



STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF GROUP BENEFITS



DRAFT; NOT YET APPROVED BY THE BOARD

OGB POLICY AND PLANNING BOARD MINUTES

Friday September 27, 2019

10:00 a.m.

1201 N. Third St.

Thomas Jefferson Room C

Baton Rouge, La. 70802

I. Call to Order

a. Roll Call

Present:

Agnes Andrews (late)
Rep. Robert Billiot
Deborah Copeland
Frank Jobert
Kenneth Krefft
Sen. Dan Morrish
Tony Murray

Absent:

Jeremy Jackson
Sen. Ronnie Johns
Sen. John Smith
Valencia Turner

b. Pledge of Allegiance

Mr. Krefft led the Pledge of Allegiance

II. Election of Officers

Acting Chairman Frank Jobert opened the floor for the nomination of officers.

Frank Jobert nominated Jeremy Jackson to be Chairman. That motion was seconded by Ken Krefft and unanimously adopted by the Board.

Ken Krefft nominated Frank Jobert to be Vice-Chair. That motion was seconded by Tony Murray and unanimously adopted by the Board.

Frank Jobert nominated Deborah Copeland to be Secretary. That motion was seconded by Ken Krefft and unanimously adopted by the Board.

III. Approval of the minutes from the April 24, 2019 meeting

Motion to approve the minutes of the April 24, 2019 meeting was made by Tony Murray and seconded by Ken Krefft. That motion was unanimously approved by the Board.

IV. Public Comments

There were no public comments.

V. 2020 Health Insurance Rates

Mr. Teague updated members on the 2020 health insurance rates and reminded them that they had previously approved these rates. The presented information was for informational purposes only.

VI. Recommendation for award of life insurance contract

Mr. Teague updated members on the results of the life insurance RFP process. There were five bids. It was determined that Prudential Life Insurance Company had submitted the proposal most advantageous to OGB and should be awarded the contract. This contract will be for three years with two one-year options to renew.

Tony Murray made a motion to recommend approval of the life insurance contract to Prudential Life Insurance Company and to publish the premium rates as quickly as possible. This motion was seconded by Sen. Morrish and unanimously approved.

VII. Recommendation for approval of a contract amendment with Blue Cross Blue Shield of Louisiana

Mr. Teague updated members on the amendment to the Blue Cross Blue Shield contract explaining that the principal reason for the amendment was to exercise the renewal of the contract for the final option year (2020) and to reflect the increased cost of the contract for this final year.

Rep. Billiot asked whether this would affect the Annual Enrollment process. Mr. Teague responded that it would not.

Mr. Murray asked whether the rates would be the same for the final year. Mr. Teague answered that the rates would not change but the increased expenditures for the final year had to be reflected.

Mr. Krefft asked how many contracts does OGB have for health insurance, broken down between members and dependents? Mr. Teague answered that we would provide those numbers. (The answer provided after the meeting was that OGB covers 84,015 active employees, 41,224 Retirees with Medicare, 18,397 Retirees without Medicare, and 105,417 dependents.)

Mr. Teague explained that Blue Cross Blue Shield is approaching the maximum contract amount for 2019. Mr. Krefft asked how close we were coming to the maximum expenditure. Mr. Teague said that Blue Cross Blue Shield would be providing a report to us.

Mr. Jobert asked whether 2020 would be the last year of this ASO contract. Mr. Teague explained that 2020 would be the final contract year and that OGB is already working on the RFP to be released.

Mr. Krefft moved that the Board recommend approval of the contract amendments to the Blue Cross Blue Shield contract. Rep. Billiot seconded the motion and it was unanimously approved by the Board.

VIII. Recommendation for approval of the MedImpact Contract Amendment

Mr. Teague updated members on the MedImpact contract amendment. The principal reason for the amendment was to exercise the option to renew for the first optional year (2020) and to increase the total funding to reflect this extension. The other amendments were to increase our discounts and refunds for 2020.

Mr. Teague then updated the members on the proposed CMS rule which would have forbidden PBMs and employers from receiving pharmaceutical rebates from manufacturers. CMS has withdrawn this proposed rule and OGB will continue to receive such discounts.

Mr. Krefft asked what is the maximum amount of this contract. Mr. Teague, after discussion with staff, answered that the maximum amount payable under the contract would increase from \$1,397,000,000 to \$1,827,000,000.

Sen. Moorish asked whether the second to last bullet on this issue in the Powerpoint presentation has anything to do with the pharmaceutical issues brought up in the recent legislative session. (This bullet provides that if there is a change in the law or industry practice, there will be an appropriate change in fees, rates, etc.) Mr. Teague answered that this particular amendment was a direct result of Sen. Mill's bill which could substantially change PBM industry standards.

