Office of Group Benefits
Division of Administration

Strategic Plan
FY 2020-2021 to FY 2024-2025

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EXECUTIVE SUMMARY

Statutory Authority: *Chapter 12 of Title 42 of the Louisiana Revised Statutes of 1950, Section 801, 821, 851 and 871-879 as amended by Act 150 of the First Extraordinary Session of 1998 and Act 1178 of 2001.*

The Office of Group Benefits (OGB) provides health insurance, life insurance, accidental benefits, and flexible benefits to employees, retirees and their dependents of the State of Louisiana and other participating entities. OGB covers approximately 132,000 subscribers (employees and retirees) and 97,000 dependents. The majority of OGB plan members are enrolled in one of OGB's self-funded health plans; OGB pays the claims for these plans. OGB generates revenue through premiums collected from members and from participating entities. OGB is under the direction of the Division of Administration.

VISION STATEMENT

OGB will empower its members to live healthier by providing affordable health and wellness benefits.

MISSION STATEMENT

The mission of the Office of Group Benefits is to successfully manage an employer-based benefits program for current and former employees of the State of Louisiana and other participating groups.

PHILOSOPHY

Promoting health and wellness among OGB members, offering a variety of plan choices, and leveraging vendor resources to help OGB keep costs affordable for OGB members, participating employers, and Louisiana taxpayers.

GOAL I: Offer OGB's members affordable and comprehensive health and wellness benefits while maintaining a financially stable program.

Objective 1: OGB will maintain the efficiency and effectiveness of its self-funded health plans by monitoring the agency's Medical Loss Ratio and Inflation Trends.

Strategy 1: Design, redesign, and implement medical and pharmacy benefit plans that mirror new and innovative plans offered in the public and private insurance markets.

Performance Indicator: Medical Loss Ratio (MLR) for all self-funded health benefit plans.

Strategy 2: Monitor monthly claims expenditures by service category (physician, pharmacy, in-patient and out-patient and ancillary services) to identify trends in medical and pharmacy spend that can be acted upon.

Performance Indicator: Per-Member-Per-Month (PMPM) medical claims inflation trend for all self-funded health benefit plans over the prior fiscal year.

Objective 2: OGB will closely manage the performance of its medical TPA vendor to ensure its members receive the optimum level of service.

Strategy 1: Utilize contract performance standards to ensure vendors perform optimally when providing service to members.

Performance Indicator: Percentage of Medical TPA Contract Performance Standards met.

Objective 3: Maintain a fund balance reserve within a targeted range to ensure a financially stable program.

Strategy 1: Monitor and track all activities that have an impact on the cash balance of the reserves, and implement changes necessary to maintain a targeted reserve balance.

Performance Indicator: Fiscal year-end Fund Balance (in-millions).

GOAL II: Improve the health and wellness of OGB's employees and health plan members.

Objective 1: Create baseline health statistics, program design, health improvement, and track progress and success through participation in the *InHealth: Blue Health Services* disease management program.

Strategy 1: Identify and track health issues of its population to identify members eligible for the Disease Management Program.

Performance Indicator: Percentage change of eligible active employees and non-Medicare retirees participating in the disease management program over the prior calendar year.

STRENGTHS, WEAKNESSES, OPPORTUNITIES, & THREATS

OGB perceives its strengths, weaknesses, opportunities, and threats to be vital components in effectively negotiating the future direction of the agency. The specific factors relative to this strategy include:

Strengths

Identification of agency strengths allows OGB to leverage its core competencies as it strives to reach its goals.

- Competent staff members who are capable of helping OGB to achieve its mission and goals
- Cost-effective health care offerings that allow members a variety of quality choices
- Large group of members for leveraging contracts
- Large number of progressive national carriers and vendors interested in doing business with the state

Weaknesses

Recognizing weaknesses provides OGB the opportunity to make adjustments and prepare for any vulnerability that is created by the weaknesses.

