

LMBC Meeting Minutes - Final
November 8, 2016
Bull Run Conference Room, 5th Floor, Portland Building
Attendance

LMBC Members present

Alan Ferschweiler
Mark Gipson
Tara Anderson
Craig Morgan
Amy Bowles
Suzanne Kahn
Jon Uto
Amy Archer
Betsy Ames
Stephanie Babb
Jay Guo
Deborah Sievert-Morris
Jamie Burrows

Staff

Cathy Bless
Vicki Arch
Kourosh Ghaemmaghami

Other attendees

Paul Cone (PTE 17)
Isaac McLennan (PFFA)
Elliot Levin (PTE 17)
Katie Shifley (CBO)
Anne Thompson (Aon)
Stephen Caulk (Aon)
Claudio Campuzano (CBO)
Lindsay Ferrin (Moda)
Lori Armitage (Moda)

LMBC members absent

David Rhys

1. Call to Order: Co-Chair Alan Ferschweiler facilitating; meeting called to order at 1:35 p.m.
2. Minutes for the September meeting were reviewed and approved.
3. **Public Meeting Script Review** – The committee reviewed changes made to the script to be provided for public meetings. A roll call was taken, with all 13 members approving (David Rhys by proxy to Jon Uto.) Stephanie Babb was not yet in the meeting at the time of the vote.
4. **Self-Insured Plan Experience Reporting** — Kourosh reviewed the claims summary reports. Cathy reviewed the Loss Ratio report which showed the first quarter average loss ratio at 102.8%. The loss ratio report will be corrected to no longer show the \$350k stop loss (which was changed to \$1M). Pharmacy charges have continued to increase, but savings are to be expected with higher rebates from Express Scripts. The City will not see ESI rebates until about 6 months into the plan. Cathy will continue to monitor the claims.
5. **Moda Health Review** – Lindsay Ferrin and Lori Armitage from Moda were present to review their report for the 2015 – 2016 plan year. Lori provided the following highlights:
 - Demographics changed somewhat, with a 2.3% decrease in subscribers and a 0.9% increase in dependents (overall membership decrease of 0.4%)
 - As per usual, the majority of the City's members have allowed expenses of less than \$5,000.
 - The City's Risk scores are lower than the Public Peer, showing 16% less risk. The City's actual prospective risk score is 1.04 (where normal equals 1).
 - There was a slight increase in emergency room visits from last year (1%). However, over time, ER visits have decreased from the year 2012 to the present. For outpatient surgery, there was an increase in the use of ambulatory surgical centers (ASC) and a decrease in outpatient hospital surgeries. ASC facilities are generally less expensive than outpatient hospital facilities.

- There is some shift from radiology services being provided in a hospital facility to services provided in the doctor's office, or professional setting.
- The plan year's cost increase over last year for medical claims was 7.6%.
- The "dental dashboard" shows 70% of members did get preventive cleanings (80.3% of children), which is above the Public Peer, though slightly down from the City's records for last year.

6. Healthy Foundations

Cathy reviewed a new pilot program for Healthy Foundations called CityStrong, designed to begin working with individuals before they develop serious health risks. Since the City's wellness coordinator has left, Cathy began looking at how the wellness program might benefit by enlisting Healthy Foundations personnel. The pilot program will work with BES employees at the Pollution Control Center and the Wastewater Treatment Plant facilities. Healthy Foundations staff will go to each of these sites to provide support, coaching and weekly meetings. The BES Bureau Director has approved allowing employees work time to participate in the Healthy Foundations program. The program will begin November 29th with weekly presentations to include "Maintaining health over the holidays", "Exercising through the rainy season" and financial and stress presentations. Healthy Foundations will work with our Employee Assistance Program (EAP) and Kaiser to engage employees. For Kaiser participants, once CityStrong concludes, they will be referred back to Kaiser programs to continue their progress. BES was chosen for this pilot because there are current BES Healthy Foundations participants who are enthusiastic about being peer advocates. The program will work with employees across all shifts. If successful at BES, the strategy will be adopted City wide.

7. Express Scripts first quarter experience

Cathy reviewed Express Scripts issues:

- We've had a 14% increase in prescription costs. A large portion of that is due to the fact that we have a high number of HEP C patients. Costs should begin to go down as patients come off the treatment. The cost of the medications is from \$40,000 to \$80,000 per month. There's no question it's appropriate treatment, however. Express Scripts has a value program where significant rebates apply if patients can take ESI's preferred drug. Unfortunately, only one of our participants is able to take the preferred drug.
- Compounding medications have raised issues even though our plan has not changed in its allowance for these meds. Express Scripts will not cover the costs of over the counter medications as part of a compounded medication. However, the City has never covered over the counter medications, so it's unclear why this issue is just appearing. At this point it's not reasonable to determine why we have not heard of issues with Kroger in this area. If participants have problems getting needed medications, we will facilitate conversations with ESI to resolve issues.
- Our ESI rebate estimate for the first quarter is estimated to be about \$350,000 (twice the normal Kroger rebate). Our Rx claims experience should look better once we begin receiving the rebates (probably in January for our first quarter.)
- For specialty medications, at implementation individuals could get two months of their medications at retail before transferring to the Accredo specialty pharmacy. However new prescriptions have also been allowed two months at retail, these should go directly to Accredo. We are working with Express Scripts to be sure appropriate controls are in place.

- When we were with Kroger, the average copay for participants was 8.5% of the prescription, with Express Scripts it's at 6.1% (combining both specialty and retail). The Committee has not addressed what might be an appropriate share of the cost in the past and may want to look at this again.
- It is too early to know if it was beneficial (in terms of costs) to move to ESI from Kroger. A question came up as to whether we could compare our ESI reports to last year costs. This would be difficult given we do not have Kroger reporting.

8. Other Business

Alan asked Cathy to address the use of reserves in the future. After January, Cathy noted the Committee may want to look at alternatives to just lowering premium costs; for example, using reserves to make a "reward" plan change (lower deductibles, etc.) that would be in place for the following year. The group will first need to see how the year is going and what increase might be necessary. If reserves are used only to reduce premiums, at some point, when the reserves are depleted, it might result in a dramatic increase. It may be best to include some increase in premiums and find other ways to reward employees.

9. Public Comment

No public comments presented

10. Next meeting will be Tuesday, December 13, 2016, Bull Run Room, 5th Floor Portland Building at 1:30 PM.

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