Rep. Billiot moved to recommend approval of the MedImpact contract amendments. This motion was seconded by Mr. Murray and unanimously approved.

IX. Recommendation for approval of the Vantage Health Plan MHHP contract amendment

Mr. Teague updated the members on the necessity for this contract amendment. It will continue the contract for 2020 with a five per cent (5%) premium increase.

Mr. Krefft asked how many people were covered by this plan. Mr. Teague said approximately 7,700.

Mr. Murray moved that the Board recommend approval of the Vantage Health MHHP contract. Mr. Krefft seconded the motion and it was unanimously adopted by the Board.

X. Recommendation for approval of the fully-insured Medicare Advantage contract amendments.

i. People's Health Inc.

ii. Vantage Health Plan, Inc.

iii. HMO Louisiana, Inc.

iv. Humana Health Benefit Plan of Louisiana.

i. People's Health

Mr. Teague explained that the amendments to the People's Health contract were purely technical amendments. Mr. Murray moved that that the Board recommend approval of the People's Health Inc. contract amendments. This motion was seconded by Rep. Billiot and unanimously approved.

ii. Vantage Health Plan, Inc.

Mr. Murray asked to see the total enrollment in this plan. After conferring with staff, Mr. Teague stated there were 1,480 total persons enrolled in this plan.

Mr. Murray moved that the Board recommend approval of the Vantage Medicare Advantage Health Plan amendments. Ms. Andrews seconded the motion and the Board unanimously passed the motion.

iii. HMO Louisiana, Inc.

Mr. Murray asked what geographic areas are in Regions 3 and 4. The OGB staff responded that Region 3 consists of Lafourche, Saint John, Saint Charles, Saint James, Assumption and Terrebonne Parishes, and Region 4 consists of Lafayette, Evangeline, Saint Landry, Acadia, Saint Martin, Iberia, Vermilion and Saint Mary Parishes.

Sen. Morrish moved to recommend approval of the contract amendments to the HMO Louisiana, Inc. Medicare Advantage Plan. The motion was seconded by Rep. Billiot and unanimously approved by the Board.

iv. Humana Health Benefit Plan of Louisiana

Mr. Krefft asked why the rates were so different between Regions 1 and 7. Mr. Teague reminded the Board that these rates were the result of negotiations between the Medicare Advantage plan and CMS. The difference in rates are probably reflective of the medical costs in those regions and the provider network rates. Mr. Teague was asked what was the enrollment in this plan. The OGB staff answered 64.

Mr. Billiot asked what geographic regions is represented in Region 7. The staff responded that Region 7 consists of Caddo, Bossier, Webster, Claiborne, Bienville, Red River and DeSoto Parishes.

Mr. Krefft moved that the Board recommend approval of the Humana Health Benefit Plan amendments. The motion was seconded by Rep. Billiot and unanimously approved by the Board.

XI. Recommendation for approval of the Buck Global, LLC contract amendments

Mr. Teague informed the Board that this contract amendment was for \$35,000 to pay Buck Global, LLC for performing a HIPAA audit and to provide OGB with updated HIPAA training materials.

Rep. Billiot asked whether this audit is required periodically. Mr. Teague answered that OGB needs to perform a HIPAA audit every three years.

Mr. Krefft moved that the Board recommend approval of the Buck Global, LLC contract amendments. This motion was seconded by Ms. Copeland and unanimously approved by the Board.

XII. Recommendation of approval of the HMO Louisiana, Inc. contract amendments

Mr. Teague advised the Board that this was purely a technical amendment to correct a typographical error.

Sen. Morrish moved that the Board recommend approval of this amendment to the HMO Louisiana Inc. contract. This motion was seconded by Mr. Murray and unanimously approved by the Board.

XIII. Recommendation for approval of Access Health, Inc. contract amendments

Mr. Teague advised the Board that this was a technical amendment to change the dates of certain deliverables under the contract.

Mr. Teague then updated the Board on the number of Access Health clinic visits since the July 1 effective date. Rep. Billiot asked what region had the most visits. Renita Williams, OGB Chief Operating Officer, answered East Baton Rouge Parish.

Mr. Krefft moved that the Board recommend approval of the contract amendments to the Access Health contract. Ms. Andrews seconded the motion and it was unanimously approved by the Board.

XIV. Recommendation of approval of the Discovery Benefits, Inc. contract amendment

Mr. Teague advised the Board that this was purely a technical amendment to change the name of the company from a corporation to an LLC.

Mr. Krefft asked whether this amendment was to thwart some type of legal action. Mr. Teague answered that the Office of State Purchasing requires an amendment when there is a name change to a contract signatory.

Mr. Murray moved that the Board recommend approval of the contract amendments to the Discovery Benefits contract. Rep. Billiot seconded the motion and it was unanimously approved by the Board.

