

## LMBC Meeting Minutes

July 14, 2015

Bull Run Room, 5<sup>th</sup> Floor Portland Building

Attendance

### **LMBC Members present**

Mark Gipson  
Gerry Verhoef  
Betsy Ames  
David Rhys  
Amy Archer  
Jamie Burrows  
David Shaff  
Alan Ferschweiler

### **LMBC members absent**

Stephanie Babb  
Warren Jimenez  
Wendi Steinbronn  
Dawn Martin  
Jay Guo  
Deborah Sievert-Morris

### **Staff**

Cathy Bless  
Vicki Arch  
Kouros Maghami  
Larry Nelson

### **Other attendees**

Suzanne Kahn (PBOT)  
Jon Uto (OMF)  
Amy Bowles (PTE 17, COPPEA)  
Dave Meyer (PPCOA)  
Dan Trubman (CBO)  
Paul Cone (COPPEA)  
Stephen Caulk (AON)  
Anne Thompson (AON)

1. Call to Order: David Shaff called the meeting to order at 1:30pm. Cathy Bless asked to make introductions/announcements as follows:
  - Beginning with the September meeting, Suzanne Kahn will be replacing David Shaff as a management representative; Jon Uto will be replacing Warren Jimenez as a management representative; Amy Bowles will be replacing Gerry Verhoef as the COPPEA representative.
  - Betsy Ames will co-chair as the management representative beginning in September (with Alan Ferschweiler as the labor co-chair as announced last month)
  - Stephen Caulk is the new actuary with Aon (replacing Aaron Beaudoin)
  - Cathy also recognized and thanked both David Shaff and Gerry Verhoef for their service as members and co-chairs of the Committee
2. Minutes for the June 9, 2015 meeting were reviewed and approved with no changes.
3. **Self-Insured Plan Experience Reporting** —
  - Larry reviewed the plan financial reports. Table 2 show medical claims are up around 1%, Table 3 shows prescription claims are up around 10% and Table 4 shows dental up around 3%. Total claims are up around 2.5% from the same period last year. The numbers for the plan year ending 6/30/2015 are not yet finalized, they are currently in the process of being audited. A question was raised about the spike in prescription drug costs. There was no definitive reason, but it is not limited to our plan. Nationally prescription drug costs are increasing rapidly. This could be the result of both high cost specialty drugs and the increasing costs of the Generic medications. The committee asked Aon if they are lobbying on their clients' behalf

for legislation to address issues of cost to ensure the continued manufacturing of less profitable medications (generics). Aon is doing so and will provide some reporting.

- Cathy reviewed the loss ratio report which shows an increase each quarter in overall plan costs. The loss ratio for the plan year ending 6/30/2014 was 93%; so the City is in good shape for the year. This can be partially attributed to plan changes the LMBC made concerning End Stage Renal Disease (ESRD) claims.
- A question was raised concerning annual enrollment—there was greater participation in online enrollment this year (42%) than in the past, including over 400 enrollments in the dental buy-up plan. There was no significant movement between medical plans.
- A question was raised concerning the FSA rollover (up to \$500 in money left in the plan for the year ended June 30, 2015 will be rolled into the new plan year beginning July 1, 2015.) We will not have an accounting of the rollover money and forfeitures for the prior plan year until after September 30, 2015, the deadline for the prior year's claims processing. There was a discussion of BenefitHelp Solutions customer service, which are being worked through. Cathy pointed out that much of the dissatisfaction is around having to provide claims documentation which is something that would be required by any vendor as it is mandated by the IRS. BenefitHelp Solutions has an advantage in providing Autopay due to their relationship with Moda, which other FSA vendors would not be able to provide. Some committee members indicated Autopay was an excellent service which made the processing of their claims through Moda seamless.

#### 4. Guiding Principles Refresh – Anne Thompson, Aon

In 2013 the Committee worked together to put guiding principles and value statements in place. Since there are several new members, it was felt it would be a good time to check in and determine where the Committee is today compared to 2013, and update as needed. The following questions and responses were provided:

- ***What is your overall philosophy on benefits? Positioning to competition?*** The following statements were made by Committee members:
  - *Balance benefits with compensation. We need to be able to support employees.*
  - *We need benefits that are competitive to recruit and retain employees.*
  - *We are competitive, I'm happy with where we are. I don't believe we've lost anyone (either new or current) because of benefits.*
  - *We need to be sure our employees are not put at risk financially due to healthcare/medical needs.*
  - *I believe some applicants apply for a job with the City because of the benefits.*
  - *Younger employees have different expectations/needs than older employees. We use alternative care and need new methods of interacting with providers.*
  - *People are afraid when changes are made, concerns about premium share.*
- ***What are the goals and objectives for your health program?***
  - *Affordability*
  - *Encourage preventive care*

- Offer choice (eg. Kaiser and Moda)
- People need to take individual responsibility for their health
- We need to balance enrollment between medical plans so young healthy people are not driven to the Kaiser plan
- Need to protect against dramatic changes
- **What are the strengths and weaknesses of the current health care program?**
  - Provider access—could be a strength and a weakness. Strength=offers choice. Weakness because there are no tools for finding a physician if you don't already have one. Kaiser makes it easy. (Cathy indicated that we are working with Moda to develop an increased level of customer service in this area).
  - Weakness—claims filing with BenefitHelp Solutions is not intuitive
  - Coordination of benefits with Moda is a problem
  - The Moda website results in too many choices; information overload.
  - Need education (Cathy indicated we are expanding our communications and expect to get in front of more people, in addition to exploring social media, including a facebook page, texting, etc.)
  - Resiliency—the overall wellness of employees.
- **What are your views regarding items considered “untouchable”? What are the “untouchables”?**
  - Being able to choose your own physician
  - Kaiser
  - Alternative medical services
  - Preventive care
- **What are your views of the health plan’s obligation to employees, spouses, dependent children, domestic partners and retirees?**
  - Need a plan that can change as an employee’s needs (and their family) changes
  - Feel a strong obligation to all of the above (employees, spouses, etc.)
  - Not clear about obligations to domestic partners
  - Council’s original decision to include domestic partners was because same sex partners could not be married.
  - Aside from the Supreme Court ruling allowing same sex couples to marry, there have also been federal changes with the health care legislation, where people can now find health care coverage on the exchange plans. There is a national conversation going on right now about the domestic partner issue, which the City will monitor.
  - Would not put domestic partners on the untouchable list.

## 5. Project Updates – Cathy Bless

- We will have Moda reports (about how previous plan changes have affected spending, preventive screening) in the September meeting.

- EEOC/ADA—We are still waiting for final regulations to be issued.
  - Pharmacy RFP—We have been with Kroger for almost five years and have found that the administrative service has not been stellar. We will work on a request for proposal to evaluate the best choice for our prescription drug program and expect it will go out in September. We'd like two LMBC members (one labor, one management) to participate in the evaluation of potential vendors. Please let Cathy know if you are interested in participating in the process.
  - Employee Survey—We will again survey employees about their benefits in October. If you have areas of interest you want to include, contact Cathy.
6. Next meeting: Tuesday, September 8, 2015. There will be no meeting in August.
  7. Meeting was adjourned at 3:00 p.m.