- The complexity of health insurance creates challenges for educating the average consumer
- OGB has a member population which is older and less healthy than regional benchmarks
- Lack of flexibility in plan restructuring due to statutory requirements and the influence of special interest groups

Opportunities

OGB believes that it is necessary to continue monitoring member health and service needs and to streamline processes through internal operational improvements and vendor management. Some of the opportunities for improving service and offerings include:

- Encourage member health through innovative approaches in disease management and wellness initiatives

- Implement interactive, web-based resources that would afford members the opportunity to better manage their care
- Restructure all vendor contracts upon renewal, as needed, or rebid to provide the basis for developing a cooperative relationship between each vendor and OGB; this relationship will be based upon developing contracts that are fair to all parties and create an environment where all parties share the responsibilities of failure and the rewards of success depending on whether or not goals are met
- Modify vendor contracts upon renewal, as needed, or rebid to require vendors to provide OGB with the information necessary to manage the quality and cost-effectiveness of the services provided by the vendor
- Impose penalties in all vendor contracts related to the provision of health care services that give every vendor the incentive to help OGB achieve its mission and goals

Threats

The Office of Group Benefits perceives internal and external threats as any factor that may inhibit its ability to effectively meet mandates, perform at industry standards, maintain agency standards, or achieve and elevate standard of excellence. Furthermore, recognition of these factors enables the agency to be aware of the operational consequences, track its actions, and anticipate future impacts.

- The increase in health care costs
- Federal regulations including taxes, penalties, and mandates that continue to have an impact on the type and cost of coverage provided
- The effect of future health care legislation and unfunded legislative mandates
- Legal challenges which may delay the implementation of RFPs
- Budgetary constraints and unexpected health care costs

Principal Stakeholders

OGB offers health, accidental, and life benefits to group plan members. During the assessment phase of the strategic planning process, OGB identified the following key stakeholders.

Plan Members
Current and former employees of the State of Louisiana and other participating entities and their eligible family members or beneficiaries who are covered under the benefits plans offered by OGB.

Plan Providers
Medical professionals and facilities that provide medical services offered to OGB plan members.

Staff Members
OGB employees.

State Agencies
Executive, Legislative, and Judicial branch agencies within the state of Louisiana that participate in the benefits plans offered by OGB.

Other Participating Entities
School boards, charter schools, school districts, non-appropriated boards and commissions, and local governmental entities that are eligible to and elect to participate in OGB's benefit plans.

Avoiding Duplication of Effort within the Office of Group Benefits

Enhancing the agency's ability to improve operational efficiency and effectiveness is an intended outcome of OGB's strategic planning process.

Administrative functions with the Division of Administration have been consolidated to avoid duplication and OGB has required additional administrative services of its vendor-partners.

OGB's management staff meets regularly to share information about the activities within each section and ensure that work streams are effective, appropriate and non-duplicative.

OGB gathers input and feedback at all levels so it can continually analyze its core processes, effectiveness and efficiency to determine required enhancements and ensure no duplications of effort exist.

POLICIES BENEFITING WOMEN AND CHILDREN

Office of Group Benefits policies/programs that benefit women and children (Act 1078 of 2003)

Approximately fifty-eight percent (58%) of OGB health plan members are women. OGB is committed to supporting those women and their families by providing the following benefits.

Plan Members

- Reduced premiums for single employees and for employees with children.
- Childhood immunizations and well-baby visits are covered at 100% of allowable cost when provided by a network provider.
- Well-woman visits and mammograms are covered at 100% of allowable cost when provided by a network provider.
- Support for breastfeeding and equipment are covered at 100% of allowable cost when provided by a network provider.
- Contraception medications and devices are covered at 100% of allowable cost when provided by a network provider.
- Intimate Partner violence screening is provided for women of childbearing age without cost sharing when provided by a network provider.

