



State of Louisiana

Division of Administration
Office of the Commissioner

FOR IMMEDIATE RELEASE

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Blue Cross Selected to Administer State Employee Health Plans

BATON ROUGE - Today, the Office of Group Benefits (OGB) announced the selection of Blue Cross and Blue Shield of Louisiana as the third-party administrator (TPA) of the self-funded health plans that provide health coverage for state government employees, retirees and their dependents.

Blue Cross was awarded a three-year contract effective January 1, 2016, with two one-year renewal options. The administrative contract is estimated at \$35 million per year and includes claims processing, subrogation, population health management, reporting, and customer service. Also included in the contract is payment to providers on OGB's behalf. While claims payments are processed through a third-party administrator, the payments are made weekly from OGB's fund balance. Claims fluctuate significantly year-to-year depending on market trends and population health.

"Offering quality healthcare has always been OGB's top priority," said Susan West, Chief Executive Officer at OGB. "I support the evaluation committee's selection of Blue Cross and I look forward to continuing our efforts to improve the health of our 230,000 members."

Working with a TPA gives OGB members access to a larger local and national provider network, provider discounts, and the opportunity to participate in wellness and health management programs. Blue Cross has served as OGB's TPA since January 2013.

Four bids were submitted during the RFP process. Of those considered, Blue Cross offered the lowest administrative and claims cost to OGB and its members as well as the largest provider network. \$18.4 million in administrative savings is expected over the next three years when compared to the current contract rates.

The selection committee included members from all areas of state government, including representatives from the Department of Transportation and Development, the Department of Health and Hospitals, the Department of Corrections, the Department of Insurance, the Louisiana Retired Teachers Association, the Office of Group Benefits, the Division of Administration and OGB's Policy and Planning Board.

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