

Minutes from the Meetings of the Board of Trustees

February 17, 2000

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
Dr. James Calvin
Mr. Charles Castaing
Mr. Russell Culotta
Mr. Robert Greer *
Mr. James Lee
Mr. David Hood
Mr. James Lee
Mr. Hubert Lincecum
Mr. Richard O'Shee *
Senator Tom Schedler
Mr. John Warner Smith
Mr. Aubrey Temple
Mr. Kelly Ward

Members Absent

Dr. Barbara Cicardo
Mr. David Hood
Ms. Mary McDaniel

Roll call indicated nine (9) Board Members present, representing a quorum.

Representative McMains, Mr. O'Shee, Senator Schedler, and Mr. Smith arrived after roll call.

Mr. Temple stated that, because this was a special meeting, the minutes of the prior meeting would not be presented for approval.

CEO/COO REPORT

Employee of the Month/Year

Mr. Wall introduced Ms. Jean Firmin, Employee of the Year for 1999. Ms. Firmin has been employed with SEGBP for four years in the Human Resource Division. Ms. Firmin's major responsibilities include benefits coordinator and supervisor of the payroll functions and the human resource analyst. She was previously employed with the Department of Corrections for 22 years. Mr. Wall presented Ms. Firmin with the Employee of the Year plaque and thanked her for her contribution to the agency.

Mr. Wall introduced Ms. Maralynn Graham, February Employee of the Month. Ms. Graham has been employed with SEGBP for 14 years in the Customer Service Division. She is an Administrative Secretary and her major job responsibilities include assisting the CS Administrator and Managerial staff. Ms. Graham operates the ACD/MIS Telephone System, and supervises the support staff for telephone representatives and six satellite offices. Mr. Wall presented Ms. Graham with the Employee of the Month plaque and stated that her co-workers recognized her as an outstanding employee. Mr. Wall thanked her for her efforts and contribution to the agency.

COMMITTEE REPORT

Benefits and Rate Making Committee

Mr. Greer reported on the February 16, 2000, Benefits and Rate Making Committee meeting. Mr. Greer presented recommendations from the Committee and requested that the Board take action on each item.

The Committee recommends that the Board accept the proposed changes to the Plan Document. Mr. Greer reported that the Committee reviewed and made changes in addition to the proposed amendments prepared by the Board Counsel and staff (copy attached and made a part of), as follows: page 20, #11, add the definition of accidental injuries; #19 to change the word "state" to "sovereignty" for the plan members that may have treatment outside of the United States; page 22, #27a, physician assistants to 27b; page 45, add the language "All other health services coded with wellness procedures and diagnosis codes are excluded." under the Well-Baby Care; page 46, change the word "acute" to "non-maintenance".

Dr. Broussard questioned the language on page 22, #24, concerning mammograms being paid under the wellness program, not subject to the annual deductible. Mr. Benoit stated that the plan document language was taken verbatim, from legislation mandating this benefit. Dr. Broussard stated that the annual Wellness Benefit was \$200.00 and questioned whether the program paid for the benefit if the service exceeded the annual Wellness Benefit. Mr. Benoit stated that the benefit was separate from the wellness benefit; it was a mandated benefit to provide the level of services not subject to the deductible. Dr. Broussard requested a copy of the legislation.

A motion was made by Mr. Culotta, with a second by Mr. Lincecum, to accept the recommendations of the Benefits Committee concerning the changes made in the plan document. There being no objection, the motion was approved.

Mr. Greer reported on the status of the EPO proposals. He stated that there were no responses from the Houma/Thibodaux area (Region 2), two responses from the Alexandria area (Region 7), and two responses in the Lake Charles area (Region 5). He stated that Aon prepared an analysis and recommended Louisiana Regional PHO for Region 7 and Southwestern La. PHO for Region 5.

The Committee recommends acceptance of the Louisiana Regional PHO for the Alexandria area (Region 7) and Southwestern La. PHO for the Lake Charles area (Region 5).

Mr. Wall requested modification to the recommendation and to authorize the staff to issue the contract to the successful bidders and in the event the successful bidders did not choose to sign the contract, then the staff be allowed to negotiate with the other parties.

A motion was made by Mr. Greer, with a second by Mr. Lincecum, to accept Louisiana Regional PHO for the Alexandria area (Region 7) and Southwestern La. PHO for the Lake Charles area (Region 5) as EPO providers, and allow staff to negotiate with the other parties in the event the successful bidders did not choose to sign the contract. There being no objection, the motion was approved.

Mr. Greer reported on information presented to the Committee concerning the current EPO contract status. He stated that Mr. Wall requested authorization to submit standardized contracts and rates by region, based on the previous year's rates, and offer the contract to providers willing to participate. Due to the lack of providers in the Lafayette and Houma/Thibodaux areas, Mr. Wall stated that he would be prepared to make a decision within the week relative to recommending that the Board increase compensation rates in those regions to provide a better panel of physicians for the plan members.

Mr. Wall delivered information to the Board which indicated the EPO Contract Status in each region. Mr. Wall informed the Board that the plan members had at least two options to choose from in each region except in the Lafayette and Houma/Thibodaux areas. In the Shreveport area there would be EPO & PPO, Monroe area - Vantage Health Plan and PPO, Alexandria and Lake Charles - EPO and PPO, Baton Rouge - Gulf South, Ochsner, EPO & PPO, New Orleans and North Shore - PPO and Ochsner. Mr. Wall stated that under the new standardized contract, a rate would be set and allow providers to participate at that rate, which would result in additional options for the plan members.

Mr. Greer reported the Committee's recommendation regarding premiums for the 2000-2001 plan.

The committee recommends the Board to defer final approval of premium rates until the March Board meeting in order to allow Aon to compile additional data needed to make a sound decision on what the rates would be.

A discussion of issues related to premiums followed, including: drug utilization trends in the EPO and PPO; anticipated rate adjustments of 10-12% by other state plans participating in the southeastern zone conference of the State and Local Government Benefit Association (SALGBA); additional state funding and other alternatives to passing rate increases on to plan participants; possible inclusion of police juries and other political subdivisions in the Program; a policy or rule requiring sufficient advance notice by a school board or other eligible entity seeking to join the Program; creating separate risk groups for state agencies, school boards, and political subdivisions; and matters to be addressed by the Legislature during the anticipated special session.

Following the discussion, a motion was made by Mr. Greer and seconded by Mr. Lincecum, to accept the Committee's recommendation to defer final approval of premium rates until the March Board Meeting. Without objection, the motion was adopted.

NEW BUSINESS

None.

OLD BUSINESS

Mr. Wall presented a press release issued regarding the number of new measures implemented to better serve the plan members and health care providers.

Mr. Wall stated that the Board had received information from Behavioral Health, Inc. concerning the mental health and substance abuse contract. He presented correspondence from Magellan responding to that information. Senator Schedler questioned whether the plan members were being adequately served. Mr. Wall stated that the primary complaints received were from providers, not plan participants. According to the providers, the plan participants are not receiving the quality care that they should have been receiving. Mr. Wall stated that outside legal counsel has been retained to represent the interest of SEGBP in the matter. SEGBP will continue to monitor the issue and await advice of legal counsel.

Mr. Lincecum announced the next Board Meeting would be held on February 23, 2000 in Lafayette, La. The meeting will be at the Ramada Inn on Interstate 49.

ADJOURN

There being no further discussion, a motion was made by Mr. Lee, second by Mr. Culotta, to adjourn. With no opposition, the motion was unanimously adopted.