

# Office of Group Benefits

**A. Kip Wall,**

**Chief Executive Officer**



It's no secret that health care costs continue to

*soar*

- Grocery workers strike in California.
- Transportation workers strike in California, Virginia and Maryland
- Cost-shifting to active plan members and retirees
- Benefit reductions are the hot topic.

# Health Care Poll

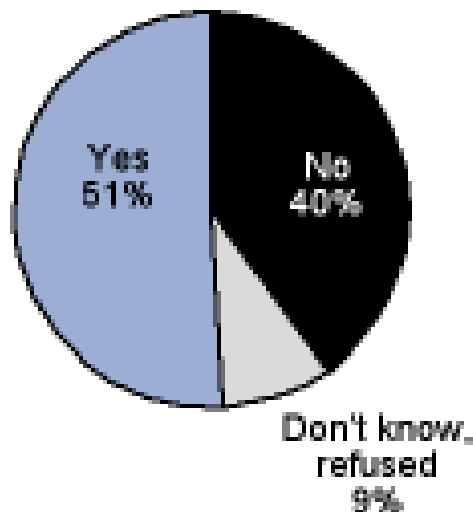


## Advocate poll

### Opinions health-care, insurance issues

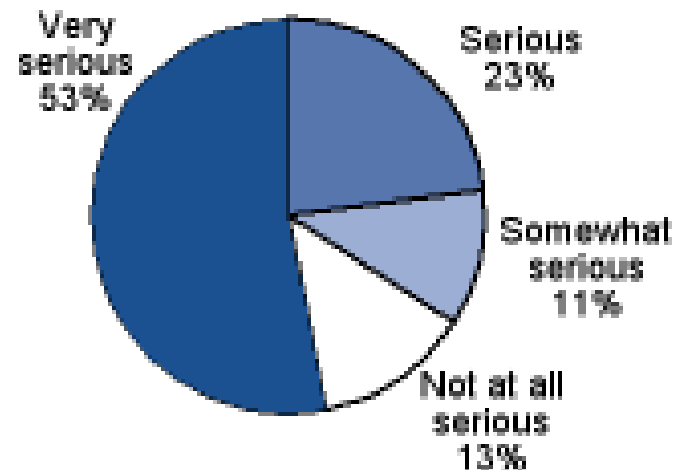
#### Taxes for health care

**QUESTION:** Would you be willing to pay more taxes to provide health-care insurance for those who cannot get or can't afford health insurance?

