



State of Louisiana

Office of Group Benefits
P. O. Box 44036
Baton Rouge, Louisiana 70804



Office of Group Benefits Policy and Planning Board Meeting July 30, 2014

The meeting was called to order at 9:35 a.m. by Ms. Nancy DeWitt

I. **Roll Call** - 10 present and 2 absent, representing a quorum

Present

Robert Billiot
Barry Blumberg
Rikki Nicole David
Nancy DeWitt
Luke DiMattia
Korey Harvey
Kenneth Krefft
Melissa Lee
Scott McKnight
Harold Williams

Absent

Letti Lowe-Ardoin
Gregory Tarver

Introduction of Board Members

Rep. Robert Billiot – Representative Seat – Appointed by Speaker of House
Barry Blumberg – At Large Private Sector Seat – Appointed by the Governor
Rikki Nicole David – All Other Personnel of State Government Seat – Elected
Nancy DeWitt – Retired State Employees – Elected
Luke DiMattia – Dept of Transportation & Development Seat – Elected
Korey Harvey – Designee of the Commissioner of Insurance Seat – Appointed by
Commissioner of Insurance
Kenneth Krefft – Department of Health & Hospitals, and Dept. of Children and Family
Services Seat – Elected
Melissa Lee – Higher Education Seat – Elected
Scott McKnight – At Large Private Sector Seat – Appointed by the Governor
Harold Williams – At Large Private Sector Seat – Appointed by the Governor

II **Pledge of Allegiance** – Kenneth Krefft

III Purpose of Board

Responsibilities of the Board were discussed. The Board acts as an advisory board. They are to review life & health benefits, recommend changes and the Statute mandates a meeting every July.

Approval of Minutes of February 27, 2013 Meetings

Read February 27, 2013 minutes. Motion by Kenneth Krefft, seconded by Barry Blumberg, minutes accepted.

III New Business

Certificate of Recognition

Recognition of Mr. James Lee, past Chairman of the Board, who passed away in March, 2014. Ms. Patty McGee accepted a plaque on behalf of the Lee family.

Swearing in of Board members

Ms. Angela McCulloch, special counsel to the Board, swore in new Board members, Mr. DiMattia, Mr. Williams, Mr. McKnight, Mr. Harvey and reappointed and re-elected board members Mr. Blumberg and Mr. Krefft.

Board Elections

Board elections results were summarized by Ms. DeWitt. The election to fill the seat that represents the Department of Corrections employees had a tie.

A motion was made by Barry Blumberg, seconded by Melissa Lee, to hold a new election for the seat that represents the Department of Corrections. There being no objection the motion passed.

The election for the seat that represents Retired Teachers & other retired school employees received two applications. Neither application had the required qualified petition signatures to run for the seat. The Bylaws allows the Board to appoint Dr. Broussard for 2 years.

A motion was made by Rikki Nicole David, seconded by Ms. Lee, to appoint Dr. Broussard to the seat that represents Retired Teachers & Other Retired School Employees for two years. There being no objection the motion passed.

The election for the seat to represent Teachers and Other School Employees of Elementary & Secondary Schools did not receive any applicants. This seat can be appointed by the Board for a 2 year term or until the next regular scheduled election.

Lawsuit

Mr. Krefft requested the status of the class action lawsuit alleging OGB willingly overcharged PPO plan members who had medical procedures performed at outpatient surgery centers. Ms. Angela McCulloch reported that the lawsuit had been dismissed.

CEO Report

Ms. Susan West introduced herself, reviewed OGB's history and presented a powerpoint presentation (part of permanent file) to the Board regarding all of the changes to be implemented.

Ms. West reported that the key findings causing problems for the program are:

- Premium equivalent rates do not cover expected spending. OGB spends \$1.20 for each \$1.00 received.
- Program financial trend requires action
- At risk for the ACA Cadillac Tax effective 2018 – 40% tax on the plan - \$31,000,000
- Plan design misaligned compared to state benchmarks
- Unrealized opportunities for health improvement for members with significant prevalent risk factors such as diabetes, smoking, and/or weight issues.
- Organization's structure and resources misaligned.

She reported on the plan transformation with the following initiatives

- Plan Design – Rebrand with New Program; New Plans with New Names
- Culture & Health Management – Focus on preventative health and member well-being
- Plan Management/Controls
 - Adopt medical and pharmacy management controls
 - Adopt pharmacy formulary
 - Communicate to Medicare eligible the benefits of the Medicare exchange
- Reorganizing the OGB organizational structure to experience savings.
 - Improving the website and paper communication to help the plan member

VENDOR PRESENTATIONS

Presentations were given by the following companies for active and retiree members:

Blue Cross Blue Shield of Louisiana
Vantage Health Plan

Medicare Advantage Plan Presentations were given by the following companies for retirees that are Medicare eligible:

One Exchange
Peoples Health
Vantage Medicare Advantage

A presentation was given by MedImpact regarding the pharmacy benefit management services provided to the Office of Group Benefits.

Several Board members expressed concerns over the following issues:

- Why plans now have a deductible
- Rate increases to the Program
- The Cadillac Tax effect on the Program
- The issues facing HR personnel for state agencies assuming task previously done by OGB.
- Will state agencies and state entities still be able to enter the OGB program?
- Plan available without a deductible.
- Where will retirees go for assistance in regards to enrollment and eligibility issues.
- Wellness checkup benefits and how they are handled.

OTHER BUSINESS

Election of Board Officers for 2014 -2015

The Board elected the following officers:

Chairman

Ms. DeWitt opened the floor for nominations for the office of Chairman of the Board.

Ms. Lee nominated Ms. DeWitt. The nomination was seconded by Ms. David. Rep. Billiot called to close nominations. Ms. DeWitt was elected Chairman of the Board by acclamation.

Vice Chairman

Ms. DeWitt opened the floor for nominations for the office of Vice-Chairman of the Board.

Ms. Lee nominated Mr. Blumberg. The nomination was seconded by Ms. David. Mr. McKnight called to close nominations. There being no objections Mr. Blumberg was elected as Vice-Chairman of the Board by acclamation.

Secretary

Ms. DeWitt opened the floor for nominations for the office of Secretary of the Board.

Rep. Billiot nominated Ms. Lee. The nomination was seconded by Mr. Blumberg. Mr. McKnight called to close nominations. There being no objections Ms. Lee was elected Secretary of the Board by acclamation.

Board Meeting Dates

The Board agreed on the dates for future meetings. The future meetings will begin at 10:00 a.m. until 12:00 noon on the following dates:

Tuesday, September 30, 2014

Tuesday, November 11, 2014

Monday, January 12, 2015

PUBLIC COMMENTS

Mr. Frank Jobert, representing the Retired State Employees Association spoke to the Board and expressed his concerns that the new plans will be confusing, retirees will be overwhelmed and some retirees will not have access to technology that will be required. He asked the Board and OGB go the extra mile to reach retirees. Ms. West reported that OGB will attend any and all retirement conferences, as well as any conferences and meetings that retired teachers, have to provide as much information to every retired employee in the program to be sure they have the correct information that they need so that they can make the best choices for their and their families healthcare needs. She encouraged any assistance and partnerships with any association that could assist OGB with providing this information to all plan members.

Adjournment

A motion for adjournment was made by Mr. McKnight, seconded by Ms. Lee, there being no objection the meeting was adjourned.



Ms. Nancy DeWitt, Chairperson



Ms. Melissa Lee, Secretary