

MINUTES

POLICY AND PLANNING BOARD MEETING OFFICE OF GROUP BENEFITS

May 28, 2003

CALL TO ORDER

Mr. Aubrey Temple, chairman, called the meeting of the Policy and Planning Board to order.

ROLL CALL

Members Present

Dr. Merlin Broussard
Ms. Pam Bollinger**
Dr. Barbara Cicardo
Mr. Russell Culotta
Mr. Charles Lazare
Mr. James LeBlanc
Mr. James Lee
Mr. William Quinlan
Mr. Jackie Self
Mr. Aubrey Temple

Members Absent

Dr. James Calvin
Mr. Charles Castaing
Mr. Hubert Lincecum
Representative Tank Powell
Mr. John Warner Smith
Senator Tom Schedler

Roll call indicated 10 board members present, representing a quorum.

**Designee of the Commissioner of Insurance.

APPROVAL OF MINUTES OF APRIL 2, 2003 BOARD MEETING

The minutes of the April 2, 2003, board meeting were presented for approval.

A motion was made by Dr. Broussard, seconded by Mr. Self, to accept the minutes as presented. There being no objection, the minutes were approved.

ANNUAL ENROLLMENT

Mr. Wall reported that annual enrollment is over and that forms are being processed.

Mr. Wall reported that Blue Cross withdrew from the EPO and that United Healthcare will administer the EPO in Region 6 and that OGB will administer the EPO throughout the other regions.

Mr. Wall reported that the final numbers for enrollment are not completed, but that the MCO product received a lot of enrollees. He stated this could cause problems when plan members realize that it is a very restrictive product with no out-of-network benefits.

Ms. Bollinger asked of the possibility of OGB members having the opportunity to participate in Safety Net legislation if passed by the legislature. House Bill 1989 Creates the La. Safety Net Health Insurance Program to provide minimal benefit hospital and medical insurance policies for employers to offer to their employees. This legislation is aimed toward the lower GS level state employees. Mr. Wall stated that there is a possibility OGB will participate, but there are issues to be resolved.

Dr. Cicardo asked about some human resources personnel advising employees that if they are defaulted to the PPO for not signing and/or not sending in their Scantron form on time that they still retain their "wild card" option. Mr. Wall stated that was correct. If they default to the PPO and choose to switch to another product then they must use their "wild card" at that time.

Dr. Cicardo also stated that the PPO directory is about two-thirds wrong. You can not see the UMC doctors that are listed in the directory and that two doctors listed are retired. Mr. Wall stated that UMC is providing OGB a letter stating that the doctors see patients. Dr. Cicardo stated that UMC is the LSU medical school branch, and they teach and you cannot request a specific doctor.

Mr. Lazare asked about the difference in the projected number of enrollees in each plan and the actual enrollment numbers. Mr. Wall reported that currently the MCO is projected to receive approximately 25,000 enrollees. Mr. Lazare noted that this would decrease revenue. Mr. Wall explained that it would decrease revenue, but that plan members would be in a restrictive benefit plan. Dr. Cicardo asked if there was any idea of how many will switch from the MCO once they are not happy with the restrictive benefits. Mr. Wall stated that, this could become an issue and could result in removing the "wild card" option completely.

Mr. Culotta requested that the Board be sent accurate numbers on the active and retirees in each one of the products. Mr. Wall stated that the information should be available in June, 2003 and he would provide this information to the board members.

CEO REPORT

Mr. Wall provided the report on *Where the Money Goes* for review. The expenditures are continuing to increase. Mr. Wall also provided the board with information regarding the AdvancePCS invoicing. This information should be considered when planning for next year's plan of benefits. The program has paid AdvancePCS approximately \$13 million a month. Last year the program spent approximately \$102 million for prescription drugs. This year as of mid May the program has spent \$117 million. The program is projecting spending approximately \$135 million at the end of this fiscal year.

Dr. Cicardo asked about obtaining prescription drugs through Canada. Mr. Wall stated that this would have to be done through the legislature. By law OGB can not lobby for this.

Mr. Culotta asked if having a drug formulary for the MCO would reduce the drug cost. Mr. Wall stated that the program would likely see less of an increase rather than a savings. This is difficult to assess with all the variables associated with such projections.

Dr. Broussard asked if there was a plan in place where the prescription drugs could be monitored for retirees. Mr. Wall stated that disease management could possibly monitor this. Dr. Broussard stated that this would help reduce prescription cost as well as help some retirees from becoming overmedicated by receiving numerous different prescriptions from different doctors.

Mr. Culotta stated that between approximately 5,000 to 8,000 retirees were in the EPO and these retirees will choose the MCO and that this should reduce the drug cost considerably.

OLD BUSINESS

Morbid Obesity

Mr. Wall reported that the program is currently finalizing a contract with LSU for the pilot program for the surgical treatment of morbid obesity. Mr. Wall stated that LSU has informed him that they may possibly be able to perform an additional 40 surgeries with a grant from Johnson and Johnson which makes certain devices used in these procedures.

Mental Health and Substance Abuse

Mr. Wall stated that the program's current vendor Magallen is in bankruptcy reorganization. An RFP was issued to select a contractor for the mental

health and substance abuse benefits. He reported United Behavioral Health has been awarded the contract to provide and administer the program's mental health and substance abuse benefits.

Customer Service and Claims Processing

Mr. Wall reported that a selection has been made for the customer service and claims processing contractor, but that it must be approved by the Office of State Purchasing before it can be publicly announced.

NEW BUSINESS

Dr. Cicardo stated that she has asked for four months when the out-of-state benefits were changed to 70%-30% instead of 80%-20%. She requested that she be provided with the register number where it was promulgated. Mr. Wall requested that Tommy Benoit provide Dr. Cicardo with the information.

OLD BUSINESS

Mr. Lazare stated that he attended several annual enrollment meetings and that the representatives for the MCO (FARA) stated that they are going to be very liberal with the emergency room coverage benefit interpretation even though the language in the plan document is very restrictive. This may be a potential problem. Ms. Toni Lyons, contract manager for FARA, stated that this will be a carefully managed benefit. The FARA representatives were instructed to emphasize that the emergency room treatment would be carefully managed.

Dr. Cicardo asked if the MCO limited the number of scripts a plan member may receive. Mr. Glenn Golemi from FARA stated that there is a formulary but there is no limit on the number of scripts.

Mr. Culotta asked when plan members should receive their insurance cards. Mr. Walls stated that plan members should receive their cards approximately the last week of June.

Mr. Wall asked the Board how they would like to proceed with the planning of benefits for the plan year 2004-005. He would like to have recommendations ready to present to the Board by September 2003 for consideration. Dr. Cicardo stated that she would like the rates attached to the benefits. Mr. Wall stated that once the benefits are determined then the cost will be reviewed. Mr. Temple stated that he and Mr. Culotta would work together to determine how the board will participate in the process.

PUBLIC COMMENTS

There were no requests to address the Board.

ADJOURN

There being no further business to discuss, a motion was made by Dr. Cicardo, seconded by Mr. Lee, to adjourn. With no opposition, the motion was unanimously adopted.