



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



**OGB POLICY AND PLANNING BOARD MINUTES**  
**Wednesday, September 9, 2020**  
**10:30 AM - Via Video Conference**

I. Call to Order

a. Roll Call

Agnes Andrews **Absent**

Frank Jobert **Present**

Sen. Louie Bernard **Present**

Kenneth Krefft **Present**

Sen. Joseph Bouie, Jr. **Present**

Tony Murray **Present**

Rep. Chad Brown **Absent**

Sen. Kirk Talbot **Present**

Deborah Copeland **Present**

Vacant

Jeremy Jackson **Present**

II. Certification of Inability to Operate Due to Lack of Quorum

III. Election of Officers

a. Chairman – Frank Jobert nominated Jeremy Jackson. Tony Murray seconded. No opposition.

b. Vice-Chairman – Jeremy Jackson nominated Frank Jobert. Deborah Copeland seconded. No opposition.

c. Secretary – Deborah Copeland was nominated and declined. Frank Jobert nominated Ken Krefft. Tony Murray seconded. No opposition.

IV. Approval of Minutes from July 24, 2020 Meeting

a. Motion to approve minutes made by Tony Murray. Motion seconded by Frank Jobert. Minutes approved unanimously.

V. Public Comments

a. David Phelps, Larry Roedel – Counsel for MedImpact: I hereby submit the following comment and request the opportunity to speak regarding Item VII on the OGB Policy and Planning Board Meeting Agenda: "Recommendation of Award of Emergency Pharmacy Benefits Manager Contract."

Our firm represents MedImpact Healthcare Systems, Inc., the incumbent provider of Pharmacy Benefit Manager services to OGB. The purpose of this comment is to address Item VII on the agenda at the September 9, 2020 OGB Policy and Planning Board meeting, "Recommendation of Award of Emergency Pharmacy Benefits Manager Contract." As the Board is aware, these PBM services have gone out for RFP, the award of which is the subject of an ongoing protest. As part of the protest, the Chief Procurement Officer implemented a Stay, which prohibits the State from all actions associated with the award of the contract. Despite this, OGB has decided to negotiate what it calls an emergency contract with CVS/Caremark for the exact same scope of services that are the subject of the RFP. We would like to take this opportunity to briefly explain why there is in fact no emergency and the Board should not award the contract to CVS before the protest process concludes.

First, there is no emergency because OGB currently has a vendor in place, MedImpact, doing the work and adhering to all terms and conditions in its current contract. There is a provision in the current contract

to extend it one more year. To date, OGB has not ever discussed doing so with MedImpact. In fact, MedImpact did not learn of this emergency contract negotiation until after the August 14 Joint Legislative Budget Committee meeting.

Second, MedImpact has on its own initiative offered to extend its current contract and matching the pricing terms that are attached to the CVS emergency contract. As we sit here, OGB has not responded to the MedImpact offer to extend the current contract, a completely legal way to achieve the cost savings OGB is seeking.

In summary, MedImpact is willing to continue its current service at the discounted rate CVS is offering in the “emergency” contract. As such, there is really no emergency at all and the Board should refuse to award such a contract. We would be happy to answer any questions the Board may have and there are representatives of MedImpact who can confirm their willingness to extend their contract.

- b. A.J. Herbert III – Counsel for CVS Caremark: On behalf of CVS Health/Caremark, I request the opportunity to make a statement at both the OGB (1) Estimating Conference meeting today and (2) Policy and Planning Board meeting today.

