

Minutes from the Meetings of the Board of Trustees

February 21, 2001

CALL TO ORDER

Mr. Aubrey Temple, Chairman called the monthly meeting of the Board of Trustees to order.

ROLL CALL

Members Present

Dr. Merline Broussard
Mr. Charles Castaing
Dr. Barbara Cicardo
Mr. Russell Culotta
Mr. Robert Greer
Mr. Charles Lazare
Mr. James Lee
Mr. Hubert Lincecum
Mr. Richard O'Shee
Rep. Tank Powell
Senator Tom Schedler*
Mr. John Warner Smith
Mr. Kelly Ward
Mr. Aubrey Temple

Members Absent

Dr. James Calvin
Ms. Mary McDaniel

Roll call indicated twelve (13) Board Members present, representing a quorum.

*Senator Schedler arrived after roll call.

APPROVAL OF MINUTES OF THE MARCH 28, 2001 MEETING

The minutes of the January 31, 2001 meeting were presented for review and approval.

A motion was made by Mr. Lincecum, seconded by Mr. Lee, to accept the minutes of the January 31, 2001 meeting. There being no objections, the minutes were approved.

BOARD VACANCY

Mr. Temple stated that due to the illness of Dr. Merline Broussard she was unable to attend meetings during the three previous months and the law requires the Board to declare a vacancy.

A motion was made by Mr. Lincecum, seconded by Mr. Culotta, to declare a vacancy for the Board position of retired public school teacher employee. With on objections, the motion was approved.

Mr. Lincecum stated that the law requires the Board to declare a vacancy if a board member misses three consecutive months of scheduled meetings (Board and committee meetings). He stated that the law also provides that, if there are fewer than two years in the unexpired term, then the Board appoints someone to that vacancy. A motion was made by Mr. Lincecum, seconded by Mr. Lee, to reappoint Dr. Merline Broussard to the Board vacancy for the remainder of the unexpired term. With no objections, the motion was approved.

STATE EMPLOYEE HEALTH BENEFITS STUDY COMMISSION UPDATE

Ms. Angele Davis, Chairperson of the State Employee Health Benefits Study Commission, presented the recommendations of the State Employee Health Benefits Study Commission to the Board.

Following is a summary of the recommendations:

Areas of Concern	Recommendations	Impact
Retiree Participation	Introduce a participation schedule that would base the state's subsidy of a retiree's premium on the number of years the individual has participated in SEGBP. A retiree will have to be eligible for a pension and must be enrolled as an active plan member before retirement. A grandfather clause will assure current plan members of protection.	• Disallow short-term participation for long-term benefits • Control state cost • Increase early active enrollment
State Contribution for Actives	Institute a three-year phase-in of higher state contribution for employee only coverage as follows: 2001-2002 - 55.6% 2002-2003 - 65.3%; 2003-2004 - 75.0%. Also, conduct survey of non-participants.	• Stabilize the plan by retaining current members and increasing enrollment of younger, healthier employees
Plan Choice	Keep plan choices, although with separate premiums and consider other options.	• Provides more equitable cost-sharing of plans
Uniform Premiums/Plan Design	Continue to collect relative cost data and consider group-specific premiums and other cost options. Require groups who leave the program to take their run-out claims with them.	• Provides cost control measure

Claims Administration	After a comprehensive study of the claims system, define benchmarks for quality and consider outsourcing claims, only if it is economically feasible to achieve benchmarks.	Provides cost management
Medical Management	Endorse SEGBP new data development and utilization review initiatives. Evaluate other utilization management strategies.	Further study is needed
Plan Procurement	Make the procurement process more flexible and consider new methods of negotiation.	Further study is needed
Plan Governance	Change the function of the Board from management to policy-making. The Board will neither set rates or benefits, nor approve RFPs. Under Legislative oversight, the CEO will report to the Commissioner of Administration.	- More pro-active decision making - Increased accountability - Increased efficiencies
Continued Evaluation of Health Plan	Evaluate cost and quality measurements through formal Governor-appointed study commission.	Provides continuous assessment of program

A motion was made by Mr. Culotta, seconded by Mr. Lee, to adopt a resolution in support of the recommendations made by the State Employee Health Benefits Study Commission to be presented to the Governor.

The following is the result of a roll call vote:

Yeas

Dr. Broussard
Mr. Castaing
Mr. Culotta
Mr. Greer
Mr. Lee
Mr. Lincecum
Representative Powell
Senator Schedler
Mr. Smith
Mr. Ward
Mr. Temple

Nays

Dr. Cicardo
Mr. Lazare

With eleven (11) yeas, two (2) nays, the motion passed.

BENJAMIN W. TEEKELL AND JANICE TEEKELL VS. STATE OF LOUISIANA, THROUGH THE STATE EMPLOYEES GROUP BENEFITS PROGRAM

A motion was made Mr. Lincecum, seconded by Mr. Smith to convene in executive session to discuss litigation involving Benjamin W. Teekell and Janice Teekell vs. State of La., through SEGBP. There being no objection, the motion was adopted.

This matter was discussed in an executive session pursuant to La. R.S. 42:6.(A)(2).

Upon re-convening in open session, a motion was made by Mr. Culotta, seconded by Mr. Lincecum, to instruct SEGBP staff to work with the Division of Administration to resolve the litigation in the matter of Benjamin W. Teekell and Janice Teekell vs. State of La., through SEGBP. There being no objection, the motion was adopted.