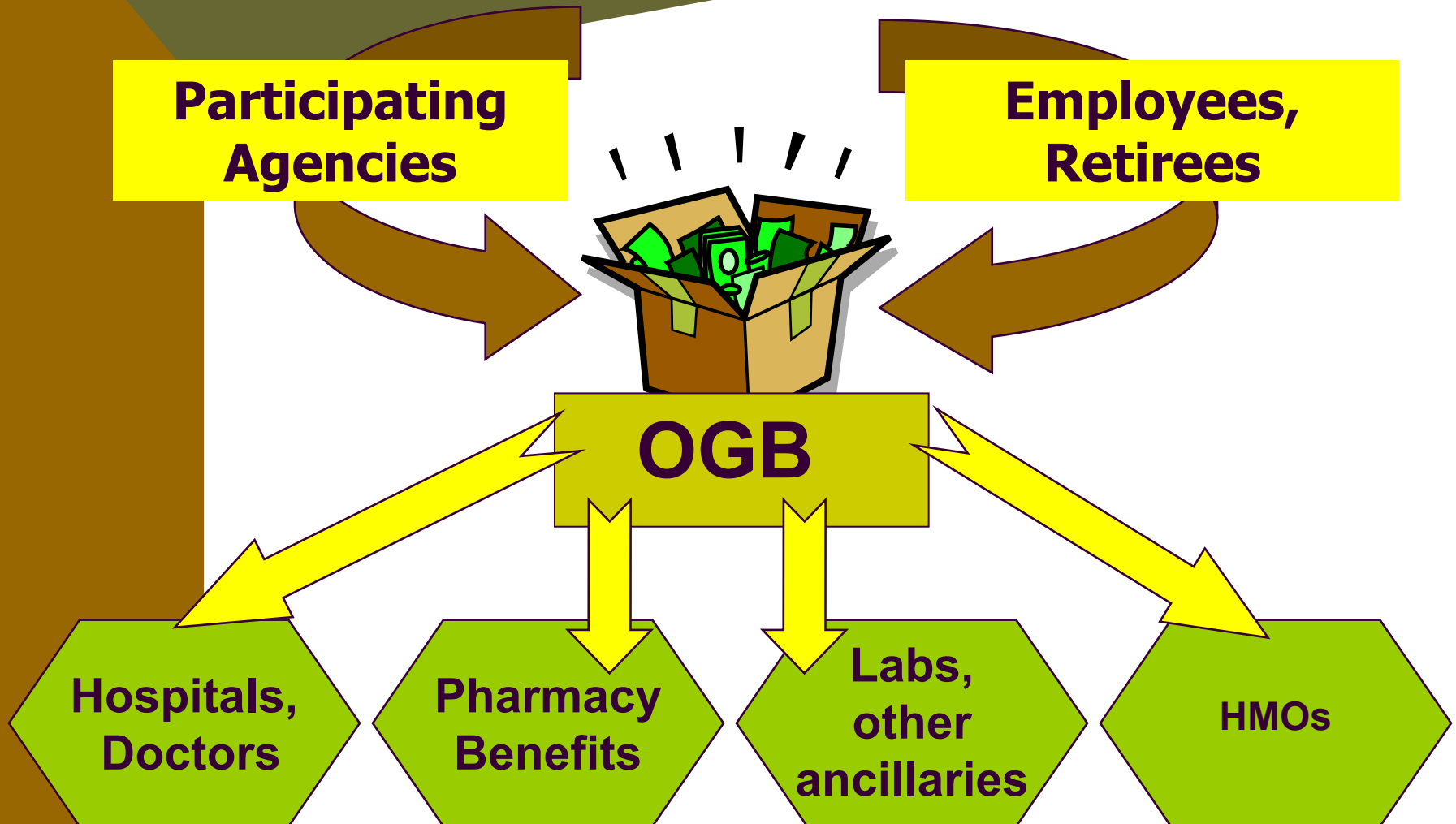


#### Insurance cost, availability

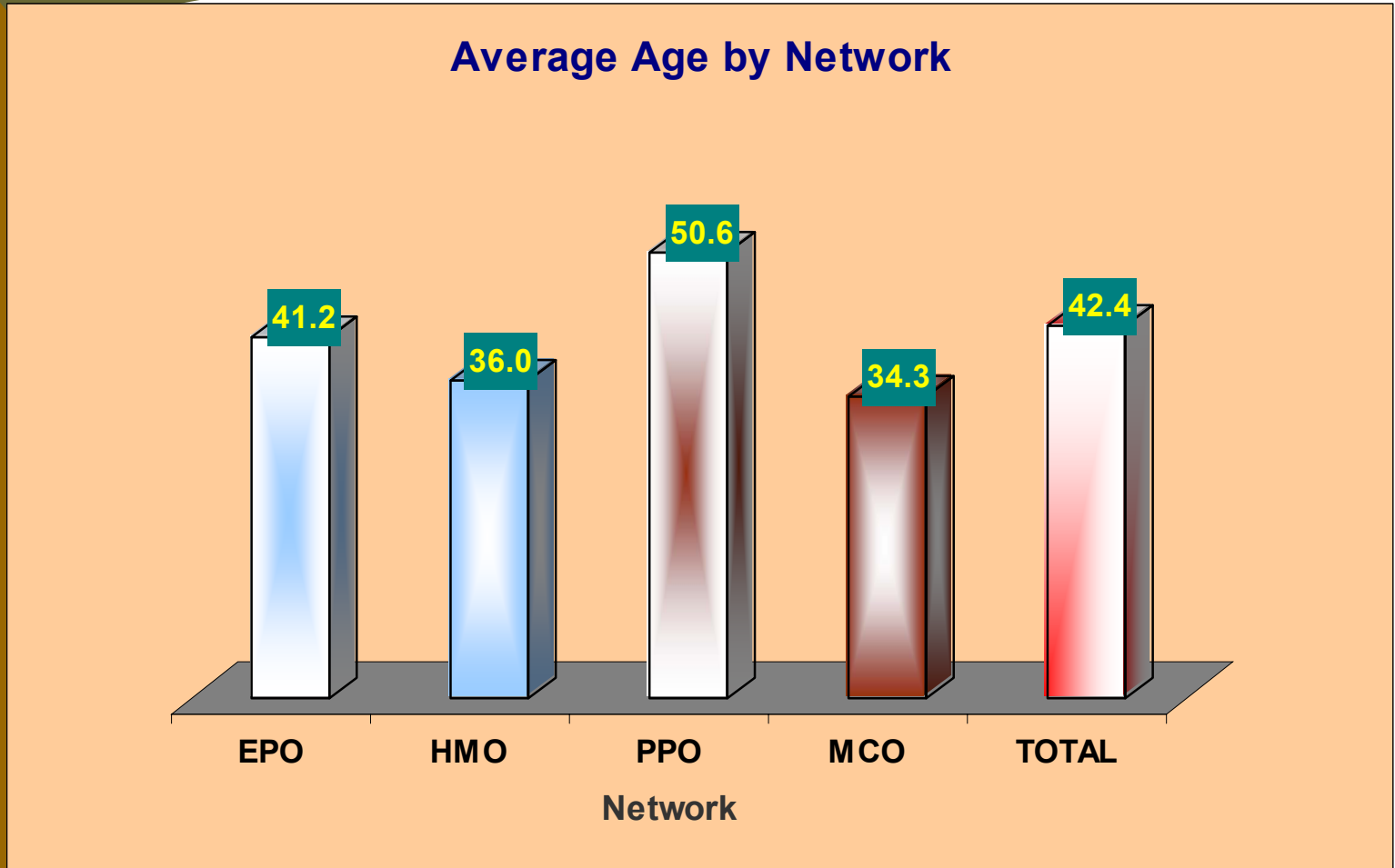
**QUESTION:** Please tell me how serious you think the cost and/or availability of health insurance is for you and your family personally. Please tell whether you think it is very serious, serious, somewhat serious, or not serious at all?



