

LOUISIANA HEALTH PLAN

MINUTES

BOARD OF DIRECTORS MEETING

November 2, 2011

ATTENDANCE:

Board Members Present: Scott Westbrook, Robelynn Abadie, Kevin Bridwell, Michele Calandro, Derrell Cohoon, Dr. William Dimattia, Phyllis Perron

Also Present: Rene Louapre, Attorney from Milling Benson

LHP Staff Present: Leah Barron, Carl Mautner, Reva Broussard, Jon Bonneval, Kathy Stern

MINUTES

Minutes from the August 18, 2011 Board meeting were presented.

MOTION

Derrell Cohoon made a motion to approve the Minutes with the amendment to correct DNO and ENO to correctly read: D & O; and, E & O. Motion seconded by Michele Calandro. No opposition. Motion passed.

OLD BUSINESS

There was no old business.

NEW BUSINESS

High Risk Pool Premiums for the year 2012

Leah Barron distributed binders to each board member that contained premiums and projections for the High Risk Pool. The binder was divided into 5 sections:

1. Scenario Tables: Simple Average Methodology
2. Scenario Tables: Weighted Average Methodology
3. Milliman's Pool Projections: Simple Average & Weighted Average
4. Milliman's Rate Development Report
5. Premium Rates:
 - a. 2012 110% Load
 - b. 2012 125% Load
 - c. 2011 110% Load

Ms. Barron reminded the board members that the range of averages for the High Risk Pool is between 110% and 200% of the top five carriers in the individual market.

Ms. Barron explained that Milliman was asked to use a fund balance of December 31, 2013, which is the end date under the Patient Protection and Accountability Act. We also asked them to use the date 2014 so that we would have a comparison in the event of an extension.

The CEO explained that in the High Risk Pool they were comparing the number of entrants (enrollees) to be added with the rates. The rates are being calculated after the grant has been applied (net of grant).

Ms. Barron explained that Milliman was asked to add three sets of benefit enhancements:

Set 1 (Group A):

- a. reduction in prescription deductible
 - a. \$1,000 Plan Prescription deductible reduced from \$250 to \$100
 - b. \$2,000 Plan Prescription deductible reduced from \$500 to \$200
 - c. \$3,500 Plan Prescription deductible reduced from \$875 to \$350
 - d. \$5,000 Plan Prescription deductible reduced from \$1,250 to \$500

Set 1 (Group B):

- a. increase in annual maximum limit from \$150,000 to \$200,000
- b. increase in lifetime maximum limit \$750,000 to \$1,000,000
- c. increase in wellness benefit from \$300 to \$500
- d. increase annual prescription drug limit from \$20,000 to \$25,000
- e. increase the transplant limit from \$150,000 to \$200,000
- f. add smoking cessation benefit
- g. provide coverage for oral contraceptives

Set 3

Combination of Set 1 (Group A) and Set 2 (Group B)

The CEO made the recommendation in the High Risk Pool to use the weighted average at 110% (net of grant funds); use the combined benefits enhancements to allow a maximum number of new entrants with the combined new benefit structure of 4,098 new enrollees.

There was discussion about the changes and whether additional benefits could be added to benefit the policyholders in the High Risk Pool and not be available for the policyholders in the HIPAA Plan.

MOTION

Michele Calandro made a motion for the High Risk Pool to utilize Scenario 1 that allows:

- a. the weighted average of 110% (net of grant funds)
- b. allow the maximum number of new entrants with the COMBINED new benefit structure of 4,098 new enrollees
- c. use the combined benefit enhancements of both Group A and Group B

1. Group A

The prescription deductible reduction:

- a. \$1,000 Plan Prescription deductible reduced from \$250 to \$100
- b. \$2,000 Plan Prescription deductible reduced from \$500 to \$200
- c. \$3,500 Plan Prescription deductible reduced from \$875 to \$350
- d. \$5,000 Plan Prescription deductible reduced from \$1,250 to \$500

2. Group B

- a. increase in annual maximum limit from \$150,000 to \$200,000
- b. increase in lifetime maximum limit \$750,000 to \$1,000,000
- c. increase in wellness benefit from \$300 to \$500
- d. increase annual prescription drug limit from \$20,000 to \$25,000
- e. increase the transplant limit from \$150,000 to \$200,000
- f. add smoking cessation benefit
- g. provide coverage for oral contraceptives

The December 31, 2013 termination date for the High Risk Pool will be utilized (the last date under PPACA) with the understanding that claims runout may last as long as 18 months. Most claims will end within six months.

