



STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF GROUP BENEFITS



Minutes

OGB POLICY AND PLANNING BOARD

August 15, 2024

9:30 AM

**Louisiana Purchase Room (1-100)
1201 North Third Street
Baton Rouge, LA 70802**

- I. Call to Order
- II. Roll Call
 - a. Senator Adam Bass Present
 - b. Representative Chad Brown Present
 - c. Representative Kim Carver Present
 - d. Dr. Gwile Freeman Present
 - e. Mr. Dannie Garrett, III Present
 - f. Mr. Frank Jobert Present
 - g. Mr. Frank Opelka Absent
 - h. Mr. Mike Saylor Present
 - i. Senator Alan Seabaugh Present
 - j. Senator Jeremy Stine Arrived late (10:02 am)
- III. Appointment to Policy & Planning Board - Rep. Chad Brown, Dannie Garret, III, Sen. Alan Seabaugh, and Sen. Jeremy Stine
 - a. Sen. Adam Bass made a motion to amend the agenda to issue the oath of office to Sen. Alan Seabaugh along with the other members taking their oaths at the meeting. Rep. Kim Carver seconded the motion.
 - i. Roll Call Vote:
 - 1. Senator Adam Bass Yes
 - 2. Representative Chad Brown Yes
 - 3. Representative Kim Carver Yes
 - 4. Dr. Gwile Freeman Yes
 - 5. Mr. Dannie Garrett, III Yes
 - 6. Mr. Frank Jobert Yes
 - 7. Mr. Mike Saylor Yes
 - ii. The Policy and Planning Board approved the motion unanimously.



STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF GROUP BENEFITS



- b. Ms. Angela McCulloch, an attorney with the Office of General Counsel, administered the Oath of Office to Rep. Chad Brown, Mr. Dannie Garrett, III, Sen. Alan Seabaugh, and Sen. Jeremy Stine.

IV. Approval of Minutes from the May 9, 2024 Policy & Planning Board Meeting

- a. Dr. Gwile Freeman made a motion to approve the minutes from the May 9, 2024 Policy and Planning Board meeting. Mr. Mike Saylor seconded the motion. The Policy and Planning Board approved the motion unanimously.

V. Election of Officers for Policy and Planning Board

- a. Chairman – Mr. Garrett made the motion to elect Mr. Frank Jobert to the office of Chairman of the Policy and Planning Board. Mr. Saylor seconded the motion. The Policy and Planning Board approved the election of Mr. Jobert as Chairman unanimously.
- b. Vice Chairman – Mr. Saylor made the motion to elect Dr. Freeman to the office of Vice Chairman of the Policy and Planning Board. Mr. Jobert seconded the motion. The Policy and Planning Board approved the election of Dr. Freeman as the Vice Chairman unanimously.
- c. Secretary – Mr. Jobert made the motion to elect Mr. Saylor to the office of Secretary of the Policy and Planning Board. Dr. Freeman seconded the motion. The Policy and Planning Board approved the election of Mr. Saylor as the Secretary of the Policy and Planning Board unanimously.

VI. Public Comment

- a. No public comment.

VII. Financial Update

- a. Mr. Heath Williams, Chief Executive Officer of the Office of Group Benefits (OGB), provided an overview of the current (through May 31, 2024) and future financial projections for OGB. This overview included OGB's fiscal year financial status, member statistics, and fund balance projections. Mr. Williams noted that for the current month and for the fiscal year to date, the plan is running at a deficit. Likewise, from June 2023 to May 2023, OGB's fund balance decreased by \$47.8 million dollars.
- b. Mr. Williams also provided the loss ratio for each of OGB's self-funded plans and explained that the gap insurance plans that the School Boards are pairing with OGB's Pelican HRA1000 Plan are causing the plan in that classification to experience a higher loss ratio. Mr. Williams also explained that expenses are going up due to medical costs rising nationally.

VIII. 2025 Premium Rates

- a. Mr. Williams presented a historical review of the OGB fund balance over the years and the corresponding premium rate changes. OGB's current fund balance is \$446 million while the actuarially recommended balance is \$281M. Mr. Williams reminded the Members that the fund balance fluctuates monthly depending on the amount of claims OGB paid and the amount of premiums collected. The claims costs OGB must pay varies greatly and may increase substantially when new drugs come on the market.



STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF GROUP BENEFITS



- b. Mr. Williams then presented six scenarios for premium rates through the year 2029 and showed what each would do to the fund balance. He explained to the Members that OGB could raise premiums, reduce benefits, or a combination of both. No matter what, OGB needs to start making some big decisions to ensure sustainability of the Plan. OGB has not had significant benefit changes in about ten years and that is something that needs to be considered in the near future as health care has drastically changed in the last ten years.
- c. After looking at the various scenarios, Mr. Williams explained that the goal in increasing premium rates is to increase them moderately and not have a significant spike in any one year. While OGB's fund balance is greater than the actuarially recommended amount of \$281, if OGB implements no premium rate increase, the fund balance will decrease dramatically in a short amount of time and necessitate a significant premium rate increase instead of a gradual one.
- d. Mr. Williams asked the Board to recommend a premium rate of 6.65% across all OGB Plans and Classifications.
 - i. After discussion, a motion was made by Sen. Bass to recommend a premium rate increase of 6.65% for CY 2025. Mr. Garrett seconded the motion. The Policy and Planning Board approved the motion unanimously.
 - ii. Sen. Bass requested that, in the future, the Board receive rate increase information well in advance of deciding whether to recommend the increase. Mr. Williams said OGB would look at getting the board together sooner so there is more time for discussion but also stressed that such is difficult to do as a result of deadlines for printing documents, annual enrollment, and obtaining up-to-date fiscal information in a timely manner.

IX. Procurement Matters – Contract Amendments

- a. Blue Cross Blue Shield of Louisiana (BCBSLA) Amendment #3
 - i. Mr. Williams reminded the Members that this Amendment extends the current contract for one more year and that they already recommended the Amendment go to the Joint Legislative Committee on the Budget (JLCB). The Amendment is on the agenda for the JLCB meeting scheduled for August 9, 2024.
- b. Caremark Amendment #2
 - i. Mr. Williams informed the Estimating Conference that this Amendment keeps the reimbursement to pharmacies for prescription drugs steady to maintain network adequacy.
- c. TASC Amendment #1
 - i. Mr. Williams reminded the Policy and Planning Board that this Amendment would adjust the Frequency of Contractor response to report email bounce backs. It also will change the language related to the COBRA notice from monthly to yearly.
- d. TASC Amendment #2
 - i. Mr. Williams explained to the Policy and Planning Board that this Amendment would require TASC to mail annual enrollment materials and remove an implementation credit.
- e. HMO Louisiana Amendment #1



STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF GROUP BENEFITS



- i. Mr. Williams explained to the Policy and Planning Board that when the Vantage Medicare Advantage plan ceased to exist at the end of last year, OGB saw a large migration to the HMO Louisiana Blue adVantage plan. This Amendment increases the dollar figure of that contract to account for the additional plan members now utilizing that plan.
- ii. Mr. Saylor made a motion to recommend the HMO Louisiana Amendment #1. Dr. Freeman seconded the motion. The Policy and Planning Board approved the motion unanimously.

X. Procurement Matters – Updates

a. Prescription Care Network (Near Real-Time Monitoring)

- i. Mr. Williams reminded the Policy and Planning Board that this contract would supply real-time monitoring of the PBM to ensure proper claims adjudication. He explained that the company will receive a data feed from Caremark and will audit it for accuracy in real time.

XI. Changes to Maximum Out-of-Pocket Amounts Required By the Inflation Reduction Act

- a. Mrs. Molly Collier, Compliance Officer for OGB, gave an overview of the changes OGB is making to the maximum out-of-pocket (MOOP) amounts for Medicare retirees. The changes are mandated by the Inflation Reduction Act (IRA). The IRA requires a MOOP of \$2,000 for prescriptions for individuals with Medicare paying primary. OGB currently has a combined MOOP for medical and pharmacy benefits. In order to comply with the IRA, OGB split the combined medical and pharmacy MOOP amount, keeping the overall MOOP amount for 2025 the same as 2024. This change takes effect January 1, 2025.
- b. A motion was made by Mr. Garrett to recommend the MOOP changes. Dr. Freeman seconded the motion. The Policy and Planning Board approved the motion unanimously.

XII. New Business

- a. Mr. Jobert raised a question about Medicare retirees being charged copays at the doctor when they have not been charged a copay in the past. Mr. Williams said that would need to be researched by BCBSLA. Ms. Shikira Ross with BCBSLA told Mr. Jobert she would work with him to figure it out.

XIII. Adjournment

- a. A motion to adjourn was made by Mr. Garrett. Mr. Saylor seconded the motion. The Policy and Planning Board approved the motion unanimously.

Approved by Policy and Planning Board: _____

Date Approved: _____