# Revenue In -- Revenue Out

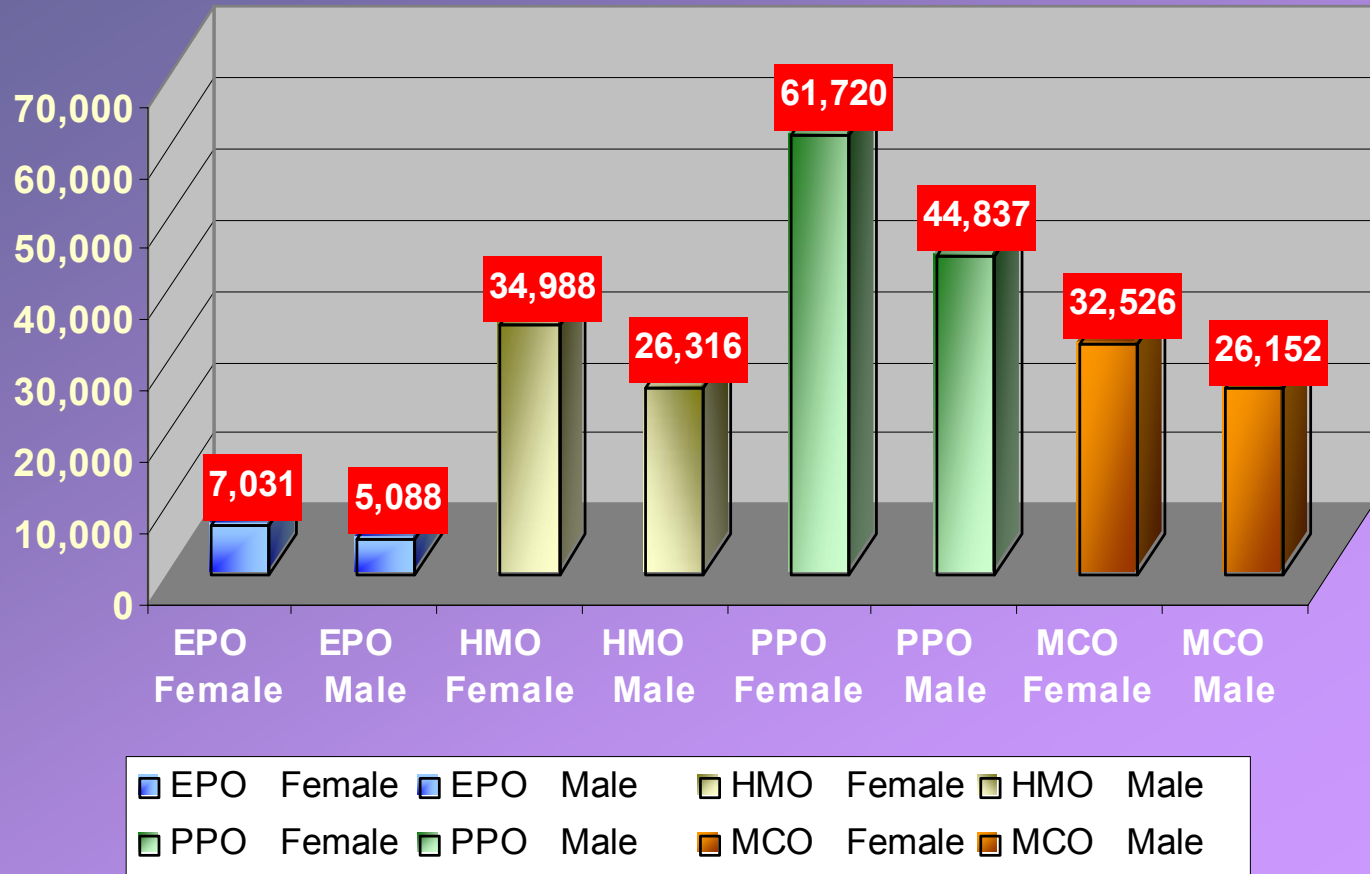


# Average Age of OGB Members



# Gender Distribution for OGB

Members by Network and Gender



# Where does the money go?

<b>Indemnity Health Claims</b>	\$360,432,295
<b>HMOs</b>	\$161,839,945
<b>Mental Health/Substance Abuse</b>	\$6,021,371
<b>Prescription Drugs</b>	\$137,701,354
<b>EPOs</b>	\$81,360,685
<b>Life Insurance</b>	\$29,237,680
<b>Administrative Expenses</b>	\$38,189,941
<b>TOTAL</b>	<b>\$814,783,271</b>

# Be in the know:

## OGB Chronic Conditions

<b>Rank</b>	<b>Clinical condition</b>	<b>OGB Paid 2002-03</b>
<b>1.</b>	<b>Coronary artery disease</b>	\$23.3 million
<b>2.</b>	<b>Arthritis</b>	\$8.5 million
<b>3.</b>	<b>Diabetes</b>	\$4.9 million
<b>4.</b>	<b>High blood pressure</b>	\$4.8 million
<b>5.</b>	<b>Lung disease- COPD +Asthma</b>	\$2.9 million