VI. Recommendation for Award of Emergency Pharmacy Benefits Manager Contract

- a. Renita Ward Williams gave a historical perspective of the need for the emergency PBM contract.
- b. Tameika Henry reviewed the details of the emergency PBM contract.
- c. Numerous questions were asked by all board members about the continuity of care, conflict of interest, cost savings (are they guaranteed or capitated), the protest of the 3 to 5-year contract and need for the emergency contract.
  - i. OGB has already determined what if any disruption there would be to our members transitioning from one contract to another. When OGB made the decision not to exercise the final year option with MedImpact, the contract with MedImpact will expire on 12/31. The emergency contract would ensure a continuity of care for our members into the new year. The award of the contract that is under protest was based on cost savings. Emergency contracts are not new. OGB entered into an emergency contract with the current contract holder, MedImpact, in 2014 when the 3 to 5-year contract award to MedImpact was protested by Catamaran. MedImpact submitted 2 best and final offers (BAFO) during the RFP process. Those were below the BAFO of Caremark. The afternoon of September 4, 2020 MedImpact came back with another offer. That offer was to match the Caremark offer and guarantees of the emergency contract. It takes two months to get a contract approved through JLCB – one month to present for review and another to approve or deny. We are coming up on the annual enrollment period and need to get information out to our members so they can make a decision on their health care coverage for 2021. The cost savings Caremark has in the emergency contract are guaranteed savings, not capitated. OGB has followed the proper procedures put forth by the Office of State Procurement (OSP) and they concurred that this is an emergency and gave the approval to move forward.
- d. Ken Krefft made a motion to recommend the award of the emergency PBM contract to Caremark. Jeremy Jackson seconded the motion.

Sen. Louie Bernard No	Frank Jobert Yes
Sen. Joseph Bouie No	Ken Krefft Yes
Deborah Copeland No	Tony Murray No
Jeremy Jackson Yes	Sen. Kirk Talbot No

Five nays and three yeas. The motion fails to carry.

VII. Recommendation for award of Medicare Broker Contract

- a. Tameika Henry reviewed the details of the contract award.

- b. Motion to recommend award of the Medicare Broker contract to Via Benefits made by Frank Jobert. Motion seconded by Ken Krefft. Motion passed unanimously.

VIII. Recommendation for Contract Amendments

- a. Tameika Henry reviewed the details of each of the contract amendments.
  - i. Peoples Health Medicare Advantage Amendment
    - 1. Motion to recommend contract amendments made by Jeremy Jackson. Seconded by Tony Murray. Motion passed unanimously.
  - ii. Vantage Health Plan, Inc., Medicare Advantage Amendment
    - 1. Motion to recommend contract amendments made by Jeremy Jackson. Seconded by Deborah Copeland. Motion passed unanimously.
  - iii. HMO Louisiana, Inc. Medicare Advantage Amendment
    - 1. Jeremy Jackson asked about the impact of the increase in regions 6, 7 & 8.
      - a. That is tied to a CMS bid.
    - 2. Motion to recommend contract amendments made by Jeremy Jackson. Seconded by Tony Murray. Motion passed unanimously.
  - iv. Humana Health Benefit Plan of Louisiana Medicare Advantage Amendment
    - 1. Ken Krefft asked for an explanation for the variations of premiums across the regions.
      - a. It is due to the population and cost of care as well as contracts between CMS and providers.
    - 2. Motion to recommend contract amendments made by Jeremy Jackson. Seconded by Tony Murray. Motion passed unanimously.
  - v. Vantage Health Plan, Inc., MHHP Amendment
    - 1. Motion to recommend contract amendments made by Frank Jobert. Seconded by Ken Krefft. Motion passed unanimously.

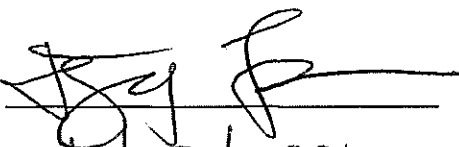
IX. New Business

- a. Mr. Tommy Teague requested a personal privilege to announce his retirement. All members of the board thanked him for his many years of service to the State of Louisiana and the Office of Group Benefits.
- b. Frank Jobert asked what the process would be regarding PBM services since the board voted down the recommendation of awarding an emergency contract to Caremark?
  - i. That is up to the Commissioner of Administration and possibly the courts.
- c. Frank Jobert then stated if the contract goes to the next lowest bidder, OGB needs to hold them to the savings guaranteed by Caremark.
- d. Jeremy Jackson asked if the board will need to convene again.
  - i. OGB will be discussing options with the Division of Administration and would let the board know what the next steps are.
- e. Senator Bernard requested the next meeting be held in person rather than through video conference. The rest of board members in attendance concurred they would prefer an in-person meeting.

X. Adjournment

- a. Motion to adjourn made by Jeremy Jackson. Motion was seconded by Frank Jobert. Motion to adjourn approved unanimously by the board.

Approved by Board:



Date Approved:

10/13/2020