



STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF GROUP BENEFITS



MINUTES

Group Benefits Policy and Planning Board

Thursday, August 11, 2022

1:00 PM

1201 North Third Street

Louisiana Purchase Room (Claiborne 1-100)

Baton Rouge, LA 70802

- I. Call to Order –the meeting was called to order at 1:09 PM.
 - A. Roll Call

Sen. Louie Bernard	Present
Sen. Joseph Bouie, Jr.	Present
Rep. Chad Brown	Absent
Ms. Deborah Copeland	Present
Mr. Jeremy Jackson	Present
Mr. Frank Jobert, Jr.	Present
Mr. Kenneth Krefft	Present
Mr. Tony Murray	Absent
Mr. Frank Opelka	Present
Mr. Mike Saylor	Present
Sen. Kirk Talbot	Present
- II. Appointment to Vacant Elected Position, Gwile Freeman, Ph.D
 - A. Sen. Louie Bernard made a motion to defer the appointment for the vacant elected position to the next Policy and Planning Board meeting. Kenneth Krefft seconded the motion. The motion was approved unanimously.
- III. Oaths of Office
 - A. Margaret Collier, attorney for the Office of Group Benefits (“OGB”), administered the Oath of Office to the newly reappointed members—Jeremy Jackson, Frank Opelka and Michael Saylor—as well as the newly reelected member, Frank Jobert, Jr.
- IV. Election of Officers for 2022 - 2023
 - A. Chairman – Mr. Jobert nominated Mr. Jackson. The nomination was seconded by Mr. Krefft. With no objections, Mr. Jackson was elected as Chairman of the Board.
 - B. Vice Chairman – Mr. Jobert nominated Tony Murray. The nomination was seconded by Mr. Krefft. With no objections, Mr. Murray was elected as Vice-Chairman of the Board.
 - C. Secretary – Mr. Jobert nominated Mr. Krefft. The nomination was seconded by Mr. Opelka. With no objections, Mr. Krefft was elected as Secretary of the Board.

- V. Approval of Minutes from May 12, 2022 Meeting
- A. Sen. Bernard made a motion to approve the Policy and Planning Board Minutes from the May 12, 2022 meeting. Mr. Krefft seconded the motion. The Policy and Planning Board Minutes were approved unanimously.
- VI. Public Comment
- A. The following individuals spoke against the proposed Pelican HRA1000 Plan premium rate increase for the School Board Classification:
1. Mr. Paxton Teddle, Superintendent, Grant Parish Schools,
 2. Charley Lemons, Superintendent, Cameron Parish Schools,
 3. Rodney Wilson, Director of Finance, Sabine Parish School Board,
 4. Bret Schnadelbach, CFO, Tangipahoa Parish School Board, and
 5. Michael Greene, Eagan Insurance Agency.
- B. Randal Johnson, President and CEO of Louisiana Independent Pharmacies Association, waived his right to comment.
- VII. Financial Update
- A. Colonel David Couvillon, Chief Executive Officer of OGB, provided the financial update. The update included the following:
1. OGB's health plan membership by plan and member type for the 2022 Plan Year.
 2. OGB's group term life insurance membership by age group and member type for the 2022 Plan Year.
 3. OGB's financial status for Fiscal Year 2022 with the OGB accrual financial reporting through May 31, 2022.
 4. OGB's self-funded health plan monitoring report for Fiscal Year 2022.
 5. Financial projections for Fiscal Years 2022 – 2026, with underlying assumptions.
- VIII. 2023 Plan Year
- A. Premium Rates for Self-Funded Plans
1. Classifications other than School Board Classification.
 - a. For OGB's self-funded plans, Col. Couvillon provided information related to a proposed 4.5% premium rate increase for the 2023 plan year, effective January 1, 2023.
 - b. The Board discussed the proposed premium rate increase. OGB's actuaries, Alysa Farabaugh, a Senior Consultant, and Nancy Gaffney, a Principal, with Buck Global, LLC, responded to questions about the fund balance and the proposed premium rate increase.
 - c. Mr. Jobert made a motion to defer recommendation of the 2023 plan year 4.5% premium rate increase for all classifications other than the Pelican HRA1000 plan school board classification until more information is provided. Sen. Talbot seconded the motion. The motion was approved unanimously.
 2. Pelican HRA1000 School Board Classification
 - a. Col. Couvillon stated that the use of gap plans by school boards caused a detrimental effect on OGB's fund balance. Some school boards paired gap plans with the Pelican HRA1000 Plan. This resulted in OGB paying more in claims while collecting fewer premiums. As a result, for the first five months of 2022, the Pelican HRA1000 Plan operated at a 108% loss ratio. Because the loss ratio is expected to worsen the remainder of this year and thereafter, OGB proposed a 21.2% premium rate increase for active

employees enrolling in the 2023 Pelican HRA1000 plan. The 21.2% increase included the 4.5% increase that OGB proposed across the board for all employees and retirees. The proposed 21.2% increase did not apply to school board retirees enrolled in the Pelican HRA1000 Plan.

