



State of Louisiana

Division of Administration
Office of the Commissioner

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OGB provides updated plan options for retirees and state employees

Annual enrollment extended to Dec. 7

BATON ROUGE – After discussions with members and Legislators, the Office of Group Benefits today announced changes to its 2015 health plan options that could decrease costs for many OGB enrollees. The changes were announced at the joint briefing for the House Appropriations and Senate Finance Committees.

“We heard from Legislators and members on suggestions for improving the 2015 options,” said Commissioner of Administration Kristy Nichols. “And we believe we’ve created a solution that will meet the needs of members and fulfill OGB’s financial obligations.”

Plan Changes

The plans will roll back deductibles and out-of-pocket maximums to 2014 levels for retirees with and without Medicare on three of OGB’s plan options. That means that retirees (as of March 1, 2015) enrolled in the Magnolia Local or Magnolia Local Plus option will have no deductible, and Magnolia Open Access plan members will be required to meet deductibles of just \$300 per person.

Deductibles and out-of-pocket maximums will decrease for active employees as well. The Magnolia Local, Magnolia Local Plus and Magnolia Open Access plans will offer 10-20 percent lower deductibles and out-of-pocket maximums than previously announced. For an active employee enrolled in a Magnolia family plan, that means a decrease of \$300 for the deductible and \$1,500 for the out-of-pocket maximum.

The updated plan options also offer a new level of coverage that allow individuals with one dependent – whether a spouse or a child – to pay a deductible that is equal to the cost of two individual deductibles. However, deductibles can still be met by any combination of covered enrollees. Previously, there was no level for an individual with only one child, and the individual plus spouse level included deductibles and out-of-pocket maximums that were equal to family coverage.

All other aspects of the previously announced plan options will remain the same. Co-pay and co-insurance changes are still included in the new options. The new Pelican plans are still available for 2015, as well as the Vantage Medical Home HMO plan and Medicare Advantage options. The

pharmacy changes that went into effect Sept. 30 for active employees and retirees without Medicare will still become effective for retirees with Medicare Jan. 1.

Legislative Response

“The Legislature has listened to the concerns of our constituents regarding changes to the OGB health care plan options, said Chairman of Appropriations Jim Fannin. “As a result, we have been working together with the DOA to develop solutions to address the biggest issues.”

“Over the last couple of months I have been contacted by my constituents, especially retirees, and individual members of the Senate,” said President of the Senate John Alario. “By getting this valuable feedback, we were able to make the necessary adjustments to the plans and provide the relief that was needed.”

“Working with members of the Legislature to gain insight from their districts has helped address some of the biggest concerns of our active employees and retirees,” Speaker of the House Chuck Kleckley said, “I am hopeful that be working together these changes will ease the burden on plan members.”

“From the beginning I have been focused on maintaining stability for retirees and providing some relief to our active employees,” said Speaker Pro Tem and Appropriations Committee Member Rep. Walt Leger. “Nothing is more crucial in dealing with these types of complex policy issues than having an open dialogue with my constituents, members of the Legislature and staff, and the DOA to produce sustainable plans for our current and former state workers. I believe that dialogue should continue and can produce positive results.”

OGB Board Member and Finance Committee Member Sen. Gregory Tarver said, “There has been a lot of anxiety in my district regarding the changes to OGB’s health care offerings. We’ve listened to our constituents and fellow Legislative colleagues to come up with a solution to alleviate some concerns and keep OGB financially stable.”

“This is a good example of how working together can lead to better solutions for our State,” said Appropriations Committee Member Rep. Bryan Adams. “I’m hopeful these proposed changes will be the right path for all parties.”

OGB Board Member and Appropriations Committee Member Rep. Robert Billiot said, “I am pleased with the progress that has been made since the open enrollment period began and will continue to listen to the concerns of the OGB membership.”

Enrollment Period

The enrollment period has been extended through December 7 to ensure that members have enough time to evaluate their options and make the choice that best fits their needs. The materials on OGB’s website, including the out-of-pocket cost calculator, will be updated with the new plan information by early next week. All members will also receive an updated benefit comparisons guide in the mail that outlines the plan changes.

Impact on Future

“Though these changes are likely to reduce member costs in the short-term, it’s important to recognize that they will also affect OGB’s long-term financial projections,” said Commissioner Nichols.

To ensure OGB can continue to operate responsibly, a rate increase will be necessary in July. Current projections predict that a 10.8 percent increase will be necessary July 1 to compensate for these changes, current claims trends, the re-adjudication of pharmacy and medical changes, and delaying the implementation date of 2015’s plans to March 1.

For members, a 10.8 percent increase translates to between \$6 and \$48 per month for each member, depending on the plan and level of coverage chosen. It will also add \$55.7 million to state agency budgets and \$38.3 million to school board budgets.

Rule Promulgation

Plan changes will be published in the Louisiana Administrative Code. The ordinary rule published October 1 will be withdrawn, and a new rule will be published November 20. The November 25 public hearing will be moved to December 29. It is expected that the updated ordinary rule will become effective March 1.

Customer Service

Members are encouraged to contact OGB with any questions. Customer service is available from 7 a.m. to 7 p.m. Monday through Saturday throughout the enrollment period.

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