent. Mr. Lincecum reported that OGB would not have to move its modular furniture because a contract has been approved for new modular furniture. This will speed up the move because the current modular furniture will not have to be taken down and reassembled at the new location, but will instead go to State Surplus. Mr. Teague reported that the lowest bidder for the emergency generator reported a 16-month delay because the generator would have to be built. However, Mr. Fred Frey, director of administration, has located another generator with only a six-week delivery time. Mr. Teague commended Mr. Fred Frey on the great job that he has done on coordinating the move as well as finding the other generator which reduced the lead time.

Mr. Temple stated that it is very important that everyone be aware of the cost of the program and do as much as possible to control the cost so that any savings can be accrued. There will be some hard changes to make for the upcoming 2007-08 plan year to control the cost of the program.

OLD BUSINESS

None

NEW BUSINESS

Mr. Temple stated that there will be no meeting in August, and tentatively set the next meeting for Tuesday, September 5, 2006.

PUBLIC COMMENTS

Ms. Betty Davenhauer with LSU-NO praised OGB staff for the dedicated assistance in reconstructing its OGB enrollment records following the school's recent return to business in New Orleans. She commended the following staff members for the valuable assistance they provided:

Charlotte Gardner
Timothy Tarrant
Bernice Matthews
Marsha Lincecum
Sylvia Theriot
Dean Moberley
Bruce Minor
Dianne Turcotte
Hubert Lincecum

ADJOURN

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

Mr. Aubrey Temple, Chairman