24-HOUR INFORMATION LINE AND CASE MANAGEMENT SERVICES

Mr. Wall stated that National Health Systems (NHS) SEGBP's utilization management contractor has made several recommendations. Some of the recommendations can be accomplished internally by SEGBP but one recommendation was to provide a 24-hour nurse line. This would enable plan members to access a 24-hour line regarding any medical condition. Mr. Wall stated that NHS could provide this service, but that it is not currently part of their contract and would be an additional cost to provide it to SEGBP plan members.

At Mr. Wall's request, Mr. Chuck Daigle, Ms. Pam Shows, and Ms. Jennifer Kalil, representing Our Lady of the Lake Medical Center, made a presentation to the Board on their 24-hour information line and case management services that they offer.

CEO REPORT

Employee of the Month

Mr. Wall introduced Ms. Cindy Hebert, December 2000 Employee of the Month. Ms. Hebert has been employed with SEGBP for 15 years in the Customer Service Division. Ms. Hebert handles the day to day functions of the customer service telephone representatives and supervisors. Mr. Wall presented Ms. Hebert with the 2000 December Employee of the Month plaque and thanked her for her efforts and contribution to the agency.

Mr. Wall introduced the 2000 Employee of the Year, Mr. Vincent Randolph. Mr. Randolph has been employed with SEGBP for 1 1/2 years in the Information Technology Division. Mr. Randolph manages the help desk personnel and provides technical support to the agency. Mr. Wall presented Mr. Randolph with the 2000 Employee of the Year plaque and thanked him for his efforts and contribution to the agency.

Mr. Wall introduced the January 2001 Employee of the Month, Ms. Amy Poole. Ms. Poole has been employed with SEGBP for 9 years in the Information Technology Division in Applications Programming Section. Ms. Poole supervises teams of applications programmers responsible for developing and maintaining agency

software. Mr. Wall presented Ms. Poole with the 2001 January Employee of the Month plaque and thanked her for her efforts and contribution to the agency.

Provider Contract Status Report

The Provider Contract Status Report was presented for review.

Operations/ACD Telephone Calls/Where the Money Goes/Key Indicators

Mr. Wall presented the report entitled "Where Does the Money Go?," an overview of claims expenses. He reported on the Schedule for Revenues and Expenses for January 2001. Total Revenues -\$48,986,084; total expenses - \$44,139,515; and pended claims at January 31, 2001 - \$22,500,000. The coverage analysis report indicates the breakdown of expenses for medical claims.

Mr. Wall stated that the key indicators report shows that there are approximately 14,019 retirees without Medicare and approximately 3,000 are age 65 or older. Mr. Wall stated that SEGBP did a survey of the approximate 14,000 retirees without Medicare to determine if they were eligible. The survey indicated that approximately 70% of the 14,000 would be Medicare eligible.

Senator Schedler stated that he has received comments from providers regarding the new contracts with SEGBP. The hospitals have indicated that they need more time to analyze the DRG reimbursement and contract language. Mr. Wall stated that the contracts were sent out approximately two weeks ago. Providers were advised at that time, that in order to guarantee a listing in the provider directory a response was needed by February 23, 2001. The Program has received some responses. Mr. Wall stated that every effort possible would be made to include all the providers in the directory for the May annual enrollment.

Legal Report

The Legal Report was presented to the Board for review.

MERCER CONTRACT

Mr. Culotta stated that he requested that this item be put on the agenda. Mr. Culotta stated that Ms. Davis has answered the questions that he had in reference to the Mercer contract.

NEW BUSINESS

None.

OLD BUSINESS

Mr. Wall stated that the Louisiana Teachers Retirement System (LTRS) requested permission to pay a higher percentage of the employee's premium. The Board requested that this item be deferred until the Study Commission completed its review and recommendations. Mr. Wall stated that the Study Commission has concluded its work and that he would respond to LTRS and inform them that the

Study Commission has developed a recommendation on this matter, and that the Board will follow the recommendation of the Study Commission.

A motion was made by Mr. Lincecum, seconded by Mr. Lee, to authorize Mr. Wall to inform LTRS that the Board will follow the recommendation of the Study Commission in this matter. There being no opposition, the motion passed.

COMMENTS

Mr. Wall introduced Mr. Nicholas Simmons with Arthur Andersen, the new actuarial firm for SEGBP. Mr. Wall stated that SEGBP staff has meet with the Arthur Andersen representatives to familiarize them with the Program. The first responsibility for them is to prepare premium rates for FY 2001-2002 to be presented at the March Board meeting.

Mr. Castaing stated that the Board needs to remind the Board and audience of the rules that govern beepers and cell phones while meetings are in progress.

Dr. Cicardo asked if the scanner is completely integrated with the UB forms. Mr. Lincecum stated that ScanOptics is approximately two days from final acceptance.

Mr. Wall stated that he received a letter from the St. Tammany Parish School Board asking for a waiver of the penalty for late payment and stating the reason for the late payment. They failed to remit their premium by the due date. According to the rule adopted by the Board, a one percent penalty is assessed for late payment. Mr. Wall stated that he responded to the St. Tammany Parish School Board requests and informed them that he could not waive the penalty, and they have requested to present this matter to the Board. Mr. Wall recommended that this matter be referred to the Grievance Committee.

ADJOURN

There being no further business to discuss, a motion was made by Mr. Lincecum, seconded by Mr. Lee, to adjourn. With no opposition, the motion was unanimously adopted.