

LMBC Meeting Minutes  
March 22, 2012  
Broadway Conference Room, 9<sup>th</sup> Floor Portland Building

Attendance

**LMBC Members present:**

David Shaff  
Gerry Verhoef  
Andrew Scott  
Jay Guo  
Stephanie Babb  
Greg Jones  
David Rhys  
Denise Kleim  
Richard Beetle

**LMBC members absent**

Bryan Parman (proxy to Gerry)  
Cherry Harris  
Jim Forquer (proxy to Gerry)

**Staff**

Cathy Bless  
Vicki Arch  
Julia Getchell (BHR)  
Larry Nelson

**Other attendees**

Paige Sipes-Metzler (Aon)  
Damon Rutherford (Aon)  
Debbie Hussey (AFSCME)  
Paul Cone (COPPEA)  
Sara Lowe (OMF)

1. Call to Order: David Shaff called the meeting to order at 3:05 p.m. Introductions made around the table
2. Minutes for February were reviewed and approved.
3. Wire Transfer Report – Larry Nelson  
Claims are 9% higher than last year (medical claims around 11% higher, Rx about 3% lower). This will be watched closely to ensure rates are set appropriately for the new plan year.
4. Plan Design Changes – Paige Sipes-Metzler  
A list of proposed benefit changes was presented. A question came up as to how the cost estimates were derived—Damon said the City doesn't currently have the costs so costs estimates were derived from other clients data and then based upon the City's expected utilization. **Voting results are shown in red.**
  - a. Temporomandibular Joint Disease (TMJ) Stabilization devices are the most recommended treatment for this disease, so the current recommendation is to allow a maximum lifetime benefit of \$3,000 for non-surgical treatments. A question came up—what if there's a complex case? Paige indicated there is no real science behind this disease. Often women age 20-40 years old have issues and symptoms are generally periodic and then go away. The recommendation from the TMJ association and NIH is "the least done the better." If it's resulting from a co-morbidity (e.g. rheumatoid arthritis), that would dictate treatment. **All votes were affirmative**
  - b. Orthognathic Surgery—recommend offering this with prior authorization required. Surgery can't be done for children—must be at least 18 years old and fully grown. **All votes were affirmative**

- c. Speech/occupational therapy—remove limitations of having to occur within one year of illness/injury and exclusion of treatment for delay in speech development. This therapy will be subject to prior authorization and continued progress must be demonstrated. **All votes were affirmative**
- d. Hearing Aids—Offer state mandated benefit for members to age 26 (current benefit for adults age 26 and older to remain as-is. **All votes were affirmative**
- e. Discontinue MHN network and use travel/out of area network in lieu of PHCS. Everyone on the CityCore plan would have the ODS Plus network. Currently there are 36 providers in MHN who are not in the ODS Plus network (ODS has agreed to extend contracts to those providers). Also, we've been purchasing PHCS as an extra network for all ODS Plus members. We would save on costs by eliminating this add-on network for all except those retirees who live outside the ODS Plus network. Travelers could still access a travel network and the City will pay administrative costs for only for those who use the network. This combination is expected to keep network costs about the same as they are now. **All votes were affirmative**
- f. Prescription Drug recommendations:
  - 1. For Statins like Lipitor, steer behaviors towards generic simvastatin for a potential savings of \$134,879 every 6 months; impacting 321 participants. (This would exclude Lipitor 80mg, and Crestor 20mg and 40mg as there is no generic match for these strengths.) Two options for LMBC vote:
    - i. Member pays the difference between cost of generic simvastatin and the brand drug; or **All votes were affirmative**
    - ii. Change coinsurance to 30% from 20% **No**
  - 2. For proton pump inhibitors (PPI) like Nexium, steer behaviors towards generic omeprazole for a potential savings of \$74,199 every 6 months, impacting 172 participants. Two options for LMBC vote:
    - i. Member pays the difference between cost of generic Omeprazole and the brand drug; **All votes were affirmative**
    - ii. Change coinsurance to 30% from 20% **No**
  - 3. Put a minimum copay on generic prescriptions of \$5 to drive people to \$4 retailers. The plan paid \$37,802 more during the 1st 6 months of the 2011-12 plan year than it would have if all participants filled their prescription at a \$4 retailer. Two options for LMBC vote:
    - i. Reinstate the \$5 minimum generic co-pay across the board; **No** or
    - ii. Reinstate the \$5 minimum only for those who don't use a \$4 pharmacy. **All votes were affirmative**

4. Exclude non-sedating antihistamines as a covered prescription through KPP, as people can get equivalent medications over the counter. This would disrupt 105 members currently and could potentially save \$14,843 every 6 months. **All votes were affirmative**
- g. LTD recommendation—Base plan benefits remain the same; cost to be on a composite basis for all enrolled employees (as opposed to currently with different rates for different union/non-union groups. Buy-up plan increases benefit up to \$7,500 per month (for those who earn over \$100,000 per year. Rates would also be composite for the buy-up plan. The buy-up plan could be purchased during annual enrollment without completion of a medical questionnaire provided employee has not been denied the buy-up plan in the past. **All votes were affirmative.**

On voting, must have 10 votes affirmative to pass. Long term disability provision requires all union members to vote in the affirmative to pass. **Cherry Harris was contacted by phone by Cathy Bless and she voted affirmatively with all other members on the above.**

5. Plan changes due to health reform (no votes):
  - a. Remove lifetime maximum on hospice;
  - b. Remove lifetime limits on suicides;
  - c. Remove lifetime limit on sleep apnea, reinstate prior authorization requirement;
  - d. Reduce Medical Expense Reimbursement Plan (MERP) annual limit from \$4,000 to \$2,500;
  - e. Remove \$500 annual maximum on nutritional counseling, implement 4 visit maximum to be paid at 80%, not subject to deductible;
  - f. Remove \$500 annual maximum on smoking/tobacco cessation.

The Plan Document will be revised with all of the changes (voted on by LMBC and required by health care reform) and will go to Council for approval in the April/May timeframe. The Mayor's office was briefed in advance and it's not anticipated there will be any issues.

## 6. Health Care Costs – Damon Rutherford

Health care costs are rising much higher than the rate of inflation. The City has done favorably in comparison. There is a projected rate increase of 6% for the CityCore plan this year (would expect an 8% increase but the City will use \$750,000 in excess reserves to reduce the increase to 6%.) This increase includes the changes voted on today. There will be no increase in the self-insured dental plan (keep the rate the same; trend for dental is 5.5%). Kaiser medical rates increase 4.1% (below trend of 6.4%), Kaiser dental has no rate increase and Kaiser Vision decreases 2.5%. No VSP rate increase. No change in life rates, LTD rates will change as indicated and agreed due to plan changes.

7. Other Business
  - a. Meeting Room Space – We will look for a new space
8. Meeting was adjourned at 4:55 p.m.
9. Next Meeting scheduled for April 27<sup>th</sup> at 10:30 a.m.