



**STATE OF LOUISIANA**  
DIVISION OF ADMINISTRATION  
**OFFICE OF GROUP BENEFITS**



**OGB POLICY AND PLANNING BOARD MINUTES**

**July 19, 2018**

**10:00 AM**

**1201 North Third Street,  
Louisiana Purchase Room  
Baton Rouge, LA 70802**

- I. Call to Order**
  - a. Roll Call**

**Present:**

    - i. Rep. Robert Billiot
    - ii. Kenneth Krefft
    - iii. Sen. John R. Smith
    - iv. Sen. Dan Morrish
    - v. Jeremy Jackson
    - vi. Agnes Andrews
    - vii. Frank Jobert
    - viii. Deborah Copeland

**Absent:**

    - i. Korey Harvey
    - ii. Sen. Ronnie Johns
    - iii. Valencia Tanner
  - b. Pledge of Allegiance**
- II. Election of Officers**
  - a. Chairman** – Mr. Frank Jobert nominated Mr. Jeremy Jackson; Mr. Kenneth Krefft seconded the nomination. Approved unanimously.
  - b. Vice-Chairman** – Sen. John Smith nominated Mr. Jobert; Rep. Robert Billiot seconded the nomination. Approved unanimously.
  - c. Secretary** – Mr. Jobert nominated Ms. Deborah Copeland; Mr. Krefft seconded the nomination. Approved unanimously.
- III. Approval of Minutes from April 6, 2018 Meeting**
  - a.** Mr. Jobert presented a motion to approve the minutes; Mr. Krefft seconded the motion; Approved unanimously.
- IV. Public Comments**
  - a.** None
- V. Summary of Legislation**



**STATE OF LOUISIANA**  
DIVISION OF ADMINISTRATION  
**OFFICE OF GROUP BENEFITS**



- a. Act 603 (SB 480 – Johns)
    - i. Mr. Tommy Teague updated board members on the passage of this legislation and what it means to OGB and its membership.
  - b. Act 676 (SB 554 – Claitor)
    - i. Mr. Tommy Teague updated board members on the passage of this legislation and what it means to OGB and its membership.
- VI. 2019 Premium Rate Proposal**
- a. Mr. Teague then explained to board members the proposed rate increase and reminded them that the administration advised OGB that the funding was not available for an increase effective 1/1/19 and that the alternative measures that had been previously discussed would need to be put into place.
  - b. Mr. Tom Tomczyk with Conduent explained the projected 2019 medical and pharmacy trends and how they came to those percentages to the conference members.
- VII. Long Range Projections**
- a. Mr. Teague and Mr. Tomczyk updated the board members on the future projections for the fund balance.
  - b. Mr. Krefft – Can you explain why revenue dropped slightly from 2018 to 2019?
    - i. Mr. Tomczyk – Partly due to medical claims and rounding. Also federal subsidies will be less.
- VIII. Life Insurance Award Recommendation**
- a. Mr. Teague updated board members on the status of this contract award. The award recommendation is still with the Office of State Procurement (OSP). We will need to have another board meeting in mid-August.
- IX. Fully Insured “Louisiana HMO” Award Recommendation**
- a. Mr. Teague updated board members on the recommended award for this contract.
  - b. Mr. Krefft made a motion to recommend awarding the contract to Vantage Health Plan; Mr. Jobert seconded that motion; Recommendation to award the Louisiana HMO contract to Vantage Health Plan was approved unanimously.
- X. Recommendation for Extension of Blue Cross Blue Shield of Louisiana TPA Contract for One Year**
- a. Mr. Teague updated board members on the recommendation to extend the BCBSLA TPA contract for one year.
  - b. Mr. Jobert made a motion to recommend approval of the extension; Sen. Dan Morrish seconded the motion; Motion to recommend the extension of the BCBSLA TP contract for one year was approved unanimously.
- XI. Status Report on Cost Savings Initiatives**
- a. **Controlling Specialty Drug Spend Under the Medical Plan**
    - i. Mr. Teague updated board members on the status of this initiative.



