

LMBC Meeting Minutes
September 8, 2015
Bull Run Room, 5th Floor Portland Building
Attendance

LMBC Members present

Mark Gipson
Amy Bowles
Stephanie Babb
David Rhys
Suzanne Kahn
Jamie Burrows
Jon Uto
Alan Ferschweiler
Jay Guo
Dawn Martin

LMBC members absent

Amy Archer
Betsy Ames
Wendi Steinbronn
Deborah Sievert-Morris

Staff

Cathy Bless
Vicki Arch
Kouros Maghami
Larry Nelson

Other attendees

Anne Thompson (Aon)
Elshad Hajiyev (BDS)
Isaac McLennan (PFFA)
Paul Cone (PTE 17)
Elliot Levin (PTE 17)
Cliff Bacigalupi (PPCOA)

1. Call to Order: Alan Ferschweiler called the meeting to order at 1:30pm.
2. Minutes for the July 14, 2015 meeting were reviewed and approved with no changes.
3. **Self-Insured Plan Experience Reporting** — Larry reviewed the plan financial reports. Table 1 shows the percentage change for claims from 9/1/14 through 8/31/15 over the prior period. Medical claims are up 2.9%, Rx are up 11.6%, dental are up 7.3%. Year to date medical claims are up 2.8%, Rx up 12%, and dental claims are up 17.1% compared to last year at this time. There was some discussion about why dental claims are so much higher. It's probably not the new buy-up plan as those claims would most likely not have an impact yet. It could have something to do with participants scheduling major work from one plan year to the next, but there is no way to know. A member asked about the new Parks employees added, but those employees' experience would not be in the system yet. Larry then referred to the last page of his handouts with the claims projections for the year. Based on average year to date, projected claims total \$48,132,620; projected low equals \$41,025,444, projected high equals \$55,880,925. At this point there's no requirement for any adjustment from the health fund
4. **Guiding Principles Refresh** – Anne Thompson, Aon

Anne provided the committee with a handout showing comments from the last discussion, with edits made to the guiding principles based on those comments. After going through the comments and proposed changes, Alan suggested the committee members take the Aon report to review and they will make a determination concerning approval or changes at the next meeting.
5. **Strawperson Analysis** – Cathy Bless and Anne Thompson

Cathy reviewed the background included in the handout for this analysis, which looks at the CityCore plan, the CityCore Concept plan and a new City High Deductible plan in comparison to PEBB and King County health plans. Assumptions of the analysis include

individual health coverage, services are received in-network and the total estimated out of pocket expense includes both the plan cost sharing and employee premium contributions.

The analysis then compares medical and pharmacy costs at different levels of employee utilization: 1) Low utilizers, 2) Low/Medium utilizers, 3) Medium/High utilizers and 4) High utilizers. The chart provided estimated out of pocket costs for each of these groups for each of the plans.

The analysis also looked at various scenarios participants might experience with estimated costs for each scenario as follows: 1) Preventive Care only, 2) Cancer Care, 3) Chronic Condition Care and 4) Having a Baby. Each of these scenarios would fall into a utilization category (low, low/medium, medium/high, high) as well.

The Concept CityCore plan would include changes to the current plan in terms of prescription benefits (changing copays, specialty drugs) and implementing a maximum copay for hospital/facility charges so that a participant is not faced with hitting the full \$3,500 out of pocket maximum with just one hospitalization.

There was some discussion and confusion about how the chart was presented and the numbers provided. Members suggested changes be made to 1) Separate out the premium share from the plan cost-sharing and 2) provide separate charts for the utilization numbers vs. the healthcare scenarios.

6. Preventive Care Impact Summary: Cathy Bless and Anne Thompson

This handout provides information about how many employees have had a preventive exams in each of the last five years and the number of employees with at least 1 preventive exam in the last 2 years. It also provided the cost impact if the utilization of preventive exams rose from the current 44.7% to 75%. The cost impact would be approximately 0.3%.

There was a discussion about what services are included in a preventive exam, and communication about the use of sick time to get a preventive exam. The Benefits Office will be putting together a communication program to provide employees with information and resources to encourage the use of the plan's preventive care benefit.

7. Project Updates: Cathy Bless

- **Reporting:** Moda will provide reporting in an upcoming meeting
- **Pharmacy RFP:** Amy will be participating on the selection committee as the union representative, still need a management representative to participate
- **Employee Survey** will go out around October 20th. Most of the LMBC comments were included. Some were not included as they would impact comparisons Aon does with other parties and with last year's City data. Jamie asked for a list of those changes not included.

8. Other Business Alan discussed putting together a manual, beginning with a glossary of terms. He also asked if agendas could be determined in advance (eg. when will LMBC vote), maybe a calendar of upcoming items for each month.

9. Meeting was adjourned at 2:55pm