

Group Benefits Policy and Planning Board

Meeting Summary – February 27, 2013

The Group Benefits Policy and Planning Board met February 27, 2013, with 8 members present: Barry Blumberg, Dr. Merline Broussard, Rikki Nicole David; Nancy DeWitt, Kenneth Krefft, James Lee, Melissa Lee and Janet Lorena.

After board members approved minutes of the meeting held January 30, 2013, Thomas Tomczyk of Buck Consultants presented an actuarial report:

- There is little change since last month, including fiscal year projections as well as plan (calendar) year projections. A loss of about \$170 million still is expected for calendar year 2013. This projected loss is due to projected expenses exceeding projected revenues. However, the accumulated fund balance is more than sufficient to make up for these projected losses.
- The generic prescription drug utilization rate for OGB members is better than in the past, but is almost leveling off in the high 60 to low 70 percent range. Most other employer health plans have a prescription drug formulary with 3 tiers (a co-payment for generic prescription drugs, a co-payment for brand-name drugs listed on the formulary and a co-payment for brand-name drugs not listed on the formulary), which results in a higher generic utilization rate. The question is what makes sense for OGB.

OGB chief executive officer Charles Calvi Jr. introduced Pat Powers, OGB's new chief operating officer. He succeeds acting COO Brenda St. Romain, who resumed her previous duties as head of OGB's administrative division. Mr. Powers presented a report on OGB operations:

- OGB's fund balance stood at \$451.6 million as of January 31, 2013, slightly up from about \$438.9 million at the beginning of 2013, due to claims for 2012 not yet paid.

There were no public comments from the audience and the board voted to adjourn.