



State of Louisiana

Office of Group Benefits

P. O. Box 44036

Baton Rouge, Louisiana 70804



MINUTES

POLICY AND PLANNING BOARD MEETING OFFICE OF GROUP BENEFITS

February 27, 2013

CALL TO ORDER

Mr. James Lee, called the meeting of the Policy and Planning Board to order.

ROLL CALL

Members Present

Mr. Barry Blumberg
Dr. Merline Broussard
Ms. Rikki Nicole David
Ms. Nancy DeWitt
Mr. Kenneth Krefft
Ms. Melissa Lee
Ms. Janet Lorena
Mr. James Lee

Members Absent

Rep. Robert Billiot
Ms. Emma Fontenot
Mr. Jackie Self
Sen. Gregory Tarver

Roll call indicated 8 board members present, representing a quorum.

APPROVAL OF MINUTES OF THE JANUARY 30, 2013 BOARD MEETING

The minutes of the January 30, 2013 meeting were presented for approval.

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

ACTUARIAL REPORT

Mr. Thomas Tomczyk, with Buck Consultant reported that there is little change since last month, including fiscal year projections as well as plan (calendar) year projections. A loss of about \$170 million still is expected for calendar year 2013. This projected loss is due to projected expenses exceeding projected revenues. However, the accumulated fund balance is more than sufficient to make up for these projected losses. OGB's fund balance will continue to go down through 2013, leaving a projected fund balance of approximately \$265 million by the end of this year.

He stated that the generic prescription drug utilization rate for OGB members is better than in the past, but is almost leveling off in the high 60 to low 70 percent range. Most other employer health plans have a prescription drug formulary with 3 tiers (a co-payment for generic prescription drugs, a co-payment for brand-name drugs listed on the formulary and a co-payment for brand-name drugs not listed on the formulary), which results in a higher generic utilization rate. The average cost of generic prescription drugs is approximately \$25 per script, compared to the average cost of brand-name prescription drugs which is approximately \$208 per script.

CEO REPORT – OPERATIONAL ACTIVITIES

OGB chief executive officer Charles Calvi Jr. introduced Pat Powers, OGB's new chief operating officer. He succeeds acting COO Brenda St. Romain, who resumed her previous duties as head of OGB's administrative division. Mr. Powers presented a report on OGB operations.

Mr. Pat Powers reviewed the key indicators report, which indicated that the membership in OGB health plans remains about the same. OGB had a \$451million fund balance as of January 31, 2013. As of January 2013, the average age of enrollees is 63.9 for the PPO plan, 58.8 for the HMO plan and 58.1 for the Medical Home HMO plan. The average age of plan members in all OGB Medicare Advantage plans combined is 70.5. The

average turnaround time for claim payments is 5-7 days (for BCBS). The fiscal report for January, 2013 shows OGB received \$105,847,564 in revenue and \$93,209,161 in expenses, and the cash balance was \$514 million.

He reviewed the performance indicators report which showed that BCBS and Vantage are meeting all the required performance standards.

Mr. Powers reported that progress continues on the OGB weight loss program being conducted at Pennington Biomedical Research Center. There have been 42 surgeries this year and have scheduled 80 participant screenings in the next three months.

OLD BUSINESS

Dr. Broussard inquired about the status of a class action lawsuit alleging OGB unwillingly overcharged PPO plan members who had medical procedures performed at outpatient surgery centers. Ms. Angela McCulloch stated that there is no new update and that the voluntary delay remains in place as informal discussions with the plaintiffs' attorneys continue.

Mr. Lee reported that Ms. DeWitt received a copy of the civil service layoff plan for OGB that she requested and a copy will be provided to any other Board member who request one.

NEW BUSINESS

Mr. Krefft asked about filling the vacancies on the Board. Mr. Lee and Ms. DeWitt stated that they are working on a letter to send to Commissioner Nichols requesting assistance and getting them filled.

Mr. Lee stated that when he first was elected to the Board that they had the fiduciary responsibility for the program but when it was changed to the Policy and Planning Board that they no longer had that responsibility. He asked who had that responsibility now. Ms. McCulloch stated that it was now the responsibility of the C.E.O. of the Office of Group Benefits.

PUBLIC COMMENTS

There were no public comments from the audience.

ADJOURN

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


Mr. James Lee, Chairman