

MINUTES

POLICY AND PLANNING BOARD MEETING OFFICE OF GROUP BENEFITS

March 9, 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. Jackie Self
Mr. William Quinlan
Mr. Aubrey Temple

Members Absent

Mr. Mark Brown
Dr. James Calvin
Dr. Barbara Cicardo
Mr. Buford Huckleberry
Mr. Charles Lazare
Rep. Tank Powell

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

APPROVAL OF MINUTES OF FEBRUARY 8, 2006 BOARD MEETING

The minutes of the February 8, 2006 meeting were presented for approval.

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

Mr. Temple recognized and welcomed Mr. Tommy Teague, the new CEO of OGB.

FY 2006-07 PREMIUM RATES

Mr. Teague reported that Milliman has completed the premium rates for the 2006-07 plan year. Mr. Teague had Ms. Sharon Marshall, an actuary with Milliman, review the FY 2006-07 premium rates with the Board. Ms. Marshall reported on the difficulty in projecting rates for this year, resulting from:

- Hurricanes Katrina and Rita
- The need to keep all current plans with no changes
- Medicare Part D
- This change in Humana's HMO from fully insured to self-funded basis, acting as an ASO, with statewide blended rates instead of regional pricing.
- Humana's rates in some areas, especially in Baton Rouge and New Orleans area showing increases exceeding the statewide average.

Ms. Marshall reported that the statewide aggregate premium rate increase is 5.9 percent. The Board noted that this is significantly below the national medical inflation trend of 8 to 10 percent. Some Board members expressed concern that the 5.9 percent rate increase will not cover the cost of the program for the plan year.

Mr. Teague stated the aggregate premium rate increase is 5.9 percent, but some increases are between 15 percent to 40 percent depending on the plan and tier.

Mr. Temple stated that he is concerned because the program is currently in a deficit and there is no room for error.

Mr. Quinlan asked if an analysis of different plans has been done and if each plan's provider discounts are about the same. Ms. Marshall stated that Milliman does the evaluation and takes that into account. Mr. Teague stated that OGB is near completion of compiling a database that will provide OGB with provider discount information.

Dr. Broussard stated that she was pleased to see some decreases in certain programs for retirees.

NEW BUSINESS

No new business.

OLD BUSINESS

Mr. James Lee reported that he is receiving numerous complaints from his constituents about errors in claim payments by one of the OGB's programs (not the PPO). Mr. Lee stated that some type of reporting procedure needs to be implemented to tell us how many claims are denied before they are eventually paid.

Mr. Temple asked Mr. Kipper how complaints filed with the Department of Insurance (DOI) are handled. Mr. Kipper stated that that DOI responds by letting the individual know that DOI does not have jurisdiction over OGB, but also the information is forwarded to OGB. DOI does have a record of the number of complaints and he will provide that to the Board.

PUBLIC COMMENTS

No request for public comments.

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