Motion seconded by Phyllis Perron. No opposition. Motion passed.

HIPAA Plan Premiums/Assessments for the year 2012

Leah Barron distributed binders to each board member that contained premiums and projections for The HIPAA Plan for the year 2012. The binder was divided into 5 sections:

1. Scenario Tables: Simple Average Methodology
2. Senario Tables: Weighted Average Methodology
3. Milliman's Pool Projections: Simple Average and Weighted Average
4. Milliman's Rate Development Report
5. Premium Rates:
 - a. 2012 125% Loan

- b. 2012 150% load
- c. 2011 125% load

Ms. Barron explained that Milliman was asked to add three sets of benefit enhancements:

Set 1 (Group A):

- a. reduction in prescription deductible
 - a. \$1,000 Plan Prescription deductible reduced from \$250 to \$100
 - b. \$2,000 Plan Prescription deductible reduced from \$500 to \$200
 - c. \$3,500 Plan Prescription deductible reduced from \$875 to \$350
 - d. \$5,000 Plan Prescription deductible reduced from \$1,250 to \$500

Set 1 (Group B):

- a. increase in annual maximum limit from \$150,000 to \$200,000
- b. increase in lifetime maximum limit \$750,000 to \$1,000,000
- c. increase in wellness benefit from \$300 to \$500
- d. increase annual prescription drug limit from \$20,000 to \$25,000
- e. increase the transplant limit from \$150,000 to \$200,000
- f. add smoking cessation benefit
- g. provide coverage for oral contraceptives

Set 3

Combination of Set 1 (Group A) and Set 2 (Group B)

Ms. Barron explained that in The HIPAA Plan the range averages from 125% to 200%.

There was lengthy discussion regarding benefits and assessments.

MOTION

Dr. Dimattia made a motion to approve for the HIPAA Plan to use the weighted average at a percentage net of grant funds between 150% and 175% that will maintain an assessment of \$7.77 million (inclusive of 5% for uncollectible amounts). To use the combined benefit enhancements of both Group A and Group B:

1. Group A

The prescription deductible reduction:

- a. \$1,000 Plan Prescription deductible reduced from \$250 to \$100

- b. \$2,000 Plan Prescription deductible reduced from \$500 to \$200
- c. \$3,500 Plan Prescription deductible reduced from \$875 to \$350
- d. \$5,000 Plan Prescription deductible reduced from \$1,250 to \$500

2.Group B

- a. increase in annual maximum limit from \$150,000 to \$200,000
- b. increase in lifetime maximum limit \$750,000 to \$1,000,000
- c. increase in wellness benefit from \$300 to \$500
- d. increase annual prescription drug limit from \$20,000 to \$25,000
- e.. increase the transplant limit from \$150,000 to \$200,000
- f. add smoking cessation benefit
- g. provide coverage for oral contraceptives

Use the December 31, 2013 termination date (under PPACA) with the understanding that claims runout may last as long as 18 months.

Motion seconded by Michele Calandro. No opposition. Motion passed

Financials

Leah Barron directed the board members to the Financials that were prepared by Carl Mautner as of the close of September, 2011. Mr. Mautner referred to the narrative he had prepared as he highlighted the summaries of the High Risk Pool, HIPAA Plan and the combined pools.

MOTION

Derrell Cohoon made a motion to accept the Financials as presented. Motion seconded by Kevin Bridwell. No opposition. Motion passed.

CEO Report

Ms. Barron directed the board members to her CEO report and reviewed the enrollment numbers, turnaround time and claims reports. She provided copies of letters prepared by NASCHIP including a copy of the comments to the proposed Federal regulation on reinsurance and risk adjustment from NASCHIP. She referred to copy of H.R. 3149 that had been filed in Congress. She will keep the members advised of any updates.

Executive Session

MOTION

Robelynn Abadie made a motion to go into Executive Session. Motion seconded by Kevin Bridwell. No opposition. Motion passed.

MOTION

Phyllis Perron made a motion to return from Executive Session. Motion seconded by Dr. Mimattia. No opposition. Motion passed.

Scott Westbrook announced the formation of a committee for personnel and for a wind down plan. The members of the committee are:

1. Robelynn Abadie
2. Michele Calandro
3. Derrell Cohoon
4. Kevin Bridwell

OTHER BUSINESS

There was no other business.

MOTION

Derrell Cohoon made a motion to adjourn the meeting. Motion seconded by Robelynn Abadie. No opposition. Motion passed.