



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

January 30, 2013

CALL TO ORDER

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

ROLL CALL

Members Present

Rep. Robert Billiot
Mr. Barry Blumberg
Dr. Merline Broussard
Ms. Nancy DeWitt
Ms. Emma Fontenot
Mr. Kenneth Krefft
Ms. Melissa Lee
Ms. Janet Lorena
Mr. Jackie Self
Mr. James Lee

Members Absent

Ms. Rikki Nicole David
Sen. Gregory Tarver

Roll call indicated 9 board members present, representing a quorum.

*Rep. Billiot arrived after roll call.

APPROVAL OF MINUTES OF THE SEPTEMBER 20, 2012 BOARD MEETING

The minutes of the September 10, 2012 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 OGB received \$1.3 billion in premium payments with expenses of \$1.4 billion for 2012, resulting in a deficit of approximately \$43 million, due partly to the reduction in premiums effective August 2012. Reflecting a whole year of lower premiums and administrative expenses, 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 OGB currently has a generic prescription drug utilization rate of approximately 70 percent. One of the best ways to reduce costs is through increased utilization of generic prescription drugs where available, and OGB still has room for improvement in this area. The cost per prescription continues to rise. The average cost of generic prescription drugs is approximately \$23 per script, compared to the average cost of brand-name prescription drugs which is approximately \$198 per script.

Mr. Tomczyk advised Board members that he will provide a summary of the healthcare reform and the projected impact of the exchanges on OGB.

CEO REPORT – OPERATIONAL ACTIVITIES

Ms. St. Romain, Chief Operating Officer, reviewed the key indicators report, which indicated that the membership in OGB health plans remains about the same. OGB had a \$438 million fund balance as of December 31, 2012. As of December 2012, 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 has increased from 2-3 days (for OGB) to 5-7 days (for BCBS).

Ms. St. Romain provided an update on the layoff of OGB staff. It has been completed and OGB's customer service offices are being closed at the end of January. Blue Cross is operating 8 regional offices to provide service to members, at locations different than OGB's previous 7 customer service offices.

Ms. St. Romain reported that progress continues on the OGB weight loss program being conducted at Pennington Biomedical Research Center. Ms. St. Romain reported that they are considering changing the requirements because the required diet has been too restrictive for participants to adhere to before the surgery can be done.

OLD BUSINESS

Ms. DeWitt requested that OGB provide the Board with a copy of the layoff plan, a copy of the approval letter from Civil Service approving the layoff plan, and a copy of the report sent to Civil Service talking about everything that went on in the layoff plan. She also requested that in the future any reports of this nature be forwarded to the Board members.

Dr. Broussard inquired about the status of a class action lawsuit alleging OGB unwittingly overcharged PPO plan members who had medical procedures performed at outpatient surgery centers. Ms. Angela McCulloch stated that the voluntary delay remains in place as informal discussions with the plaintiffs' attorneys continue, with judicial proceedings to move forward if OGB and the plaintiffs cannot come to agreement.

Mr. Self inquired as to whom the Board members should refer plan members to when they receive complaints for your constituents. Mr. Calvi stated that all complaints should be directed to Mr. Malcolm Veazie. Mr. Blumberg provided a letter he received from a plan member requesting assistance regarding an issue they had with coverage. Mr. Calvi stated that this also should be handled by Mr. Veazie.

Rep. Billiot discussed the need to secure a quorum for more meetings called. Ms. DeWitt stated that she and Mr. Lee will be sending a letter to the Commissioner of Administration requested that she urge the Governor to fill the seats that are vacant by his appointment.

Mr. Lee stated that the plan had a loss of \$42 million last year and a projected \$174 million loss for this year, and in 2011 OGB lost \$50 million. OGB is on a trend of a downward slide. Even if the Board is irrelevant we need to get involved in stopping this trend of losing this money.

NEW BUSINESS

Dr. Broussard inquired about how a walk-in OGB plan member is handled by the BCBS representative in their regional offices. She has received information that they are directed to a room with a bank of telephones to call the BCBS customer service call center to have their issue handled. Mr. Greg Cross, vice-president of sales for BCBS advised her that BCBS does not have a customer representative in their regional offices that can handle OGB plan specific plan member issues. They only have the BCBS representatives that are specific to the OGB plan in the main BCBS office in Baton Rouge. Mr. Cross stated that he would work with the OGB staff and provide a list of OGB plan issues that can be handled by regional offices and ones that will need to be handled by calling in to the BCBS customer call center. Mr. Catherine Simpsons, OGB Communications, advised that she would work with BCBS to have this information put in the next OGB newsletter.

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