**STATE OF LOUISIANA**  
DIVISION OF ADMINISTRATION  
**OFFICE OF GROUP BENEFITS**



- ii. Mr. Tomczyk explained how Conduent arrived at the savings estimates.
- b. Pharmaceutical Market Check Initiative**
  - i. Mr. Teague updated board members on this initiative.
  - ii. Mt. Tomczyk explained how Conduent arrived at the savings estimates.
  - iii. Mr. Teague added that Conduent is currently doing an audit of the MedImpact contract to ensure OGB is receiving all rebates it is due.
- c. New Formulary for EGWP Participants**
  - i. Mr. Teague explained this initiative and updated board members on the status of implementation. OGB does anticipate some pushback from the Medicare retirees.
  - ii. Mr. Tomczyk explained how Conduent arrived at the savings estimates.
  - iii. Mr. Jeremy Jackson – What is going to happen when calls start coming in from doctors saying this switch is drugs will not work for the patient?
    - 1. Mr. Teague – There is an appeals process the member can go through. Generally the formulary is adhered to.
- d. Prescription Drug Supplemental Savings Program**
  - i. Mr. Teague updated board members on the status of this initiative.
- e. Spousal Surcharge**
  - i. Mr. Teague updated board members on the status of this initiative. It may not take effect on 1/1/2019 and there will be an attestation form members will need to complete.
  - ii. Mr. Tomczyk explained how Conduent arrived at the savings estimates.
  - iii. Mr. Agnes Andrews – How are you going to reach out to the spouses employer/insurer?
    - 1. Mr. Teague – We won't. We will rely on the attestation.
  - iv. Mr. Krefft – How much time will they be given to fill out the attestation?
    - 1. Mr. Teague - The duration of the annual enrollment period, October 1 – November 15.
  - v. Mr. Krefft – Mr. Tomczyk, do you expect there to be some meber drop-off?
    - 1. Mr. Tomczyk – We have seen in some of our clients that spouses to drop rather than pay the surcharge.
- f. Capitated Primary Care Network Proposal**
  - i. Mr. Teague updated board members on how this initiative works and the status of the RFP.



**STATE OF LOUISIANA**  
DIVISION OF ADMINISTRATION  
**OFFICE OF GROUP BENEFITS**



- ii. Mr. Tomczyk explained how Conduent arrived at the savings estimates.
- iii. Mr. Teague also informed board members that this initiative will not go into effect on 1/1/2019 but OGB hopes to have it in place by 7/1/2019.
- iv. Ms. Andrews – In terms of clinics, what kind of clinics will they be? Will the member see a doctor or a nurse practitioner?
  1. Mr. Teague – It could be a clinic or an urgent care center. It will depend on what is available in the area.
- v. Ms. Andrews – So it will be a lower out-of-pocket cost to the member?
  1. Mr. Teague – Members and covered dependents can use the service free of charge.
- vi. Rep. Billiot – So the smaller clinics will be battling against the bigger clinics?
  1. Mr. Teague – Yes.
  2. Rep. Billiot – What is driving this?
    - a. Mr. Teague – OGB is hoping it will be cheaper to pay the capitated rate instead of the claims to BCBSLA.
  3. Rep. Billiot – So the RFP is for vendors to go out and find clinics?
    - a. Mr. Teague – Yes.
  4. Rep. Billiot – Have you seen interest? Are they large clinics?
    - a. Mr. Teague – Yes. We have seen some interest from some large clinics.
  5. Rep. Billiot – What about areas with smaller facilities/clinics where the “big guys” aren’t?
    - a. Mr. Teague – We anticipate that we may have multiple vendors. We may have a different vendor in North Louisiana than in South Louisiana.
  6. Rep. Billiot – My concern is the smaller parishes who don’t have the Ocshners, Tulanes, etc.
    - a. Mr. Teague – Some areas may have to use urgent care clinics.
  7. Rep. Billiot – So some people will see savings and some will not?
    - a. Mr. Teague – Some people may have to drive a distance to participate.

**g. Cost Savings Initiatives Summary Questions**

- i. Mr. Jackson – We are shooting for the midpoint savings estimates but what happens if we don’t achieve the midpoint savings?
  1. Mr. Teague – Even with the initiatives we are looking at a 4.5% rate increase in 2020, 2021 and 2022.



**STATE OF LOUISIANA**  
**DIVISION OF ADMINISTRATION**  
**OFFICE OF GROUP BENEFITS**



2. Mr. Jackson – But what happens if we don't even come close?
  - a. Mr. Teague – We will have to re-evaluate and may have to do an increase early.
3. Mr. Jackson – Have we looked at other initiatives?
  - a. Mr. Teague – These initiatives are more palatable than cutting benefits and services.
- ii. Mr. Jackson – On the Capitated Care Network, has OGB compared the between use of CCN or BCBS? Is it going to cost more because members won't use it?
  1. Mr. Teague – OGB will pay a per member, per month fee and will have an ROI clause in the contract.
    - a. Mr. Tomczyk – Conduent arrived at the savings estimates based on less than 100% usage.
  2. Mr. Jackson – Have you calculated what the cost would be at less than 100%?
    - a. Mr. Tomczyk – I will have to get back with you on that.
- iii. Sen. Morrish – If we are looking at a 4.5% increase, is 75% of that paid by the state?
  1. Mr. Teague – Of the \$72M needed, about 19% would be from the state general fund. You are correct, the state pays 75%.
  2. Sen. Morrish – So 1.5% of that 4.5% will be member responsibility?
    - a. Mr. Teague – Yes.
- iv. Mr. Jobert – How will OGB communicate the Capitated Care Network (CCN) to members if it is implemented 1/1/2011?
  1. Mr. Teague – OGB will communicate the information during annual enrollment and the communications pieces that go out during that time.
  2. Mr. Jobert – So are we paying for the total number of members or the number of people we think will use the CCN?
    - a. Mr. Teague – OGB knows not everyone will choose to use the CCN, but if we base it on the number of members we will know what we will be paying. OGB will do a review each month to determine usage. We hope the incentive to the vendor will be to treat the member in one visit and not have multiple visits by the same member for the same ailment.
  3. Mr. Jobert – I like the program, I'm just concerned that we are paying for people who won't use it.
    - a. Mr. Teague – A per member, per month fee is how we pay most of our vendors.



