

Regular Session, 2011

SENATE CONCURRENT RESOLUTION NO. 62

BY SENATORS GAUTREAUX, BROOME, CHAISSON, CHEEK, DORSEY, JACKSON,
LAFLEUR, LONG, MARIONNEAUX, MCPHERSON, MILLS,
MORRISH, MOUNT, MURRAY, NEVERS, PERRY, PETERSON,
THOMPSON AND WILLARD-LEWIS

LEGIS POWERS/FUNCTIONS. Express intent of the legislature to provide life and health benefits to public employees.

A CONCURRENT RESOLUTION

To express the intent of the legislature to provide comprehensive, affordable life and health benefits for current and retired public employees and their family members through the operation of the Office of Group Benefits.

WHEREAS, the role of the Office of Group Benefits (OGB) in providing life and health benefits to public employees, particularly coverage under its self-administered PPO plan, has become an issue of intense interest for the people of the state, particularly current public employees and retirees receiving benefits through OGB; and

WHEREAS, the Division of Administration, through OGB, issued a request for proposals (RFP) on May 6, 2011, seeking to retain the services of a financial advisor to assess the market value of the book of business and services provided by OGB and negotiate on its behalf alternative methods by which OGB may perform its statutory responsibilities to provide affordable life and health benefits to public employees in Louisiana; and

WHEREAS, proposals under the RFP are due to OGB on June 6, 2011, with a tentative timeline for the start of any contemplated alternative methods as January 1, 2012; and

WHEREAS, while the focus of public discussion has, at times centered on OGB's PPO, which is self-administered by OGB, the RFP seeks information regarding the sale of

1 the entire book of business and services under all plans under OGB: the HMO-Blue Cross
2 plan; the PPO-OGB plan; the CDHP/HSA-UHC plan; the MHHP-VHP plan; the Medicare
3 Adv plan; and the LSU-CIGNA plan; and

4 WHEREAS, administration statements before the Senate Committee on Retirement
5 range from "a sale and privatization of the Office of Group Benefits will have no negative
6 impact for those covered . . . " to "we're not selling the Office of Group Benefits" indicate
7 a lack of transparency and forthrightness from the administration; and

8 WHEREAS, over 30 years OGB has developed a network which includes every
9 hospital in the state except one, obtained discounts with medical providers across the state
10 which are returned to OGB in the form of savings, and as a result of becoming self-insured
11 with efficient and competent management OGB was able to correct a \$36 million negative
12 fund balance in 2006 to a \$520 million positive fund balance; and

13 WHEREAS, the lack of transparency, access to information, and inconsistency in
14 testimony has failed to convince the members of the legislature as to the wisdom of
15 privatizing or selling OGB when it has a \$520 million surplus due to its efficient
16 management of state health insurance dollars and has administrative cost of only 3.5 percent.

17 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana hereby declares
18 that the Office of Group Benefits is providing the citizens of Louisiana with the most cost-
19 effective and compressive program of life and health benefits to its members and that no
20 change in its method of providing these services will result in any substantial cost savings
21 to the state.

22 BE IT FURTHER RESOLVED that in furthering administration goals for more
23 transparency in state government and access to information, particularly access to
24 information upon completion of the "deliberative process", any submission to the Joint
25 Legislative Committee on the Budget, or other legislative body, involving a proposed change
26 to the operations of OGB, also be forwarded to each member of the legislature.

27 BE IT FURTHER RESOLVED that prior to any action by the Joint Legislative
28 Committee on the Budget, or other legislative body, involving the proposal, all members of
29 the legislature be given reasonable opportunity to express to the committee or body their
30 views regarding the proposal.

1 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to
2 Governor Bobby Jindal, Commissioner of Administration Paul Rainwater and to the Joint
3 Legislative Committee on the Budget.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Thomas L. Tyler.

DIGEST

Gautreaux SCR No.

Declares that the Office of Group Benefits is providing the citizens of Louisiana with the most cost effective and compressive program of life and health benefits to its members and that no change in its method of providing these services will result in any substantial cost savings to the state.

Resolves that in furthering administration goals for more transparency in state government and access to information, particularly access to information upon completion of the "deliberative process", any submission to the Joint Legislative Committee on the Budget, or other legislative body, involving a proposed change to the operations of OGB, also be forwarded to each member of the legislature.

Resolves that members of the legislature, prior to any action by the joint committee, or other legislative body, involving the proposal, be given reasonable opportunity to express their views regarding the proposal.