

LMBC Meeting Minutes - Draft
September 13, 2016
Bull Run Conference Room, 5th Floor, Portland Building
Attendance

LMBC Members present

Alan Ferschweiler
Mark Gipson
David Rhys
Craig Morgan
Amy Bowles
Suzanne Kahn
Jon Uto
Amy Archer
Betsy Ames
Stephanie Babb

LMBC members absent

Tara Anderson
Deborah Sievert-Morris
Jay Guo
Jamie Burrows

Staff

Cathy Bless
Santos Aguilar
Kourosh Ghaemmaghami

Other attendees

Paul Cone (PTE 17)
Isaac McLennan (PFFA)
Elliot Levin (PTE 17)
Katie Shifley (CBO)
Anne Thompson (Aon)
Stephen Caulk (Aon)
Shelly Zhao (Aon)
Ben Anderson ()

1. Call to Order: Co-Chair Betsy Ames facilitating; meeting called to order at 1:35 p.m.
2. Minutes for the July 12th meeting were reviewed and approved with a change to the loss ratio noted under the 4th agenda item – Public meeting discussion. Loss ratio should be 98% not 93%.
3. **Self-Insured Plan Experience Reporting** — Cathy reviewed the claims summary reports. The last medical wire was approximately 1.6 million. Remaining funds from last year will be included in the fall bump to off-set any increase in costs for this year. For the current plan year, pharmacy claims have been significantly higher due to higher specialty drug claims. Savings from Express Scripts will be provided in the form of rebates which the City will not see until about 6 months into the plan. Cathy will continue to monitor the claims; the plan is not through the end of the 1st quarter so there is not too much concern at this time. The City expects to receive rebates from Kroger for the period of January 2016 to June 2016 which will also help offset current high pharmacy claims.

Cathy mentioned that she is seeing people being impacted positively and negatively with the change to Express Scripts, for example members now pay bundled copays for diabetes monitoring. Additionally, there are some medications that were preferred medications under Kroger but are now non-preferred with Express Scripts for the same medications.

Cathy explained that employees may contact the benefits office with pharmacy coverage concerns. The benefits office staff assists with connecting employees with Express Scripts representatives to learn how to best use the system. Cathy encouraged committee members to reach out to their members to inform them that they can contact the benefits office for assistance. The appropriate way to contact the benefits office is through the benefits line. Anne Hogan, Santos Aguilar, and Michelle Taylor are benefits staff that can assist.

4. Public Meeting Discussion – Cathy provided follow-up information she obtained from Deputy City attorney, Judy Prosper, related to how LMBC meetings should be conducted.

- If there is no quorum, the meeting itself lands in a gray area, as having no quorum makes it a non-public meeting. Some recommendations to committee members is to (1) provide proxy in writing when unable to attend a meeting (2) turn the meeting into a discussion, not an actual committee meeting. The current quorum is set to 12 and cannot be changed, as it is part of collective bargaining agreements. The committee can have both, discussions and have actual meetings.
- Ways of voting needs to be changed, voting should not be by raised hands. It should be roll call vote and needs to be recorded.
- A question was raised regarding approval of minutes during discussion meetings. Cathy responded that by consensus, minutes can be approved and posted on the LMBC website. The City attorney did not say this practice had to change.
- During a public meeting, public comments are for the committee to hear; there is no obligation to respond (other than acknowledgement and any appropriate follow-up).
- Committee members should not email regarding committee business to less than a quorum of members and should go to all members.
- In conducting a committee meeting, Robert's rules are recommended; however, consistency is key. Mark recommended the committee not use Robert's rules if the way the committee is currently conducting the meetings is working. The committee agreed with Mark to not begin using Robert's rules.
- Is there a statement that should be read ahead of the meeting to set meeting expectations? Answer is Yes. Deputy attorney provided a statement, which Cathy has reviewed and drafted a revised version of a statement. Committee members reviewed the drafted statement and suggested the following edits:
 - Last bullet point, change "...may be escorted" to "...will be escorted".
 - Suzanne Khan recommended to have a designated space for filming for transparency purposes.
 - Third bullet point, change "...each community member will have 2-3 minutes to speak" to "...each community member will have 3 minutes to speak"

Cathy will make the suggested changes to the statement and send out to the committee members and will be attached to minutes each meeting.

5. Review Guiding Principles, Trend/Benefit Basics (Stephen Caulk, Aon Hewitt)

Stephen from Aon went over illustrations related to medical and Rx trend components.

- Medical trend measures unit cost (cost when I go to the doctor), utilization and technological advances. As medical care and technology evolve, it becomes costlier.
- Allowed trend is the cost for the plan and the employee.
- Plan trend has been 5% to 7%. Aging population increases the plan cost; however, as they retire, they are being replaced with younger employees.
- Program changes are things like changing vendors while receiving the same services for better costs. For example, the City changed pharmacy vendors to Express Scripts and is expecting to receive higher rebates from Express Scripts than what was provided by Kroger.
- Specialty drug cost continues to rise. Specialty drugs are drugs that are very complex and are mainly injectable. 2 out of the top 3 specialty drugs for City utilization are arthritic drugs. The City is expecting to receive significant rebates from Express Scripts due to contracting.

- In seeking solutions to lower costs, groups are moving from volume to value based cost. For example, CMS (*Center for Medicare and Medicaid Services*) has recently expanded their ACOs (*Accountable Care Organization*); these programs provide coordinated care to patients.
- A component adding to drug costs are the developments of orphan drugs. Orphan drugs are a special class of drugs targeted for Americans with rare diseases.
- To help in keeping costs down, participants need to not take the most expensive medication first. They may take steps beginning with a lower cost alternative first.
- Self-funding means paying the actual costs. This includes cost for administering the plan, stop loss, and claims. The CityCore plan is a self-funded plan. Because there is volatility for claims costs. Reviewing current plan design and encouraging healthy behaviors can help in keeping costs down.
- The CityCore plan is currently better than the gold plan under the healthcare marketplace. It would be considered a platinum plan if offered within the marketplace.

6. Accessing care from the patient perspective (Betsy Ames)

Betsy shared with the committee her personal experience in accessing care. She learned that Anesthesiologists and ER doctors do not like to have contracts with insurance companies; this caused Betsy to be charged for some out-of-network charges for services that should have been charged as in-network. She contacted Moda and Cathy Bless regarding this issue. It was researched and Betsy was provided a refund. Cathy asked Moda for an audit and found 14 other members with the same situation and refunds were requested for these members also. Moda will perform quarterly audits to catch any members who may be charged out-of-network for services that should be in-network.

Additionally, Betsy shared with the committee the importance of how health plans negotiate cost with providers (in-network services); she experienced significant service charge reductions because of the contracts Moda has negotiated and the City has because of its third party administrative contract with Moda.

Cathy reminded the committee that if any of their members have any questions regarding billing charges, they may call the benefits office.

7. Other Business

No other business presented.

Mark Gipson informed the committee he will be on vacation for the next LMBC scheduled meeting and will be providing proxy to Alan Ferschweiler.

8. Public Comment

No public comments presented

9. Next meeting will be Tuesday, October 11th, 2016, Bull Run Room, 5th Floor Portland Building at 1:30 PM. **UPDATE: This meeting was canceled**

10. Meeting was adjourned at 2:45 p.m.