**STATE OF LOUISIANA**  
**DIVISION OF ADMINISTRATION**  
**OFFICE OF GROUP BENEFITS**



4. Ms. Andrews – People tend to be creatures of habit. IS OGB concerned about members not wanting to establish a new relationship with a doctor?
  - a. Mr. Teague – The program is completely voluntary. We expect some people will choose to continue using their primary care physician over the CCN.
5. Mr. Jackson – Is OGB going to review a segmentation of plan members of other CCNs?
  - a. Mr. Teague – There is not enough statistical information available since this is a fairly new concept.
6. Ms. Agnes – So is OGB entering into a one year contract with a vendor?
  - a. Mr. Teague – It will be a three year contract with an option to cancel if the ROI is not to our liking.
7. Mr. Krefft – The CCN seems to be the option with the most savings based on the midpoint estimates.
  - a. Mr. Teague – OGB and Conduent looked at the shifting of membership when calculating the savings estimates.

**XII. Status of Medicare Advantage RFP**

- a. Mr. Teague updated board members on the status of the RFP.

**XIII. Retiree 100 Premium Adjustment Recommendation**

- a. Mr. Teague updated board members on the program and the need to increase the premium.
- b. Mr. Krefft – About how many members participate in the Retiree 100 plan?
  - i. Mr. Teague – About 800. OGB does expect some feedback from enrollees in this plan.

**XIV. Recommendation for Spousal Participation in Catapult Clinics**

- a. Mr. Teague updated board members on allowing spouses to participate in the Catapult clinics. Due to cost and lack of reliable ROI data, it is recommended that OGB not include spouses at this time.
- b. Mr. Krefft – Are the Catapult Clinics limited to one visit a year?
  - i. Mr. Teague – Yes.
- c. Ms. Andrews – Can you please explain what the Catapult Clinics are?
  - i. Mr. Teague gave an overview of the Live Better Louisiana program.
  - ii. Ms. Andrews – So we don't want to give access to spouses?
    1. Mr. Teague – Correct. It is not a cost effective option right now.
  - iii. Mr. Jobert – But we pay for them to see a physician if they choose not to use a Catapult Clinic. So would we pay the cost of the catapult clinic plus the BCBS charge?
    1. Mr. Teague – Yes. Members can choose to see their primary care physician and have him/her complete the PCP Form and return in to Catapult.

**XV. Update on Blue Cross Telemedicine Program (BlueCare)**



**STATE OF LOUISIANA**  
DIVISION OF ADMINISTRATION  
**OFFICE OF GROUP BENEFITS**



- a. Mr. Teague explained the program to board members.
- b. Ms. Andrews – Is this done through skype or email?
  - i. Mr. Teague – It is a service similar to Skype.
- c. Mr. Krefft – By the end of the year could OGB give the board an idea of how many members used this service?
  - i. Mr. Teague – BCBS will be keeping tabs on usage and OGB can get that information from them.
- d. Ms. Andrews – Some companies offer access to a nurse line to members. Does OGB do that as well?
  - i. Mr. Teague – BCBS does offer a nurse line in addition to BlueCare to our OGB members.
- e. Ms. Andrews – So does this service allow members to get prescriptions?
  - i. Mr. Teague – Yes.
- f. Mr. Jackson – Wh would members choose to use BlueCare over the CCN?
  - i. Mr. Teague – BlueCare is open 24 hours a day, seven days a week. It is open when other doctor offices and urgent cares are closed and it is cheaper that going to the emergency room.
- g. Ms. Andrews – So this would be a good option for people with children who never seem to get sick during regular doctor hours.

**XVI. New Business**

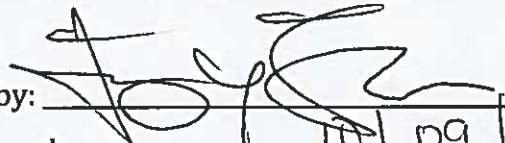
- a. Mr. Teague – We will need to meet again in mid-August to recommend approval of contracts for services that will be need to be communicated to members during annual enrollment.
- b. Rep. Billiot – Are these programs that are already in place?
  - i. Mr. Teague – Yes. Contracts are up and OGB needs new ones.
- c. Mr. Krefft – You mentioned 2 Medicare Options, do you expect to offer more in 2019?
  - i. Mr. Teague – Yes. BCBS now offers a Medicare Advantage plan. The RFP for Medicare Advantage health plans is currently out for bid.

**XVII. Adjournment**

- a. Motion to adjourn was made by Mr. Krefft; Motion was seconded by Mr. Jobert; Motion to adjourn was approved unanimously.

Approved by: \_\_\_\_\_

Date Approved: \_\_\_\_\_

  
10/09/2018