

## LMBC Meeting Minutes

December 8, 2015

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

### Attendance

#### ***LMBC Members present***

Mark Gipson  
Amy Bowles  
Betsy Ames  
David Rhys  
Deborah Sievert-Morris  
Jamie Burrows  
Jon Uto  
Alan Ferschweiler  
Jay Guo  
Dawn Martin

#### ***Staff***

Cathy Bless  
Vicki Arch  
Kourosh Maghami

#### ***Other attendees***

Anne Thompson (Aon)  
Stephen Caulk (Aon)  
Isaac McLennan (PFFA)  
Rob Martineau (AFSCME 189)  
Lindsay Tosky (Kaiser)  
Reine Morris (Kaiser)

#### ***LMBC members absent***

Stephanie Babb  
Suzanne Kahn  
Amy Archer  
Wendi Steinbronn

1. Call to Order: Betsy Ames called the meeting to order at 1:35 p.m.
2. Minutes for the November 10<sup>th</sup> meeting were reviewed and approved with no changes.
3. **Self-Insured Plan Experience Reporting** — Kourosh reviewed the plan financials. Medical claims have gone up 10.3%; Rx claims are up 12.6%, and Dental are up 9% year to date compared to last year. The daily expected claims rate is \$192,221 this year vs. \$173,854 last year. At the current rate we would expect claims to total somewhere between \$49 and \$53 million for the year. Cathy indicated we have had a very good November, especially in comparison to October. We are running at a 98% loss ratio which is higher than last year, but still good.
4. **Kaiser Plan Annual Report** – Lindsay Tosky and Reine Morris, Kaiser  
Lindsay reviewed the July 2014 – June 2015 Kaiser report and noted the following:
  - Claims are about 5.8% higher than the previous year, with outpatient services and pharmacy having the highest increases;
  - In terms of demographics, we've had an increase in the number of members in the plan of approximately 200, with a higher ratio of males compared to Kaiser's book of business and with the average age of members lower than their book of business (the City has more children covered under the plan);
  - There were significant cost increases for both maternity (62%) and mental health (42.2%) over last year;
  - For inpatient claims, the cost per day has gone down, but the cost per member per month (PMPM) has gone up;
  - For pharmacy, the cost for brand drugs has gone up dramatically; the cost PMPM has gone up (14.5%) and the cost per script has also risen (15.1%);

- The City's utilization for generics is about 83%; Kaiser's book of business averages around 89%.
- The City's top 25 drugs is in line with Kaiser's book of business. (Drug names were not included on the report. Lindsay will provide an updated report which will include the drug names. A request was also made for information about how drug rebates are processed through Kaiser);
- A review of "other" benefits indicated no charge for vision hardware. However, the City does have coverage for these services—Lindsay will review to see why this does not show claims;
- The City's medical benefit ratio is 84%, compared to last year's 80%. 84% is considered a "very appropriate" loss ratio for an insured plan.
- The Kaiser trend rate is around 5-6%.
- A question was raised about how stop loss applies to the Kaiser plan. Since Kaiser is an insured plan, there is no stop loss coverage, however they "pool" claims higher than \$300,000, so the City would not take a hit for claims above that amount. Currently it does not appear that the City has any claims at that level.

**5. Project Updates – Stephen Caulk (Aon) and Cathy Bless**

- **EEOC/ADA:** Stephen and Cathy reviewed the progress of EEOC regulations concerning Wellness plans. It was expected that the EEOC would issue final regulations that would define what will or will not be allowed. However, instead the agency proposed regulations under GINA (Genetic Information Nondiscrimination Act) that are open for comment. That act prohibits employers from offering incentives to provide "genetic information" which is defined to include family medical history. This may include information obtained through HRAs and biometric screenings. In addition GINA has strict authorization for disclosure restrictions applying to the spouse, if the Wellness program applies to both employee & spouse. The City has developed new proposed plans based on a conservative approach to deal with these unknowns and may offer new approaches once the final regulations are revealed.
- **Pharmacy RFP:** Finalist committee will meet December 17 to select those vendors to be interviewed. The current finalists are Express Scripts, Moda, Optum Rx, Caremark/CVS and Kroger.
- **Employee Survey** There was a 24% participation rate, results will be presented in the January meeting.

**6. Other Business:** Can the group meet for a longer period on January 12<sup>th</sup>? Because of the full agenda, the meeting will be scheduled for 12:30 pm to 3:00pm. Room to be determined.

**7.** Meeting was adjourned at 2:50 p.m.