

## LMBC Meeting Minutes - Draft

April 11, 2017

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

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

Alan Ferschweiler  
Mark Gipson  
David Rhys  
Jamie Burrows  
Elliott Levin *for Amy Bowles*  
Tara Anderson  
Craig Morgan  
Jon Uto  
Jay Guo  
Deborah Sievert-Morris  
Suzanne Kahn

### ***Staff***

Cathy Bless  
Santos Aguilar  
Kourosh Ghaemmaghami

### ***Other attendees***

Anne Thompson (Aon)  
Stephen Caulk (Aon)  
Sara Eide (Healthy Foundations / Moda Health)  
Paul Cone (PTE17)  
Claudio Campuzano (CBO)

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

Stephanie Babb  
Amy Bowles  
Amy Archer  
Betsy Ames

1. Call to Order: Co-Chair Alan Ferschweiler facilitating; meeting called to order at 1:33 p.m.
2. Minutes for the March 14, 2017 meeting were reviewed and approved as written. Cathy Bless announced that committee member, Betsy Ames, will be unable to attend upcoming committee meetings.
3. **Self-Insured Plan Experience Reporting** – Kourosh Ghaemmaghami reviewed the claims summary reports.
  - YTD Rx claims dropped significantly from 17% to 7% compared to this time last year. Decrease is due to a rebate check for approximately \$350,000 received from Express Scripts. If another rebate check is received, it can potentially drop overall claims to about 1% in comparison to this time last year. It is expected that another rebate check will be received by end of the year.
  - Medical and dental claims are running about the same as last year.
  - Medical, dental, and Rx claims are running at about \$51 million YTD.
  - The current plan year contains 5 months that include 5 Fridays. Months with 5 Fridays typically have higher claims. The next month with 5 Fridays will be June; it is expected that June will have higher claims.

Elliott Levin asked if it can be expected to see prescription claims level off by the rebate checks? Cathy responded that if there are more members with specialty medications or Hep C medications, this may spike the claims. Stephen Caulk added that he would not expect cost to be flat in the 2017/18 year, as trends indicate cost going up.

Alan asked what the status is regarding legislation with prescription cost containment. The City has not taken any position on proposed legislation regarding prescription drugs this session. Stephen is unsure what may be happening with the legislation at this time; Elliott mentioned that Oregon has one of the most aggressive legislations which is being worked on heavily and includes price caps.

#### **4. Report on Healthy Foundation (Sara Eide – Moda Health)**

Sara Eide, Healthy Foundations program liaison, provided an overview and outcome of this unique City of Portland program available to CityCore members. The purpose of this program is to help and support participants with chronic disease and illnesses by working with individuals in-person to ensure they learn tools to advocate on their own behalf through the complexity of healthcare. Upon enrolling in the program, a group of health coaches meet individually with program participants on an ongoing basis to provide support in making and sustaining lifestyle changes. Incentives are provided to participants including waived copays for certain doctor office visits and copays for medications.

The program is currently serving 280 participants with different health conditions, most frequent are musculoskeletal and cardiac diseases. Depression improvement, medication adherence, and total cholesterol improvement are some items measured from the beginning to the end of the program.

At the end of the program, members indicate they have more energy, spend more time with family and hobbies, but overall their quality of life is better. Members make healthier lifestyle choices such as drinking more water rather than sugary drinks, eat healthier meals, and spend more time with fitness. They are also more compliant with medication adherence, spend less time in the hospital than other high risk peer groups and are more connected into their primary care physician.

Deborah Sievert asked of the individuals eligible for the self-insured plan, how many would be eligible for the program? Cathy responded that Moda looks at claims data each quarter to identify those who may benefit from the program. Typically, there is about 800 participants on this list. It is up to the Healthy Foundations team to decide who should get an invitation. Folks can also be referred to the program or seek information on the website and call on their own to discuss.

Program survey respondents indicate most participants either agree or strongly agree with the purpose of the program and would recommend it to others.

Because of the success of Healthy Foundations, a new program called CityStrong was launched in Spring 2017. This program is a health promotion and educational program which is more bureau specific and available to all employees, not only CityCore members. The first bureau to go through this program was the Bureau of Environmental Services.

Alan asked Sara if she works with City retirees also through the Healthy Foundations program. Sara confirmed that yes, the program is available to retirees also.

Jon Uto asked if there is a goal for eligible employee participation in this program? Cathy responded that 50% would be a goal however this goal cannot be successful unless relationships are built and support is provided to employees, which is the reason CityStrong was launched in order to go into the bureaus.

Tara Anderson asked if the City sends out letters to employees or Moda regarding the program? Sara responded that Moda identifies potential eligible employees and Moda notifies members regarding the program. The City is left out of this process, to ensure privacy.

Alan asked if there are savings for the health plan by investing in Healthy Foundations? Cathy responded that ROI will come more in the long term. What has been found is that utilization for

emergency department has dropped by about 40%. Stephen added that from an industry perception, the value provided to the member is more than the dollar spent on the program.

## **5. Report on ACA (Stephen Caulk – Aon)**

Stephen went over legislative activities within the federal government regarding the repeal and replace of the Affordable Care Act (ACA).

One of the actions the federal government has done is remove advertising for the federal healthcare exchange to impact enrollment for the exchange.

If the Republicans want to repeal and replace the ACA, they only need a majority vote. Alan asked if they can do a nuclear option? Stephen responded that he has not seen anything that would indicate they would take that path.

In 2013, the Congressional Budget Office (CBO) projected enrollments into the healthcare exchange to be about 26 million, however that projection was lower than originally projected. The 2017 enrollment of 12.2 million is less than half of the 2013 CBO projection and 12 % lower than White House projection made in 2016. Reasons for lower enrollment is due to people having other ways for coverage such as staying under a parents plan up to age 26, higher enrollment in Medicaid, and employers not dropping coverage.

Government subsidies may be impacted by changes to the exchange such as changing the corridor for the actuarial value of the plans. For example, a silver plan set at an actuarial value of 70% +/- 2% could change to 70% +/- 4%. So a silver plan can in fact have an actuarial value of 66%.

Health insurance companies are withdrawing from the marketplace as they do not know how much money they can expect to receive back from the government due to unstable ACA funding.

An item that has been outlined for ACA repeal and replace includes block grants for Medicaid. Alan asked if the state of Oregon is locked in for 5 years for Medicaid funding. Stephen will look into this.

Possible outcomes for the ACA include:

- Status Quo
- Repeal and Replace
- Repeal without Replacing

The status quo is that individual and employer mandates remain in place including the excise tax which takes effect in the year 2020. The City's health plans are under the excise tax threshold. With analysis previously done, the City is looking at 2024 before meeting the threshold which is after the excise tax takes effect; so the City is in good standing.

The committee members feel this agenda item regarding ACA updates should remain in place for future meetings.

## **6. Other Business**

Moda will be used for Stop-Loss coverage beginning July 1, 2017 and will not have a transfer fee. There has not been a claim over \$350,000 so there has been no need to dip into the reserves fund.

**7. Public Comment**

None

**8. Next meeting will be Tuesday, May 9, 2017, Bull Run Room, 5<sup>th</sup> Floor Portland Building at 1:30 PM to 3:00pm.**

**9. Meeting was adjourned at 2:43 p.m.**