



## **State of Louisiana**

Office of Group Benefits

P. O. Box 44036

Baton Rouge, Louisiana 70804



### **MINUTES**

#### **POLICY AND PLANNING BOARD MEETING OFFICE OF GROUP BENEFITS**

**March 28, 2012**

#### **CALL TO ORDER**

Mr. James Lee, chairman called the meeting of the Policy and Planning Board to order.

#### **ROLL CALL**

##### Members Present

Dr. Merline Broussard  
Ms. Rikki Nicole David  
Ms. Nancy DeWitt  
Mr. William E. Foster  
Mr. Kenneth Krefft  
Ms. Melissa Lee  
Ms. Janet Lorena  
Mr. James Lee

##### Members Absent

Rep. Robert Billiot  
Mr. Barry Blumberg  
Sen. Jack Donahue  
Mr. Jackie Self

Roll call indicated 7 board members present, not representing a quorum.

Mr. Krefft arrived after roll call thus representing a quorum.

## **APPROVAL OF MINUTES OF THE FEBRUARY 15, 2012 BOARD MEETING**

The minutes of the February 15, 2012 meeting were presented for approval.

A motion was made by Ms. DeWitt, seconded by Ms. Lee, to accept the minutes as presented. There being no objections, the minutes were approved as presented.

## **ACTUARIAL REPORT**

Mr. Thomas Tomczyk, with Buck Consultant reported that OGB's fund balance was \$506,038.571 as of February 29, 2012.

He also stated that OGB's cost for generic drugs increased about 18 percent for the PPO plan and 23 percent for the HMO plan. The cost of brand name drugs increased 13 percent for the PPO and approximately 19 percent for the HMO. He noted that prescription drug expenses also were slightly higher than expected, due in part to significant increases in generic drug costs. OGB's generic drug utilization rate is now at 66.5 percent for the PPO health plan and 69.1 percent for the HMO health plan.

## **CEO REPORT – OPERATIONAL ACTIVITIES**

Ms. St. Romain, Chief Operating Officer, reviewed the operational reports for January, 2012, which indicated a claims loss ratio of 97.8 percent. OGB received 88,881 claims in the month of January 2012, and the average turnaround time for claim payments was 2.7 days. Plan member calls received were 23,987 and 97 percent of calls were answered within 1 minute and 30 seconds.

She reported that approximately 2,600 additional dependents are now enrolled in their parents' health coverage under the provision of the federal Affordable Care Act that extends coverage for eligible dependents to age 26. She also stated that OGB is reimbursing members with Medicare Part D prescription drug coverage through Medco who are required to pay a high-income surcharge on their Medicare premiums. So far, OGB has processed 254 reimbursement requests totaling \$7,483.

## **OLD BUSINESS**

OGB staffed reported no change in a class action lawsuit alleging the agency unwittingly overcharged PPO plan members.

Ms. St. Romain reported that a Notice of Intent to Contract (NIC) should be issued sometime in mid April which will include all plans. OGB will continue with an emergency contract with Blue Cross effective through December 31, 2012.

Ms. St. Romain stated that OGB chief executive officer Charles Calvi Jr. will make a presentation to the Civil Service Commission on April 4 regarding OGB's proposed reorganization, which will take effect January 1, 2013.

Ms. St. Romain also reported on the new OGB weight loss program designed by Pennington Biomedical Research Center in Baton Rouge. The program, called Heads Up, begins later this year for members who are severely overweight and suffering weight-related health problems. Plan members eligible for this program will go into a lottery type drawing for the surgeries. They will perform a 100 surgeries each year with a total of 500 being done.

## **NEW BUSINESS**

Mr. Krefft's suggested that OGB review whether the maximum benefit amount available through OGB life insurance should be increased. Ms. St. Romain stated that the current five-year live insurance contract ends in December 2012 and that the Board could form a committee to review the life insurance and make a recommendation.

## **PUBLIC COMMENTS**

Frank Jobert, executive director of the Retired State Employees Association, asked how much privatization of the PPO plan will save OGB. Ms. St. Romain reported the estimated annual savings is \$25 million. Mr. Jobert asked to look at the numbers before he testifies in front of the legislature regarding the privatization. Ms. St. Romain and Mr. Lee requested that he make a public records request to OGB Legal Division for this information.

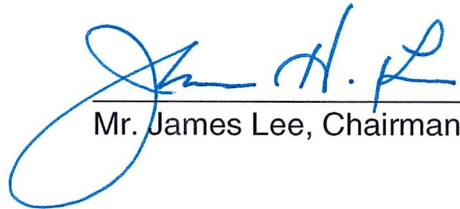
Andrew Peterson, of UnitedHealthcare, asked questions about the effect of the wellness program and the disease management program and the effect

on the prescription drug costs, which Ms. St. Romain stated that OGB does have a disease management program.

Mr. Lee stated that the next OGB Policy and Planning Board meeting will be on Wednesday, April 18, 2012.

### **ADJOURN**

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



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Mr. James Lee, Chairman