



State of Louisiana
Office of Group Benefits
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MINUTES

POLICY AND PLANNING BOARD MEETING OFFICE OF GROUP BENEFITS

September 14, 2009

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CALL TO ORDER

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

ROLL CALL

Members Present

Rep. Robert Billiot
Sen. "Butch" Gautreau *
Mr. Kenneth Krefft
Mr. Hubert Lincecum
Ms. Janet Lorena
Mr. Rick Ramsey
Mr. Jackie Self
Mr. Aubrey Temple

Members Absent

Dr. Merline Broussard
Mr. Russell Culotta
Mr. James Lee
Mr. Philip Rebowe
Ms. Karen Winfrey

Roll call indicated seven board members present, not representing a quorum. Regular business items on the Agenda were passed, and the meeting proceeded as an informational meeting.

* Senator Gautreau arrived after roll call.

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MERCER ACTUARIAL REPORT

Mr. Thomas Tomczyk, with Mercer reviewed the Mercer report indicating that a premium surplus of approximately \$60 million is projected for the end of FY 2009-10 and the fund balance is approximately \$398 million. Claims costs during the month of June jumped and were attributed to plan members concerns about state budget cuts which would cause potential layoffs and a resulting loss of coverage. This prompted plan members who previously postponed checkups, elective medical procedures and surgery to seek these services.

Generic drug usage continues to increase and as of June 30, 2009, OGB's utilization average was 61.2 percent. The average retail generic cost per script has decreased 0.4 percent and the average retail brand cost per script has increased 14 percent during the twelve month period ending 06/2009.

He reported that OGB experienced increases of 10.1 percent in medical costs and 10.3 percent in drug costs over the past year and this is attributed to the average age of the plan member being older.

ESTABLISHMENT OF A QUORUM

Senator Gautreau arrived at this point. With eight members present, a quorum was established and the Board proceeded with its regular order of business.

APPROVAL OF MINUTES OF THE MAY 19, 2009 BOARD MEETING

The minutes of the May 19, 2009 meeting were presented for approval.

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

Mr. Rick Ramsey requested to add the item Student Status Verification to the agenda.

A motion was made by Mr. Ramsey, seconded by Mr. Krefft to add Student Status Verification to the agenda as an item for discussion. There being no objections, the motion was accepted.

ELECTION OF OFFICERS FOR 2009-2010

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. Self.

There being no further nominations, upon motion of Mr. Lincecum, seconded by Mr. Self, Mr. Temple was elected by acclamation as Chairman of the Board.

Vice Chairman

Mr. Temple opened the floor for nominations for the office of Vice-Chairman of the Board.

Mr. Ramsey nominated Mr. Lincecum. The nomination was seconded by Mr. Krefft

There being no further nominations, upon motion of Mr. Ramsey, seconded by Mr. Krefft, Mr. Lincecum was elected by acclamation as Vice-Chairman of the Board.

Secretary

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

Mr. Lincecum nominated Mr. Lee. The nomination was seconded by Rep. Billiot.

There being no further nominations, upon motion of Mr. Lincecum, seconded by Rep. Billiot, Mr. Lee was elected by acclamation as Secretary of the Board.

CEO REPORT – OPERATIONAL ACTIVITIES

Mr. Teague reviewed the operational reports which indicated a claims loss ratio of 68 percent in July 2009. OGB received 115,668 claims in the month

of July 2009 and the average turnaround time for claim payment was 2.3 days. The fund balance is \$402, 695,939 million as of July 31, 2009.

STUDENT STATUS VERIFICATION

Mr. Ramsey requested that OGB review the September 1 due date of verification for student status information from plan members. He stated that it is hard for students to get this information from the colleges and/or universities and get it to OGB before this date. He suggested that the deadline date be moved to mid September or possibly October 1.

During discussion of this item, Mr. Lincecum noted that some states extend eligibility for dependent children to age 24 without regard to student status. After further discussion a motion was made by Senator Gautreau, seconded by Rep. Billiot, to have OGB prepare a fiscal impact statement for the Board on raising the termination age for dependent children to age 24, regardless of student status. There being no objection, the motion was approved.

OLD BUSINESS

MEDICAL HOME PILOT PROJECT

Mr. Teague reported that the contract for the Medical Home Pilot project was awarded to Vantage Healthcare. This is for a fully insured Medical Home Pilot Project within OGB Region 9 for an effective date of September 1, 2009. He reported that Vantage enrolled approximately 1,700 contracts. .

NEW BUSINESS

Mr. Teague provided information to the Commission on Streamlining Government. He reported that they were particularly interested in the GASB liability for retiree health care benefits which now stands at approximately \$13.7 billion.

Mr. Teague reported that OGB's contracts for prescription drug benefits, mental health and substance abuse treatment benefits and the self-insured health plans will expire next year and will need to be bid out. He is awaiting direction from the administration prior to issuing notices of intent to contract.

PUBLIC COMMENTS

No requests were submitted to speak to the Board.

ADJOURN

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



Mr. Aubrey Temple, Chairman