



Questions

Q: How do your plans rank against the rest of the country?

A: Last year OGB's actuary, Buck Consulting, performed an analysis to determine the Actuarial Value of OGB's plan offerings compared to those in the southern states. They compared each plan's design to determine relative value. This type of analysis is similar to the method used when plans are compared on the federal healthcare exchange. Buck determined that OGB's HMO plan offered the highest value among its peer group and 8% higher than the average.

Another recent report - "State Employee Health Plan Spending" report released in August by the Pew Charitable Trusts and MacArthur Foundation - showed that our premiums are 15% lower than the averages rates across the country.

Q: How do OGB plans rank against LSU First?

A: LSU First plans are both high deductible, co-insurance plans with offsetting employer funding, similar to the new Pelican plans OGB will offer in 2015. A lot of the complaints about OGB's new plans revolve around the addition of a deductible to the HMO plan. However, both LSU First Options offer deductibles. Their deductibles are actually higher than OGB's, but once you factor in their employer funding, you end up with a \$500 and a \$1500 deductible for the LSU First Options. OGB offers deductible options at \$500 and \$1,000.

LSU First does not offer co-pay plans comparable to OGB's HMO offerings.

Q: Are you still offering the plans you offer today?

A: Yes. OGB is still offering HMO, PPO and consumer-driven health plans in 2015. While none of the 2015 plans are exactly the same as the plans offered in 2014, they offer the same network and coverage.

Q: How will these changes affect the average member?

A: Most members who choose to stay enrolled in the plan closest to their current plan will see few changes. The largest change to the plans offered in 2015 is the increase to the out-of-pocket maximum. Less than three percent of members in OGB's HMO plan reached the out-of-pocket maximum last year. That means that for most members, the increased maximum won't affect their bottom line.

The other major change is the addition of a \$500 deductible to the HMO plan (the Magnolia Local Plus). While the deductible only applies when a co-pay doesn't, members in that plan will have to reach the deductible before the plan will pay a larger portion towards care.

However, in 2015 OGB will also offer new plan options that preliminary calculations show can save the majority of members money in premiums and other out-of-pocket expenses compared to their current coverage. So, members who change plans could see significant savings.

Q: How are you educating your members on the changes?

A: In a variety of ways:

- » Active employees and retirees are invited to attend any of 41 meetings around the state to get more information on the new plans and answers to any questions.
- » Active employees and retirees are invited to attend any of seven live webinars throughout September and October.
- » All members will receive a full decision guide and annual enrollment form in the mail.
- » The annual enrollment website provides detailed information about plan choices, the ability to enroll online, and an out-of-pocket cost calculator that will help members select the right plan.
- » Customer service hours will be expanded to better serve members.
- » OGB is working with retiree associations to get information to their members and attending Retired State Employee Association conference in October.
- » OGB is training all agency human resource departments to ensure everyone who works with members is fully trained and able to answer questions on the new plan offerings.
- » Members who have not enrolled by the middle of October will receive calls and reminder notices from OGB.

Q: Will the doctors and providers members can use change?

A: Our networks have not changed. The only exception to that is a new narrow network HMO option that is structured like a traditional HMO. It offers lower premiums in exchange for using a local network. It's only available to members in Baton Rouge, Shreveport and New Orleans. We will still offer the nationwide HMO plan as well.

Q: When is the last time you've made these kinds of changes?

A: We change our plans every year. But, the last major change was probably the addition of the current statewide HMO plan in 2008. Today, 75% of our members are enrolled in that plan.

When the HMO was launched in 2008, premiums for a single employee were \$130.18. In 2015, that plan will offer premiums of \$140.38. That's a little more than a 7.5 percent increase over a seven year period. In that same seven year period, premiums across the country rose by 31 percent.

OGB's claims rose in that time period as well. Since the HMO was introduced, claims grew from \$993 million to \$1.37 billion in 2014 – a 28 percent increase. However, OGB was able to shield its members from the majority of those increases through its shift to third-party administration and by using a portion of the fund balance to cover the increased costs.

Q: What are the incentives for retirees to join a Medicare Advantage plan?

A: Some of the available Medicare Advantage plans offer no deductible, no premium and \$2400 - \$3600 in state funding that can be used to pay for out-of-pocket costs. For eligible retirees, Medicare Advantage plans can save them a lot of money.

Q: What does it mean when there is no out-of-network coverage available?

A: Out-of-network coverage is coverage outside of your available network. OGB's plans offer Blue Cross's nationwide network, making it easy to stay in-network for your care. Last year, 98.3 percent of all providers used were inside OGB's covered network.