# Be in the know:

## OGB Drug Expenses 2002-03

<b>Rank</b>	<b>Brand</b>	<b>Purpose</b>	<b>OGB Paid</b>
<b>1.</b>	<b>Lipitor</b>	Reduce cholesterol	\$4.67 million
<b>2.</b>	<b>Zocor</b>	Reduce cholesterol	\$4.48 million
<b>3.</b>	<b>Celebrex</b>	Relieve pain	\$2.90 million
<b>4.</b>	<b>Nexium</b>	Reduce stomach acid	\$2.82 million
<b>5.</b>	<b>Prevacid</b>	Reduce stomach acid	\$2.82 million

# So, what is OGB doing?



# Be Healthy -- General Wellness



## Disease Management Program

- **Helps monitor diseases, such as**
  - **Heart Disease**
  - **Diabetes**
  - **Asthma**

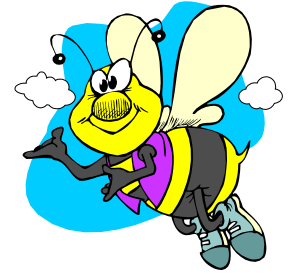
# Be Healthy -- General Wellness



## Joint program with Mayo Clinic

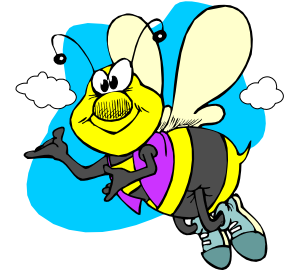
- Personal health index
- Access to data bases
- State-of-the-art information resources
- Easy access from OGB website

# Be Healthy -- Weight Control



- Pilot program with LSU to study the cost savings of gastric bypass surgery for morbidly obese
- Nutritional programs with Pennington Biomedical Research Center

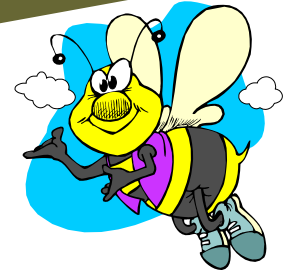
# Be Healthy -- Weight Control



Will be helpful in chronic conditions, such as:

- diabetes
- musculoskeletal disorders
- depression
- cardiovascular diseases

# Be in control: Coronary disease

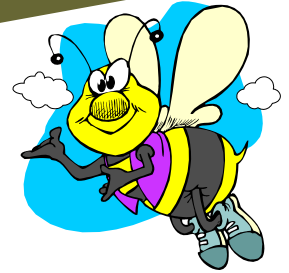


- 90% of people with severe heart disease have one or more factors:
  - smoking
  - diabetes
  - high cholesterol
  - high blood pressure

**Weight!**

*USA Today, August 20, 2003*

# Be in control: Diabetes

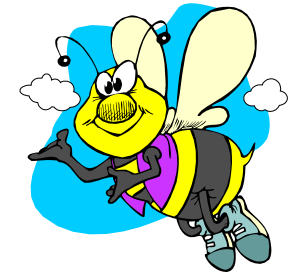


- 90% of all people with newly diagnosed Type 2 diabetes are overweight
- Losing 5 to 7% of body weight can prevent Type 2 diabetes

*American Diabetes Association*



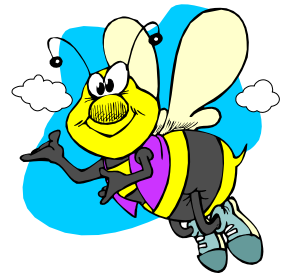
# Be in control: Arthritis



- Get accurate diagnosis
- Protect your joints – use assistive devices
- Get moving -- exercise
- Manage weight
- Reduce stress -- have fun
- Take your medication

# Be in control: High Blood Pressure

- Take medication every day
- Reduce salt intake
- Eat well-balanced meals
- Exercise
- Control weight



