



STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF GROUP BENEFITS



OGB POLICY AND PLANNING BOARD MINUTES

October 9, 2018

10:00 AM

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

I. Call to Order

• **Roll Call**

Present

Agnes Andrews
Rep. Robert Billiot
Jeremy Jackson
Frank Jobert
Kenneth Krefft
Tony Murray
Valencia Tanner

Absent

Deborah Copeland
Sen. Ronnie Johns
Sen. Dan Morrish

• **Pledge of Allegiance**

II. Introduction of New Board Member

- Tony Murray

III. Approval of Minutes from July 19, 2018 Meeting

- A motion to approve the Minutes was made by Mr. Krefft and seconded by Ms. Andrews. The Minutes were unanimously approved.

IV. Public Comments

- None

V. Review of Medicare Advantage Contracts

- Mr. Teague gave an overview of the existing Medicare Advantage Plans
 - a. Vantage Health Plan
 - i. Premium HMO-POS
 - ii. Standard HMO-POS
 - iii. Basic HMO-POS

Vantage provides three options with differing premium rates. Vantage has an estimated 3-year premium cost of \$11,793,206.00, which includes assumed 4.5% premium rate increases in 2020 and 2021.

b. Peoples Health Plan

Peoples Health provides a single plan with a single premium throughout the state. Peoples Health has an estimated 3-year premium cost of \$16,721,598.00, which includes assumed 4.5% premium rate increases in 2020 and 2021.

• Mr. Teague gave an overview of two new Medicare Advantage Plans

a. Humana HMO

Humana has an estimated 3-year premium cost of \$2,426,740.00, which includes assumed 4.5% premium rate increases in 2020 and 2021. Humana provides differing rates for different regions of the state, and will not be available in all parishes.

b. Blue Advantage HMO

Blue Advantage has an estimated 3-year premium cost of \$6,278,827.00, which includes assumed 4.5% premium rate increases in 2020 and 2021. Blue Advantage likewise provides differing rates for different regions of the state, but will be available in all parishes.

• Mr. Krefft questioned the differing rates for different regions.

Mr. Teague explained, as examples, that costs are higher in certain areas; differing Medicare costs apply in different regions, and CMS reimburses differently in different regions.

• Representative Billiot asked why there is no participation in some areas.

Mr. Teague explained, as examples, that cancer rates are higher, no clinics exist, and medical costs are higher in some regions of the state.

• A Motion was made to approve the Medicare Advantage contracts by Mr. Krefft and seconded by Mr. Murray. The contracts were unanimously approved.

VI. Review of New Federal Mandated Benefits under the Affordable Care Act

• Mr. Teague provided an overview of the new Federal Mandated Benefits:

a. Physician Assistants will now be classified as Primary Care Physicians and paid as such.

b. Blue Cross and Blue Shield of Louisiana now contracts with Free-Standing Skilled Nursing Facilities. Pre-certification is not required for payment.

c. There will be no cost of living adjustments because we are within the IRS guidelines.

- d. There are several additions/changes to Preventive Services as defined by the U.S. Preventive Services Task Force:
 - i. Intensive behavioral counseling to address childhood obesity was expanded to include children ages 3-5. Adult obesity and dietician visits were declined; however, Blue Cross is looking for ways to cover these services in 2019.
 - ii. Generic Vitamin D will no longer be covered for members 65 and older.
 - iii. Screening for Osteoporosis in women 65 and older and for younger post-menopausal women with increased risk for fractures will be provided at no cost.
 - iv. Behavioral counseling for skin cancer will be provided at no cost.
 - v. Screening for diabetes in postpartum women with a history of gestational diabetes will be provided at no cost.
 - vi. Screening for urinary incontinence will be provided at no cost.
 - vii. Screening for breast cancer survivors will be provided at no cost.
 - viii. Coverage for certain Lifestyle-Wilderness Programs will now be provided when medically necessary.

