



STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF GROUP BENEFITS



REPORT ON PUBLIC HEARING

TO: Louisiana House Appropriations Committee
Louisiana Senate Finance Committee

FROM: Susan T. West, CEO

RE: Public Hearing on Notice of Intent published on November 20, 2014

DATE: December 30, 2014

This report is submitted pursuant to R. S. 49:968(D). The comments specifically relating to the Notice of Intent can be summarized as follows:

- **Comment:** Retirees benefited primarily from the benefit changes reflected in the NOI and further, active employees did not benefit as much as retirees from the plan changes reflected in the NOI. Equalization of coverage for both retirees and actives is requested.
OGB Response: While both retirees and current employees benefited from the adjustments to the original proposed plan changes, retirees did see a more significant change. Because many retirees live on limited, fixed incomes, increases in cost often affect them to a greater degree than current employees. Therefore, OGB intends to maintain the differences between the plans referenced in the NOI for active employees and retirees.
- **Comment:** Infertility treatment should not be an excluded benefit.
OGB Response: OGB continuously reviews its benefit offerings and will review fertility coverage as it makes future plan changes. However, due to the cost, infertility treatment will not be covered at this time.
- **Comment:** There was confusion among retirees regarding the plan changes.
OGB Response: Because of the adjustments to plan options in November, some of the original materials mailed to retirees were no longer accurate at the end of the enrollment period. However, OGB mailed updated information to all member homes and offered a nine-week enrollment period this year in comparison to the typical 4-week period to allow members to review the updated plans.
- **Comment:** There is a flaw in the process that allows for a public hearing after the open enrollment period has closed.
OGB Response: The timing of the meeting is required by law. The NOI must be published on the 20th of the month and hearings must take place between 35-40 days after publication.

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- **Comment:** OGB did address the concerns expressed by retired teachers.
OGB Response: OGB takes the concerns of its members seriously and has carefully balanced their needs with the agency's financial obligation.
- **Comment:** Subrogation was repealed from the NOI.
OGB Response: Subrogation and reimbursement rights have been retained in the proposed rule. Reference to those provisions is being repealed from the current rule under Title 32, Parts 3, 5 and 9 of the La. Administrative Code (LAC), but those provisions have been inserted in the proposed rule at Title 32, Part I, Chapter 5, Section 513 of the LAC.
- **Comment:** On-line enrollment difficulty relative to Annual Enrollment Web Portal and selecting a Primary Care Physician.
OGB Response: The plan acknowledged that her concern was addressed during annual enrollment. OGB will work to improve future annual enrollments.
- **Comment:** The changes occurred quickly and without more public meetings and input.
OGB Response: OGB held 107 meetings throughout the state during the enrollment period. More than 25,000 members attended those meetings and provided feedback on the plan changes. Because of their feedback, OGB made some adjustments to the several of its plans that decreased out-of-pocket costs in favor of a larger premium increase in July 2015.
- **Comment:** The premium increase was equated by the plan member to the delay in plan implementation and to the failure to follow the administrative rulemaking process.
OGB Response: As the cost of health care rises, employers have only a few options to manage the increased responsibility: change benefits, lower administrative costs or increase premiums. OGB has balanced all of these options. However, when many members and Legislators expressed concerns at the original proposal, OGB adjusted its balance to focus more on premium changes than plan changes. Further, while the rulemaking process has been inconsistent over the years, OGB elected to move forward through the process.
- **Comment:** Concern expressed in writing by plan member over difficulty navigating the pharmacy plan.
OGB Response: OGB has spoken directly with this plan member on the specific concerns regarding the pharmacy plan.
- **Comment:** Concern expressed in writing that the default plan for active employees does not resemble, in most cases, the current plan of active employees and, thus, is dissimilar to the default option for retirees.
OGB Response: Throughout the enrollment period, OGB and Human Resource liaisons communicated directly with active employees regarding their plan options and the deadline for making a plan selection. The default plan for active employees provided a low premium option. OGB intends to maintain this option for active employees to provide additional choices for plan members.

After consideration of the public comments, both oral and written, OGB does not plan to modify, amend or change the NOI published on November 20, 2014. However, OGB is committed to continual review of its plan offerings, which will be updated as needed.