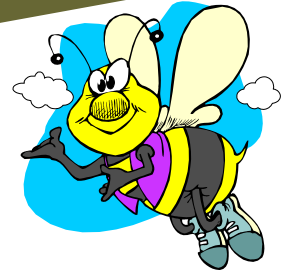
# Be in control: Lung Disease -- ASTHMA

**NO SMOKING**



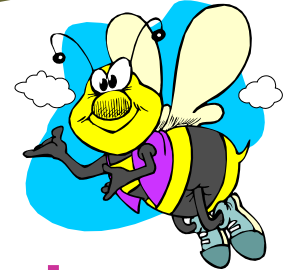
**GET FLU SHOT**

# Be in control: Prescription drugs



- Generic drugs are often safe alternatives
- Ask doctor for samples
- Sign up for special drug programs for seniors offered by drug companies
- Over-the-counter drugs can be helpful
  - Prilosec now needs no Rx

# Be Healthy -- Mental Health



## “Live and Work Well” -- with United Behavioral Health

- Toll free number 1-866-492-7143
- Website [www.liveandworkwell.com](http://www.liveandworkwell.com)
- **Harvard University Behavioral Health Study**

### Resources to help with the challenges of:

- Health and wellness
- Family and friends
- Managing life changes

# OGB Accomplishments

- **Increased premium subsidy for state employee health insurance premiums from 50% in 1998 to the current level of 75%.**
- **Eliminated an accrued unfunded liability of more than \$90 million, leading to financial stability.**

# OGB Accomplishments

- **Introduced an interactive website with an enhanced layout for members to view training videos, slide presentations, frequently asked questions and other important information.**

# OGB Accomplishments

- **Provides four plan designs to allow participants to select options that best meet their health care needs.**
- **Implemented an electronic enrollment system that integrates information between OGB, and agencies that are on the Office of Statewide Uniform Payroll (OSUP).**



# OGB Accomplishments

- **Reduced hold time for telephone calls from plan members and providers.**
- **Added the Health Care Flexible Spending Account option to the State of Louisiana Flexible Benefits Plan which helps employees offset some medical costs on a pretax basis**

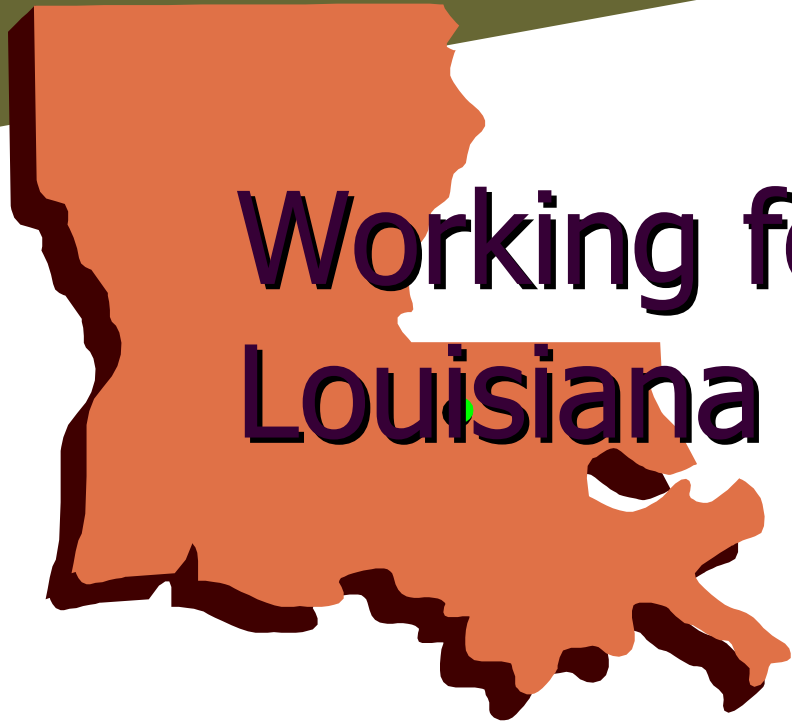
# Benefit Changes 2004-05

- **Elimination of wild card option**
- **Lifetime maximum of \$1 million in MCO**

# Annual Enrollment 2004

- **No positive enrollment** – If you are making no changes, you do not have to submit an enrollment form.
- **Humana** is purchasing Ochsner Health Plan – no major changes seen.

# Office of Group Benefits



**Working for a Healthy  
Louisiana**