XV. Recommendation of approval of the Pennington Biomedical Research Center Cooperative Endeavor Agreement

Mr. Teague reminded the members that OGB and PBRC had participated in the “Heads Up” trial study six or seven years ago. OGB paid for several hundred gastric bypass surgeries to be performed. Simultaneously, PBRC had another group of OGB participants on a liquid diet program and further studied a control group. This CEA is to pay for final office visits for the gastric bypass participants in order to complete the study and is budgeted at no more than \$350,000.

Mr. Murray asked whether OGB had paid for this study. Mr. Teague answered yes and, after consultation with OGB staff, advised that the cost was about \$10 Million. Mr. Murray confirmed with Mr. Teague that PBRC does not have the funding to complete the study. Mr. Teague stated the \$350,000 is the maximum amount that can be paid to fund these final visits.

Mr. Murray moved that the Board recommend approval of the Cooperative Endeavor Agreement with Pennington Biomedical Research Center. Mr. Krefft seconded the motion with the understanding that the amount to be paid by OGB is capped at \$350,000. The Board unanimously passed the motion.

XVI. Recommendation for approval of the Medicare Market Exchange with HRA

Mr. Teague reminded the Board that this is an ongoing program whereby OGB retirees with Medicare coverage can opt to enroll in a Medicare Supplement Plan offered by a broker of these plans. The employer pays a monthly contribution into a Health Reimbursement Account for the member’s use.

OGB, through the Office of State Purchasing (OSP), issued an Invitation to Bid for these services. The sole bidder was Via Benefits, the present administrator. The administrative cost that was bid is the same price now paid, \$4.00 per participant per month. There are presently 764 participants. OSP awarded the contract to Via Benefits.

Via Benefits has expressed objection to some of the required contractual provisions outlined in the ITB. Some of the objections represent substantial deviations from the state’s standard provisions. Discussions are ongoing with Via Benefits.

Mr. Teague advised the Board that a motion would be appropriate to recommend approval of the contract with Via Benefits, subject to agreement on contractual terms, with the possibility of a one year emergency contract. Sen. Morrish made this motion, seconded by Rep. Billiot, and it was unanimously approved by the Board.

XVII. Preparations underway to develop RFP for Administrative Services Only for OGB’s self insured health plans to be effective 1/1/2021

Mr. Teague stated that this item was on the agenda for informational purposes only. The ASO contract with Blue Cross Blue Shield of Louisiana ends 12/31/2020. OGB is already preparing the RFP for these services and will issue it as soon as possible.

Mr. Murray asked if we are getting some technical or professional assistance with the drafting of this document. Mr. Teague advised that Buck Global, LLC is assisting OGB.

XVIII. Preparations underway to develop RFP for Pharmacy Benefits Manager (PBM) contract to be effective 1/1/2021.

Mr. Teague advised the Board that this item was on the agenda for informational purposes only. We are already working on the draft of the PBM RFP for a new contract to be effective 1/1/2021.

Mr. Teague further informed that Board that Buck Global LLC is completing a rebate and claims audit on the current PBM contractor and that may lead to some further provisions being incorporated into the RFP.

Mr. Krefft asked what this audit encompasses. Mr. Teague explained that the audits cover the rebates received by the active and retired plans and the claims paid under both plans. OGB should have the final results in the coming months.

Mr. Teague further advised the Board that Walgreens had refused to meet MedImpact's pricing for the administration of flu shots to our members. Accordingly, OGB members cannot go to Walgreens to receive their free flu shot. They can go to other participating pharmacies. If a member does get their flu shot at Walgreens, they can turn in the claim for reimbursement.

Mr. Jobert asked whether OGB has another program to talk to members' doctors about switching to other less costly drugs. Mr. Teague answered that OGB presently has an RFP issued for these additional pharmaceutical savings.

XIX. New Business

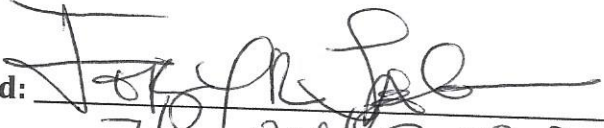
There was no new business.

However, Rep. Billiot and Sen. Morrish are term limited and this meeting might be their last meeting. Both men expressed their appreciation for the work OGB performs and that it was their privilege to serve on the Board. Sen. Morrish expressed his thoughts that state employees do not really appreciate the work that OGB and its leadership perform and that they are lucky to participate in such a program. OGB personnel thanked Rep. Billiot and Sen. Morrish for their service.

XX. Adjournment

Mr. Murray moved that the Board adjourn. This motion was seconded by Mr. Jobert and unanimously passed.

Approved by Board:



Date Approved:

7/24/2020