

LMBC Meeting Minutes - Final
October 13, 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
Betsy Ames
Deborah Sievert-Morris

LMBC members absent

Amy Archer
Wendi Steinbronn

Staff

Cathy Bless
Vicki Arch
Kourosh Maghami

Other attendees

Anne Thompson (Aon)
Stephen Caulk (Aon)
Isaac McLennan (PFFA)
Paul Cone (PTE 17)
Elliot Levin (PTE 17)

1. Call to Order: Betsy Ames called the meeting to order at 1:35pm.
2. Minutes for the September 8, 2015 meeting were reviewed and approved with no changes.
3. **Self-Insured Plan Experience Reporting** — Kourosh reviewed the plan experience through September 30, 2015. Medical claims are up 14.8% over last year at this time. The daily expected rate is the highest it's ever been at this point, though it's too early to predict for year end. Part of the higher claims may be attributed to two large claims which would account for about \$550,000. It's unknown at this point whether these will be continuing claims. Experience is cyclical, we may be in a cycle of large claims. The higher dental claims may be the result of the buy-up plan, since people may be immediately using the benefit to get in their three cleanings per year. Overall for medical we were at a 94% loss ratio last year, so we have capacity for a 6% increase in claims (since we maintained the same rates).
4. **Guiding Principles Refresh** – Anne Thompson, Aon
Last month the group had asked for time to review the information presented at the September meeting with the intent to come back today to discuss and provide any requested changes to the updated principles. There were no significant comments. Anne will finalize the principles with the changes and provide the final to the Committee.
5. **Strawperson Analysis** – Cathy Bless and Anne Thompson
This analysis is designed to provide a glimpse of what the true employee costs are and a comparison of the City plan costs with other jurisdictions. The analysis includes the current CityCore plan, in addition to potential new plans (City Concept and High Deductible)—the costs and benefits of these plans could change based on LMBC discussions. The question came up as to what the potential premium cost to retirees would be for the High Deductible Health Plan (HDHP). That number was not available at the meeting, but Stephen estimated the cost to be about 15% less than the current CityCore medical plan.

The group reviewed the assumptions for the analysis. Amy pointed out that the assumptions around King County costs were not correct. Anne indicated that Aon will update the assumptions once new information about the King County costs have been finalized.

Page 6 of the handout provided looks at disease states and provides a range of out of pocket costs for primary care/cancer care/chronic disease care/having a baby. The costs for having a baby were based on the proposed inpatient cap for the Concept plan.

The comparison to the PEBB plan does not include costs for PEBB's narrow network plan—only 0.5% of participants choose that plan. (A narrow network plan has a reduced number of in-network providers for receipt of the highest benefit level). The City can explore narrow network plan concepts, but Cathy recommended that the Committee not look at this immediately since it requires extensive communication and the systems need to be in place to help participants find the appropriate providers and being able to get timely appointments.

There was a brief discussion of medical home models, which was designated as a “one stop shop.” The provider's office manages all of the participant's care and gets a capitated fee based on health outcomes. There is then a lesser cost on the fees for service. At this point there is not much data on cost savings or outcomes.

6. Out of Pocket Maximum Summary: Stephen Caulk

This handout/summary provides information about how plan design changes impact participants' out of pocket expenses. Data was provided in those areas where copays were increased, including emergency visits, advanced imaging, primary and specialist office visits and urgent care. While there is no indication that increased copays resulted in a decrease in doctor's office visits, there has been a decline in visits to the emergency room.

7. Preventive Care Summary: Anne Thompson

Based on the Committee's request last month about the types of services included in a routine preventive care visit, information was provided showing services that might be included and the U.S. Preventive Services Task Force (USPSTF) preventive services recommendations. Information from Moda and Kaiser about preventive services and screenings was also provided.

8. ICD10 changes: Anne Thompson

International Classification of Diseases (ICD) diagnosis codes are used on claims to identify disease classifications and procedure codes are used to identify services rendered. As of October 1, 2015, codes transitioned from ICD-9 to ICD-10. ICD-10 codes are more specific (there are seven times as many ICD-10 codes as there were ICD-9 codes). There will be industry wide impact and potential claims delays.

9. Project Updates: Cathy Bless

- No resolution of EEO/ADA rules, will follow-up when additional info is available.
- **Pharmacy RFP:** Amy will participate on the selection committee for labor, Suzanne Kahn will participate for management. The timeline for responses by vendors was extended because Kroger has not provided accurate claims information in a timely manner.
- **Employee Survey** will go out the beginning of next week and will be open until the beginning of November. Results will be available in December.

10. Other Business: The Wellness Festival is Thursday, October 15th. In addition the Health & Financial Benefits Office's webpage will be launched.

11. Meeting was adjourned at 3:00 p.m.