VII. Review of the Extension of Via Benefits Contract for 2019

- Mr. Teague advised that no proposals were submitted for the Private Medicare Exchange Broker RFP, which resulted in an emergency contract being awarded to Via Benefits (formerly OneExchange). He requested that this contract be extended for one year. He is hopeful of receiving responses to a Request for Proposals for a private Medicare Exchange Broker to be issued in 2019.
- A motion was made to extend the Via Benefits contract for one year by Mr. Krefft and seconded by Mr. Murray. The extension was unanimously approved.

VIII. Review of OGB Initiatives

- Mr. Teague briefed members on the status of the following OGB initiatives:
 - a. Life insurance RFP – emergency bid.
 - b. LA HMO RFP – contract signed.
 - c. Medicare Advantage Plans RFP – contracts awarded.
 - d. Capitated Primary Care Network RFP -- OSP to issue RFP.
 - e. Supplemental RX RFP – OSP to issue RFP.
 - f. Medicare Brokerage RFP – contract awarded.
 - g. Spousal Surcharge – abandoned.
 - h. RX Market Check – contract pending.
 - i. EGWP closed formulary – on schedule.
 - j. Retiree 100 rate increase – rate to increase from \$39.00 to \$81.00, which is the break-even point.
 - k. Specialty Drugs – NDA signed – goal is to get infusions at facilities at the lowest cost.
 - l. BCBS Contract Amendment – at BCBS for approval.

- Mr. Teague explained that certain contracts require JLCB approval. The earliest contracts can be presented to JLCB will be in November. The process now is for the contract to be initially presented to JLCB and then approved the following month.
- Mr. Jobert asked whether these new initiatives can be offered during open enrollment without first obtaining JLCB approval. Mr. Teague confirmed that they will be offered during open enrollment.
- Mr. Krefft asked if the number of members to be affected by the Retiree 100 rate increase is known. Mr. Teague advised that approximately 80 members will be affected.
- Representative Billiot asked if the affected members will be provided notice of the rate increase. Mr. Teague stated that letters are being prepared to go out to the affected members.
- Mr. Teague suggested that OGB's initiatives will provide significant savings which will be considered in determining the need for future premium rate increases. Mr. Tomczyk provided projected cost savings from certain of these initiatives ranging from a low of \$31,515,409.00 to a high of \$66,618,536.00. Mr. Teague suggested that the savings will exceed the projected midpoint of \$44,186,858.00, and likely approximate the higher projected savings identified by the actuary.

IX. Recommendation for Life Insurance Contract Award

- Mr. Teague advised the Board that an RFP was posted on May 16, 2018 for proposals to provide life insurance. Five bids were received. After disqualifications and protest of the initial contract award, all bids were thrown out. An emergency ITB was issued on October 1, 2018. The contract will be awarded to Prudential. Members will be able to obtain life insurance without providing evidence of insurability. The one year contract to Prudential will require JLCB approval.
- Mr. Krefft questioned the cost of life insurance coverage for elderly members. Mr. Teague agreed that the cost for elderly members is significantly higher. He also explained that available coverage is reduced by 25% at age 65 and an additional 25% at age 70. After age 70, \$25,000.00 is the maximum amount of coverage available.
- A motion was made to approve the Prudential contract by Representative Billiot, and seconded by Mr. Jobert. The contract was unanimously approved.

X. New Business

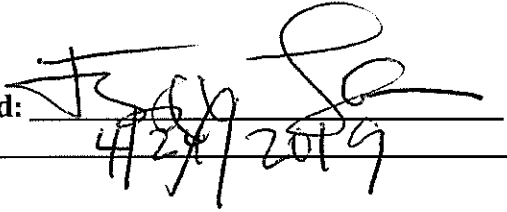
No new business.

XI. Adjournment

A motion to adjourn was made by Ms. Andrews, seconded by Representative Billiot and unanimously approved.

Approved by Board: _____

Date Approved: _____

Handwritten signature and date. The signature is written over the line for "Approved by Board:" and the date "4/29/2019" is written over the line for "Date Approved:". The signature appears to be "J. S. Andrews" and the date is "4/29/2019".