- b. The Board discussed the proposed premium rate increase. OGB's actuaries, Alys Farabaugh, a Senior Consultant, and Nancy Gaffney, a Principal, with Buck Global, LLC, responded to questions about the Pelican HRA1000 Plan, the detrimental effect of gap plans on OGB's fund balance, and the proposed premium rate increases.
 - c. Sen. Bernard made a motion to delay for no more than thirty (30) days the Board's recommendation concerning the 2023 Pelican HRA1000 Plan School Board Classification 21.2% premium rate increase. Mr. Krefft seconded the motion. The motion was approved unanimously.
 - d. Board members expressed the following concerns:
 - i. A premium rate increase when OGB has a healthy fund balance;
 - ii. The revenues expected to be generated by the 4.5% rate increase;
 - iii. OGB's justification for the previous 24.5% premium rate increase and the current proposed 21.2% premium rate increase.
- B. Changes to Emergency Room Copayments for Magnolia Open Access and Magnolia Local Plans
1. Col. Couvillon informed the principals about OGB's intention to increase the emergency room copay for the Magnolia Local and Magnolia Open Access Plans to \$200 to steer Magnolia Local and Magnolia Open Access plan members to utilize primary care and urgent care providers.
 2. Mr. Krefft made a motion to recommend increasing the emergency room copay amount to \$200 for the Magnolia Local and Magnolia Open Access Plans. Mr. Jobert seconded the motion. The motion was approved unanimously.

IX. Pharmacy Benefits Manager (PBM) Litigation Update

- A. Mrs. Collier provided an update on the PBM litigation. The First Circuit Court of Appeals overturned the Nineteenth Judicial District Court's ruling and reinstated the award of OGB's PBM contract to CVS Caremark. As such, OGB is negotiating the PBM services contract with Caremark for a term beginning January 1, 2023. When the negotiations are complete, the contract will be presented to the Board.

X. Contract Amendments

- A. The Prudential Insurance Company for Group Life Insurance, Amendment #1
1. Melissa Mayers, OGB Chief Operating Officer, stated that the Office of State Procurement approved OGB's request to exercise the option to extend the Prudential Life Insurance Contract for 12 months. This amendment provides the updated premium rates for calendar year 2023.
 - a. The Policy and Planning Board members discussed the Amendment.
 - b. Mr. Jobert made a motion to recommend the Prudential Life Insurance Contract Amendment. Mr. Mike Saylor seconded the motion. The motion was approved unanimously.
- B. Blue Cross Blue Shield of Louisiana Contract Amendment
1. Ms. Mayers reported that this Contract Amendment will revise the timeline and clarify the measurement periods for certain performance guarantees.
 - a. The Policy and Planning Board members discussed the Amendment and asked questions.

b. Mr. Jobert made a motion to recommend the Blue Cross and Blue Shield of Louisiana Contract Amendment. Sen. Bernard seconded the motion. The motion was approved unanimously.

XI. Intent to Issue a Request for Proposals for Actuarial Services

A. Col. Couvillon informed the Board that OGB will be soliciting proposals for actuarial services in the near future as the current contract ends on January 31, 2023.

1. The Board had questions about the RFP process.

a. OGB and its legal counsel provided details of the RFP process.

XII. Access Health Update

A. Col. Couvillon reported that OGB received the last of the five settlement payments from Access Health for a total payment of \$36,000,000.00. OGB is continuing to track the number of weekly and monthly visits as well as evaluating whether Access Health met their performance guarantees for the latest contract year.

XIII. New Business

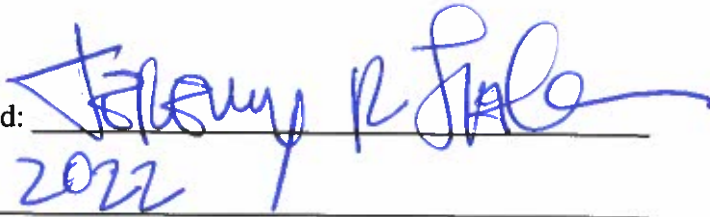
A. There was no new business.

XIV. Adjournment

A. Mr. Jobert made a motion to adjourn the meeting. Mr. Talbot seconded the motion. The motion was approved unanimously.

B. The meeting was adjourned at 3:26 PM.

Approved by Policy and Planning Board:



Date Approved:

9-8-2022