

LOUISIANA HEALTH PLAN

MINUTES

BOARD OF DIRECTORS MEETING

April 16, 2010

ATTENDANCE:

Board Members Present: Michele Calandro, Scott Westbrook, Kevin Bridwell, Derrell Cohoon, Dr. William Dimattia, David Shellington,

Also Present: Rene Louapre, Attorney from Milling Benson

LHP Staff Present: Leah Barron, Carl Mautner, Kathy Stern

MINUTES

Minutes from October 26, 2009 Board meeting were presented.

MOTION

David Shellington made a motion to approve the Minutes as presented. Motion seconded by Kevin Bridwell. No opposition. Motion passed.

OLD BUSINESS

There was no old business.

NEW BUSINESS

a. Health Reform – Use of State High Risk Pool

Leah Barron presented a brief synopsis of the current law that applies to the federal reform legislation: Patient Protection and Affordable Care Act. Ms. Barron explained the current law, eligibility requirements to the federal plan, protection against dumping by insurance companies, covered benefits, cost-sharing, premiums and consumer protections. Also discussed were state contributions, funding and termination of authority.

Ms. Barron provided a copy of questions from NASCHIP (state risk pools) that were submitted to CMS on April 9, 2010 and a second set submitted on April 14, 2010. Also provided was a copy of questions for CMS/HHS from high risk pools.

Ms. Barron reported that she has spoken with members of the governor's staff regarding risk pool implementation.

Ms. Barron stated that as of this date the governor of Louisiana has not appointed a person or entity to move forward with the proposed federal high risk pool. We do not know what is going to happen.

Ms. Barron stated that there is no clarification as to what will be required, if anything, of the traditional high risk pools and the HIPAA pools. CMS is not clear in terms of whether they are going to demand certain things of state pools. If we have to restructure our benefits and reset our premiums, that will be costly.

At this point there are more questions than answers.

Leah Barron stated that at some point in the future, the governor's office could possibly ask Louisiana Health Plan to run the federal plan. If the Board decides that it would be a good idea for LHP to administer the federal plan, Ms. Barron wanted to know the wishes of the members. If the Board does not want LHP to implement the federal plan under any circumstances, she wanted to know that as well.

After discussion the questions was asked whether LHP has the resources to handle an additional pool. The final recommendation was to not make a decision at the present time. If at some time in the future the governor make a request, the Board can meet again.

b. HB 903 and Potential Amendments/Legislative Matters

Leah Barron explained LHP is operating according to legislative statute. CMS conducts what is called a State Alternative Mechanism review. While LHP is compliant, CMS is asking that the statute be updated to contain specific language. The additions/changes are technical that Ms. Barron reviewed with the members.

Ms. Barron directed the board members to a section with specific permissive language stating: "The board, with the approval of the commissioner, may establish, provide for, administer, and contract to provide coverage for a health plan to offer eligible individuals and families the ability to purchase or enroll in a program established under federal law that provides expanded coverage for state high risk-pools."

Ms. Barron stated there may be some small changes in the language for clarification.

Ms. Barron stated that one suggestion she had for a potential amendment was to give permissive authority (right now we are required to have a 6-month waiting period in the High Risk Pool) but that we would have permissive authority to have 0-6 months on the pre-existing clause. She suggested that in the event it defaults to the federal program, we may want to have the ability to provide coverage that is going to be specialized coverage with PPO networks. The feds are likely to provide coverage with Medicare/Medicaid

reimbursement rates which will be the easiest thing for the federal government to do.

Comment was made that if someone could not wait the 6 months to go into the federal pool and if LHP did not have the 6-month waiting period exclusion, the risk to LHP would be greater. We would get sicker policyholders to use the plan earlier. It was felt it would not be good to waive the 6-month pre-existing clause in the High Risk Pool.

Ms. Barron stated that it was permissive language and that it did not have to be implemented. It would give the board the choice. It would be an amendment. Another choice would be to limit the number of policyholders who could buy down the 6 months.

It was discussed whether to move forward with the amendment of changing “g” to not impose a pre-existing condition in the High Risk Pool thus making it permissive to possibly make future changes. The effect would be that it would raise the rates but it would give options.

After much discussion it was decided to leave it alone and not have the amendment.

c. Budget – Continuation Budget

Carl Mautner presented the proposed budget explaining some of the line items stating there were no changes in operation and administrative expenses. All items would remain similar.

MOTION

David Shellington made a motion to approve the proposed Budget as presented. Motion seconded by Scott Westbrook. No opposition. Motion passed.

d. (1) Financials – 2009 Year-end Financials

Carl Mautner presented the December financials for the High Risk Pool pointing out the highlights. Mr. Mautner also presented the financials for the HIPAA Plan and explained the highlights of the financials that he has presented in a written report.

MOTION

David Shellington made a motion to accept the year-end Financial as presented. Motion seconded by Dr. Dimattia. No opposition. Motion passed.

e. (2) Financials – January, 2010

Carl Mautner presented the January financials for the High Risk Pool and for the HIPAA Plan. Mr. Mautner elaborated on the numbers highlighting the revenue and expenses that were explained in a written report.

MOTION

David Shellington made a motion to accept the January Financials as presented. Motion seconded by Dr. Mimattia. No opposition. Motion passed.

e. CEO Report

Leah Barron introduced and welcomed Derrell Cohoon as the new board member to replace Charles Lea.

Due to time constraints, Ms. Barron suggested board members read her written report.

f. Executive Session – Employee Evaluations/Benefits

MOTION

Kevin Bridwell made a motion to move into Executive Session. Motion seconded by Scott Westbrook. No opposition. Motion passed.

MOTION

Scott Westbrook made a motion to return from Executive Session. Motion seconded by Kevin Bridwell. No opposition. Motion passed

OTHER BUSINESS

There was no other business.

MOTION

Scott Westbrook made a motion to adjourn the meeting. Motion seconded by Kevin Bridwell. No objections. Motion passed.