Staff Members

The following human resources policies that support women and their families are in place:

- Flexible schedules are permitted between 7 a.m. and 5 p.m., allowing parents to work around school and event schedules, subject to business needs.
- In accordance with FMLA, eligible employees are entitled to a total of 12 work weeks of leave during any 12-month period for the birth of a child, the placement of a child for adoption or foster care, or other FMLA qualified events.
- We offer equal opportunities to all qualified employees and applicants for employment without regard to race, creed, color, sex, national origin, age, handicap, sexual orientation or veteran status.
- OGB provides fair and impartial pay rates in accordance with State Civil Service rules.

Performance Indicator Documentation

Program: Office of Group Benefits (OGB)
(Note: The performance indicators below will replace existing performance indicators in upcoming years)

Goal 1: Offer OGB's members affordable and comprehensive health and wellness benefits while maintaining a financially stable program.

Objective 1: OGB will maintain the efficiency and effectiveness of its self-funded health plans by monitoring the Medical Loss Ratio and Inflation Trends.

Indicator 1: Medical Loss Ratio (MLR) for all self-funded health benefit plans.

1	**Type:** Outcome/Efficiency
2	**Rational:** To measure the efficiency and effectiveness of OGB's plan
3	**Source:** OGB monthly accrual financial reports prepared by DOA Office of Finance and Support Services (OFSS)
4	**Frequency/Timing-Collection/Reporting:** Monthly/Annually
5	**Calculation Method:** Internal Reports
6	**Aggregate/Disaggregate:** Aggregate
7	**Responsible Person for Reporting:** OGB Financial Administrator

Indicator 2: Per-Member-Per-Month (PMPM) medical claims inflation trend for all self-funded health benefit plans over the prior fiscal year

1	**Type:** Outcome/Efficiency
2	**Rational:** To measure the efficiency and effectiveness of OGB's plan
3	**Source:** OGB monthly accrual financial reports prepared by DOA OFSS
4	**Frequency/Timing-Collection/Reporting:** Quarterly/Annually
5	**Calculation Method:** Internal Reports
6	**Aggregate/Disaggregate:** Aggregate
7	**Responsible Person for Reporting:** OGB Financial Administrator

Objective 2: OGB will closely manage the performance of its medical TPA to ensure its members receive the optimum level of service.

Indicator 1: Percentage of medical TPA contract performance standards met.

1	**Type:** Outcome/Efficiency
2	**Rationale:** To ensure our medical TPA vendor performs optimally when providing service to our members
3	**Source:** Vendor Reports
4	**Frequency/Timing-Collection/Reporting:** Annually
5	**Calculation Method:** External Reports
6	**Aggregate/Disaggregate:** Aggregate
7	**Responsible Person for Reporting:** Medical TPA vendor

Objective 3: Maintain a fund balance reserve within a targeted range to ensure a financially stable program.

Indicator 1: Fiscal year-end fund balance (in millions).

1	**Type:** Outcome
2	**Rational:** To measure the stability of OGB's plan
3	**Source:** OGB monthly accrual financial reports prepared by DOA OFSS
4	**Frequency/Timing-Collection/Reporting:** Monthly/Annually
5	**Calculation Method:** Internal Reports
6	**Aggregate/Disaggregate:** Aggregate
7	**Responsible Person for Reporting:** OGB Financial Administrator

Goal 2: Improve the health and wellness of OGB's employees and health plan members.

Objective 1: Create baseline health statistics, program design, health improvement, and track progress and success through participation in the *InHealth: Blue Health Services* disease management program.

Indicator 1: Percentage change of eligible active employees and non-Medicare retirees participating in the disease management program over the prior calendar year.

1 Type: Outcome/Quality
2 Rationale: To measure the effectiveness of the medical TPA's disease management programs
3 Source: BCBSLA Data
4 Frequency/Timing-Collection/Reporting: Annually
5 Calculation Method: External & Internal Reports
6 Aggregate/Disaggregate: Aggregate
7 Responsible Person for Reporting: Medical TPA vendor and OGB Financial Administrator

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