



STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF GROUP BENEFITS



MINUTES

Group Benefits Estimating Conference

Wednesday, August 10, 2022

1:00 PM

1201 North Third Street

Thomas Jefferson Room A/B (Claiborne 1-136)

Baton Rouge, LA 70802

- I. Call to Order –the meeting was called to order at 1:04 PM.
 - A. Roll Call

Mr. Sam Blount	Present
Mr. Manfredo Dix	Present
Ms. Stephanie Little	Present
Ms. Connie Nelson	Absent
Mr. Robert Schneckenburger	Present
Ms. Mei Su	Present
- II. Swearing-in of Newly Appointed Estimating Conference Principal – Sam Blount
 - A. Oath of Office
 1. Margaret Collier, attorney for the Office of Group Benefits (“OGB”), administered the Oath of Office to Sam Blount, newly appointed Estimating Conference Principal.
- III. Approval of Minutes from May 12, 2022 Meeting
 - A. A motion to approve the Minutes was made by Robert Schneckenburger and seconded by Stephanie Little. The Minutes were approved unanimously.
- IV. Public Comment
 - A. There were no public comments.
- V. 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 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 as well as underlying assumptions used.

VI. 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 Estimating Conference discussed the proposed premium rate increase.
- c. Mei Su made a motion to forward to the Policy and Planning Board the 2023 plan year 4.5% premium rate increase for Classifications other than School Board Classification. Stephanie Little seconded the motion. The motion was approved unanimously.

2. 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 Pelican HRA 1000 plan for the 2023 plan year. 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 Estimating Conference discussed the proposed premium rate increase and their concern about the gap plans.
- c. Mr. Schneckenburger made a motion to forward to the Policy and Planning Board the 21.2% premium rate increase for the 2023 Pelican HRA1000 Plan for the School Board Classification. Mr. Dix seconded the motion. The motion was approved unanimously.

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. Ms. Su made a motion to forward to the Policy and Planning Board the information about the increase in emergency room copays for the Magnolia Local and Magnolia Open Access Plans. Mr. Schneckenburger seconded the motion. The motion was approved unanimously.

VII. 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 Estimating Conference.

VIII. Contract Amendments

- A.** The Prudential Insurance Company Contract Amendment for Group Life Insurance

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. Mr. Blount made a motion to forward the Prudential Insurance Company Contract Amendment for Group Life Insurance to the Policy and Planning Board. Ms. Stephanie Little 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. Ms. Mei Su made a motion to forward the Blue Cross Blue Shield of Louisiana Contract Amendment to the Policy and Planning Board. Mr. Blount seconded the motion. The motion was approved unanimously.

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

A. Tameika Henry, Group Benefits Director over Contracts, informed the Estimating Conference that OGB will be soliciting proposals for actuarial services in the near future as the current contract ends on January 31, 2023.

X. Access Health Update

A. Ms. Henry 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.

XI. New Business

A. There was no new business.

XII. Adjournment

A. Mr. Schneckenburger made a motion to adjourn the meeting. Ms. Su seconded the motion. The motion was approved unanimously.

B. The meeting was adjourned at 2:10 PM.

Approved by Estimating Conference: _____

Date Approved: _____

9/8/2022