

LMBC Meeting Minutes  
January 27, 2012  
Horizon Room, 12<sup>th</sup> Floor, Portland Building

Attendance

**LMBC Members present:**

David Shaff  
Gerry Verhoef  
Andrew Scott  
Jay Guo  
Greg Jones  
Anna Kanwit

**LMBC members absent**

Denise Kleim  
Bryan Parman  
Stephanie Babb  
Richard Beetle  
Cherry Harris  
Jim Forquer

**Staff**

Cathy Bless  
Vicki Arch

**Other attendees**

Paige Sipes-Metzler (Aon)  
David Rhys (BHR)  
Dawn Jansen (BHR)  
Paul Cone (COPPEA)  
Debbie Hussey (AFSCME)  
Hilary Getz (Kaiser)  
Tom Syltebo, MD (Kaiser)

1. Call to Order: David Shaff called the meeting to order at 10:05 a.m.
2. Minutes for December 9th were reviewed and approved.
3. Wire Transfer Report – Cathy Bless  
Larry is out so the 2<sup>nd</sup> quarter analysis will be sent via email. We are running 6% higher on claims than the previous year which is what we anticipated. Our self-insured dental plan is running under what was expected. Retention reserves with ODS for prior years will be brought back to the City and kept as a reserve for the self-insured plan. Kroger prescription claims remain consistent. (As an aside, our decision to go with Kroger may have saved us some trouble as the other finalist, Express Scripts, no longer includes Walgreen's in their network, requiring people with their coverage to move prescriptions.)
4. Kaiser Annual Report – Hilary Getz and Dr. Syltebo  
Dr. Syltebo went over the periodic utilization report, comparing the City's 10/2009 through 9/2010 period to 10/2010 through 9/2011, in addition to a comparison with Kaiser's book of business.
  - a. The City's demographics indicate the City's costs would be slightly higher than their book of business. The City's claims experience for this year is 2.5% higher than last year and about 2% higher than the commercial average. This past year the City beat the trend, which is 7.5% by about 5%.
  - b. Utilization & Costs: Inpatient claims will see the greatest volatility as a single catastrophic claim can increase overall experience dramatically. The City's outpatient office visit claims are higher than Kaiser's book of business, which is a

good thing. Office visits have a lower cost than alternatives—the City’s average cost of emergency visits is less than their book of business. The average cost of office visit services is \$175; emergency services’ average cost is \$1,468. The medical inflation rate for office visits is 6 to 8%; emergency care inflation is 20%.

- c. Pharmacy: The cost per script went up, while utilization (number of prescriptions) went down. Generic use is up 1%, the cost of generics went down (Kaiser made a pricing change, dropping the cost to \$12 for a 3 month supply of generics to treat hypertension, diabetes, depression and other hear conditions when dispensed via the mail order pharmacy.) Brand medication costs increased by 19%. 42% of the City’s total prescription claims are in the top 25 drugs by cost. The highest cost drugs are the immunomodulators, costing \$2500 to \$4000 per month. Some may go generic in the next couple of years, but may not be as effective as brand (68% vs. 70%) which may lead to difficult decision-making in this area.
  - d. High Cost Claimants: There were 95 individuals with claims greater than \$25,000 which is in keeping with the City’s demographics. There were 13 individuals with claims greater than \$100,000. The member benefit ratio (premiums divided by claims) went from 91% to 88%.
  - e. Prevention/Lifestyle Risks: 41.8% of adult participants (not including maternity) are obese. Dr. Syltebo stated that unfortunately, weight loss programs don’t work as most people can’t maintain weight simply by diet. The key to maintaining a healthy weight is exercise. The City’s cholesterol and blood pressure control is good, smoking status has shown some improvement. In terms of prevention, the City is in the top 10% when it comes to breast cancer, cervical cancer and colorectal cancer screening. The City is fairly average when it comes to major chronic conditions, a bit higher on hypertension, likely related to the age of our population.
5. Other Business
- a. Long Term Disability: re-pricing will be available in March.
  - b. Continued monitoring of sleep apnea benefit (ongoing); as yet no one has reached the maximum benefit.
  - c. ODS’ addition of Portland Adventist providers to the ODS Plus network may impact our present relationship with MHN. The Plan may be simplified, if there is a good match of providers in ODS Plus to those currently offered in the MHN network by offering only the ODS Plus network. This could eliminate some of the confusion experienced each year during Annual Enrollment.
  - d. Autism: Cathy provided handouts, one detailing Kaiser’s coverage, the other showing Oregon’s legislation supporting treatment and information concerning the proposed revisions from the American Psychiatric Association about Autism Spectrum Disorder criteria and symptoms.
  - e. Request for renewed discussion regarding TMJ/Orthognathic benefits. A handout was provided discussing Kaiser’s coverage in addition to a definition of each and discussions of treatments.
  - f. Kroger will be at the next meeting on February 24<sup>th</sup> to discuss claims experience and potential plan design changes.
  - g. The next two meetings are critical that members attend as discussions and decisions will be made about the coming plan year’s benefits and a quorum is required.

6. Meeting was adjourned at 11:37a.m.
7. Next Meeting scheduled for February 24, 10:00a.m., Horizon Room, 12<sup>th</sup> Floor Portland Building. This meeting will be scheduled for two hours as we will have a packed agenda.