

OGB Policy and Planning Board
Meeting Summary - July 22, 2009

The Office of Group Benefits Policy and Planning Board met on July 22, 2009, with six members (Kenneth Krefft, James Lee, Hubert Lincecum, Rick Ramsey, Jackie Self and Aubrey Temple) in attendance. A previously scheduled July 6 meeting was cancelled due to lack of a quorum. The board took no action because a quorum was not present, but discussed the following issues:

- OGB Special Enrollment began July 15 and continues through July 31 for the Medical Home HMO plan in Region 9 in northeast Louisiana, which is fully insured by Vantage Health Plan. OGB is holding 11 Special Enrollment meetings in the 10-parish area, which OGB chief executive officer Tommy D. Teague said are “going very well.”
- Various school boards owe OGB a total of \$631,046 in additional premiums for rehired retirees who were incorrectly classified, a recent report by the state Inspector General shows. OGB is working with these school boards to collect amounts owed and ensure compliance with the rules, Mr. Teague noted.
- The Louisiana Legislature passed several bills affecting OGB during the recent regular session:
 - o House Bill 667, which cut 6 vacant OGB positions;
 - o House Bill 777, which enables legislators who are medical professionals to participate as providers for the OGB PPO plan without violating ethics rules on conflicts of interest; and
 - o Senate Bill 282, which requires provider directory listings for all Louisiana health plans to link hospital-based physicians to those hospitals and indicate if the physician is a participating network provider.
- Mr. Teague presented highlights of the financial report prepared by OGB actuary Tom Tomczyk of Mercer, who was not present, and reported on OGB operations:
 - o OGB has a fund balance of \$400,873,727 as of June 30, 2009, down about \$12 million due to “an unusual jump in claims in June,” which he characterized as “a manifestation of fear due to news about state budget cuts and employee concerns about being laid off and losing coverage that led plan members who may put off procedures and exams to get them done.”
 - o The \$422 million surplus initially projected for the end of fiscal year 2009 will actually be lower as a result.
 - o The LaCHIP program, which was designed to be revenue-neutral, is working well. OGB is not receiving a high volume of claims.
 - o The PPO plan still has the oldest age group of plan members, with an average age of 63.4. Enrollment remains steady at 133,506.
 - o OGB’s average claim turnaround time dropped from 2.1 days in April to 1.7 days in May, due to “exceptional performance by the OGB Claims department.”
 - o OGB has now contracted with a separate company, FARA, to handle provider calls, which resulted in 96.1 percent of calls answered in April compared to 73 percent in March.
- In June, Commissioner of Insurance Jim Donelon appointed Mr. Teague as an at-large member of the Louisiana Health Care Commission for the 2009-10 fiscal year.
- Prior to issuing notices of intent to contract (NICs) for health plans for fiscal year 2011, OGB will look at the benefit structure and explore the concept of leveraging increased wellness benefits to reduce health care costs during discussions with Mercer starting next month. The new federal mental health parity law eliminates the separate \$200 deductible for mental health treatment.