

## LMBC Meeting Minutes

July 12, 2016

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

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

Alan Ferschweiler  
Mark Gipson  
David Rhys  
Craig Morgan  
Amy Bowles  
Suzanne Kahn  
Jon Uto  
Tara Anderson  
Deborah Sievert-Morris  
Stephanie Babb

### ***Staff***

Cathy Bless  
Vicki Arch  
Kourosh Ghaemmaghami

### ***Other attendees***

Anne Thompson (Aon)  
Isaac McLennan (PFFA)  
Elliot Levin (PTE 17)  
Katie Shifley (CBO)  
Paul Cone (PTE 17)

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

Jay Guo  
Amy Archer  
Betsy Ames  
Jamie Burrows

1. Call to Order: Alan Ferschweiler called the meeting to order at 1:35 p.m. New committee member Tara Anderson was welcomed and committee members introduced themselves.
2. Minutes for the June 14th meeting were reviewed and approved with no changes.
3. **Self-Insured Plan Experience Reporting** — Kourosh reviewed the claims summary reports. Medical claims are running 9.6% higher than last year, Rx are 8.1% higher and dental are 4.2% higher. The total 12 month expenditure (medical, Rx and dental) is around \$50.9 million, approximately 8.9% higher than last year. Since the 2010-11 plan year, medical claims are up by over 24% (around 4.4% per year.) Cathy reviewed the loss ratio report which shows the loss ratio is at an appropriate level of 98% overall for medical/rx expenditures. Based on this ratio, there will be no significant addition to reserves and there has been no need to use reserves to pay claims. The last quarter for the 2015-16 plan year has been high, so this next quarter will be monitored to see if there will be a drop-off in claims.
4. **Public Meeting Discussion** – Cathy Bless  
Cathy provided some follow-up to last month's meeting with City attorney Judy Prosper concerning public meetings. The LMBC meeting falls under the requirement to allow the public to attend the meetings. It is only considered a public meeting, however, if there is a quorum. With or without a quorum, the committee may want to be consistent in how meetings are conducted. Some of the issues that need to be addressed are listed below and will be discussed at the meeting in September (no meeting in August).
  - A question came up as to what constitutes a quorum. While the labor agreements say that 12 out of the 14 members are required to vote on issues before the committee, it does not define a quorum. Would a quorum be considered the majority of members in attendance? Cathy will check with City Attorney.
  - Voting should not be by raised hands, but should be a roll call vote. If a member is absent, can they give a proxy to another member? Cathy will check with City Attorney.

- Should public comments be allowed at the beginning or the end of the meeting? The Committee needs to make a determination about how to work public comments into the meeting.
- Can an LMBC member sit on a political committee (eg. Democratic chairman for Clackamas County), or is this considered a conflict? Cathy will check with City Attorney.
- Committee e-mail—is whether or not this is public dependent on the number of recipients of an e-mail? Does it need to go to the entire group?
- Cathy provided links to LMBC documents for committee members, however, some had problems accessing those documents. Cathy to look into how to make them accessible to all.
- The Committee needs to draft rules about how to handle disruptive or unruly behavior during a meeting. The City attorney previously stated that only behavior at a particular meeting is to be dealt with (cannot bar a person from all meetings based on prior behavior). Cathy will ask the City attorney for a script that can be read at the start of meetings that will define public participation.

## 5. Other Business (Cathy Bless)

### Annual Enrollment Update

- 2461 employees actively enrolled (went online to change or renew their benefits). Nearly 500 of these were on the last day of annual enrollment.
- Flexible Spending Account (FSA) Medical Expense Reimbursement Plan (MERP) participation is up slightly from last year, but the contribution amounts are down. This could be because they have money that will rollover from the prior plan year.
- Dependent Care Account (DCAP) participation and contributions are up.
- This year, for the first time in many years, there was more movement out of Kaiser and into the CityCore medical plan than vice versa.
- Opt-out elections remained about the same.
- There is an approximate 10% participation in the dental buy-up plan (7% last year). Not many in the buy-up plan went back to the core dental plan. More employees switched into the Delta Dental Plan than those who switched to Kaiser dental. The vision buy-up plan has about a 25% enrollment rate, though participation started lower for that plan as well. We expect participation in the buy-up dental plan will increase over time.
- There were requests for supplemental life insurance and the LTD buy-up plans. Because these are outside of the eligible enrollment period, participants will need to complete medical questionnaires and submit those to Standard insurance to be approved. The Benefits Office sent out 622 letters with the medical questionnaire to these employees.
- Since annual enrollment is not a qualifying event for COBRA purposes, an audit will be done and letters sent to individuals who dropped dependents to verify there is no COBRA event attached to these drops.
- Last year there were 5518 benefit-eligible employees at annual enrollment, this year there were 5719.

- Question came up as to whether claims are up simply because there are more plan enrollees. This would be difficult to ascertain, as there would need to be a review of the new participants' claims vs. other enrollees. Cathy will check with Moda to see if this review could be part of their annual report.
- Question came up about the inflation rate for medical costs. The last page of the financial report shows claims over time. In addition, Aon rates our plan based on "trend" which includes a look-back over time and inflation rates. We have not raised rates because we were at a 98% loss ratio last year. This year there was no rate increase because of anticipated prescription drug plan savings. Aon is typically pretty conservative with rating our plan. While the Rx trend has been higher than the medical trend in the past, with our plan change this may even out.
- DCTU life insurance beneficiaries—since new beneficiaries need to be added online with the change in the DCTU life insurance plan, the Benefits Office will do an audit to determine how many added beneficiaries and provide follow-up as necessary.
- There was a question regarding a change in a domestic partner to a spouse due to marriage. The change apparently does not roll up across the system. Cathy will look into this.

### **Pharmacy Update**

- Express Scripts cards went out in the mail the first week in July (temporary cards were issued via home delivery and work e-mail the prior week). Participants can also print out or request ID cards online by registering on the Express Scripts website.
- Prior to July 1, Kroger sent out a mailing which notified participants they would need prior authorizations for certain prescriptions effective July 1. This was not an approved mailing and confused participants because Kroger is no longer our provider of Rx services.

**6. Next meeting will be September 13<sup>th</sup> (no meeting in August).**

**7. Meeting was adjourned at 2:40 p.m.**