



STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF GROUP BENEFITS



Minutes

OGB Estimating Conference

August 8, 2024

1:30 PM

Louisiana Purchase Room (1-100)

1201 North Third Street

Baton Rouge, LA 70802

- I. Call to Order
- II. Roll Call
 - a. Mr. Sam Blount Present
 - b. Mr. Manfredo Dix Present
 - c. Ms. Stephanie Little Present
 - d. Ms. Andree Miller Present
 - e. Mr. Chas Nichols Present
 - f. Mr. Robert Schneckenburger Present
- III. Appointment to Estimating Conference – Andree Miller
 - a. Oath of Office - Ms. Angela McCulloch, an attorney with the Office of General Counsel, administered the Oath of Office to Ms. Andree Miller.
- IV. Approval of Minutes from the May 8, 2024 Estimating Conference Meeting
 - a. Ms. Stephanie Little made a motion to approve the minutes from the May 8, 2024 Estimating Conference meeting. Mr. Chas Nichols seconded the motion. The Estimating Conference approved the motion unanimously.
- V. Public Comment
 - a. There was no public comment.
- VI. Financial Update
 - a. Mr. Heath Williams, Chief Executive Officer of OGB, provided an overview of the current (through May 31, 2024) and future financial projections for the Office of Group Benefits (OGB). This overview included OGB's fiscal year financial status, member statistics, and fund balance projections. Mr. Williams noted that for the current month and for the fiscal year to date, the plan is running at a deficit. Likewise, from June 2023 to May 2023, OGB's fund balance decreased by \$47.8 million dollars.
 - b. Mr. Williams also provided the loss ratio for each of OGB's self-funded plans and explained that the gap insurance plans that the School Boards are pairing with OGB's Pelican HRA1000 Plan are causing the plan in that classification to experience a higher loss ratio.



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VII. 2025 Premium Rates

- a. Mr. Williams presented a historical review of the OGB fund balance over the years and the corresponding premium rate changes. OGB's current fund balance is \$446 million while the actuarially recommended balance is \$281M. Mr. Williams reminded the Principals that the fund balance fluctuates monthly depending on the amount of claims OGB paid and the amount of premiums collected. Mr. Williams then presented six scenarios for premium rates through the year 2029 and showed what each would do to the fund balance. He explained to the Principals that OGB could raise premiums, reduce benefits, or a combination of both. No matter what, OGB needs to start making some big decisions to ensure sustainability of the Plan. OGB has not had significant benefit changes in about ten years and that is something that needs to be considered in the near future as health care has drastically changed in the last ten years.
 - i. Mr. Robert Schneckenburger asked if there has been anything done in the legislature to prevent the OGB fund balance from being "raided" as it was in the past. Mr. Williams responded that, to his knowledge, nothing has been done but he hoped a lesson had been learned from what happened. Mr. Nichols added that the Estimating Conference was created from that experience to provide stopgaps and protection to OGB and its fund balance.

VIII. Procurement Matters – Contract Amendments

- a. Blue Cross Blue Shield of Louisiana Amendment #3
 - i. Mr. Williams reminded Estimating Conference that this Amendment extends the current contract for one more year and that the Policy and Planning Board already recommended the Amendment go to the Joint Legislative Committee on the Budget (JLCB). The Amendment is on the agenda for the JLCB meeting scheduled for August 9, 2024.
- b. Caremark Amendment #2
 - i. Mr. Williams informed the Estimating Conference that this Amendment keeps the reimbursement to pharmacies for prescription drugs steady to maintain network adequacy.
- c. TASC Amendment #1
 - i. Mr. Williams reminded the Estimating Conference that this Amendment would adjust the Frequency of Contractor response to report email bounce backs. It also will change the language related to the COBRA notice from monthly to yearly.
- d. TASC Amendment #2
 - i. Mr. Williams explained to the Estimating Conference that this Amendment would require TASC to mail annual enrollment materials and remove an implementation credit.
- e. HMO Louisiana Amendment #1
 - i. Mr. Williams explained to the Estimating Conference that when the Vantage Medicare Advantage plan ceased to exist at the end of last year, OGB saw a large migration to the HMO Louisiana Blue adVantage plan. This Amendment increases the dollar figure of that contract to account for the additional plan members now utilizing that plan.



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IX. Procurement Matters – Updates

a. Prescription Care Network (Near Real-Time Monitoring)

- i. Mr. Williams reminded the Estimating Conference that this contract would supply real-time monitoring of the PBM to ensure proper claims adjudication. He explained that the company will receive a data feed from Caremark and will audit it for accuracy in real time.

X. Changes to Maximum Out-of-Pocket Amounts Required By the Inflation Reduction Act

- a. Mrs. Molly Collier, Compliance Officer for OGB, gave an overview of the changes OGB is making to the maximum out-of-pocket (MOOP) amounts for Medicare retirees. The changes are mandated by the Inflation Reduction Act (IRA). The IRA requires a MOOP of \$2,000 for prescriptions for individuals with Medicare paying primary. OGB currently has a combined MOOP for medical and pharmacy benefits. In order to comply with the IRA, OGB split the combined medical and pharmacy MOOP amount, keeping the overall MOOP amount for 2025 the same as 2024. This change takes effect January 1, 2025.
- b. A motion to forward all information discussed in this meeting to the OGB Policy and Planning Board was made by Mr. Nichols. The motion was seconded by Mr. Manfredo Dix. The Estimating Conference approved the motion unanimously

XI. New Business

- a. No new business.

XII. Adjournment

- a. Mr. Schneckenburger made a motion to adjourn the meeting. Mr. Dix seconded the motion. The Estimating Conference approved the motion unanimously.

Approved by the Estimating Conference

Date Approved:

10/14/24