

## LMBC Meeting Minutes

February 13, 2018

8<sup>th</sup> Floor Conference Room, 111 SW Columbia Ave  
Attendance

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

Betsy Ames  
Mike Abbate  
Dave Benson  
Jamie Burrows  
Alan Ferschweiler  
Mark Gipson  
Ashlie Grundy  
Jay Guo  
Jeannette Hopson  
Craig Morgan  
Rachel Whiteside  
Jon Uto

### ***Staff***

Cathy Bless  
Anne Hogan

### ***Presenters***

Stephen Caulk (Aon)  
Anne Thompson (Aon)

### ***Other attendees***

Kourosh Ghaemmaghami (BHR)  
Paul Cone (PTE17)  
Emily Mungo (Aon)

### ***LMBC Members absent***

Tara Anderson  
Tom Armstrong

1. **Meeting Call to Order:** Co-Chair Alan Ferschweiler facilitating. Meeting called to order at 1:33 pm.
2. Minutes for the January 23<sup>rd</sup>, 2018 meeting were discussed and Alan noted that there were no changes required and the minutes were approved by consensus.
3. **Preliminary Renewal Information and Recommendations were continued (Anne Thompson, Stephen Caulk and Cathy Bless)**

Anne Thompson continued the discussion from the previous meeting and pointed out some additional information or updates in the revised preliminary renewal handout that was given to attendees:

As requested, a punch list or possible plan options list was compiled on pages 7 and 8 of the handout; the Committee was reminded that the punch list includes vendor/carrier recommendations and are for the decision of the Committee. Where there is a recommendation by the City, it will be noted within the conversation; some highlights include:

1. **EviCore** – Moda has previously requested that the City add this prior authorization service for radiology and it was agreed by the committee that there is not a lot of value for the cost. This has been rejected by the Committee is years past.
4. **CityCore out of pocket maximums** - the City is recommending a decrease from \$3000/\$9000 to \$1800/\$5400. Mark wondered if there had been a discussion of reducing the family tier level to \$3600? Cathy replied that the Committee had discussed setting a lower 2x limit and information on that is still in the material. That is not the recommendation of the City. With such a large change from \$3,000 to \$1,800, it will be important to sustain this change and we can always move from 3x to 2x next year if utilization and other factors are positive.

5. Moda has requested that non-emergency and non-urgent care **services performed outside of the United States** not be covered at all instead of at the out-of-network level. Mike Abbate reiterated his concerns that it would negatively impact retirees who move abroad
6. Require use of either an authorized provider or an outpatient setting for members who need certain **infusion therapy** (specific list of medication). Mark Gipson wanted to confirm that such a change would be beneficial and safe for members. Anne said they could find no decrease in safety and it was believed that it could be advantageous for members to be at home. In addition, there would be savings because members are not being charged additional costs for services performed in a hospital setting.
7. Limit Transplants to **Centers of Excellence** – List in addendum
8. **Advantage Plus Program** –Express Scripts is recommending a prescription coverage program that would expand list of medications requiring step therapy or prior authorization; members who are already taking these medications will be grandfathered in—only new prescriptions would be affected.
9. **Smart 90 Program** – Express Scripts is recommending a prescription program that would require members who want a 90-day supply of their medications to go to a preferred pharmacy (excludes CVS and Walgreens) or go through the ESI mail order. Members would still be able to get a 30-day supply of their medications at their current pharmacies. Approximately 1100 members would be impacted and need to change pharmacies to continue to receive a 90 supply of medication at a local pharmacy in lieu of mail-order. ESI reviewed the current claims of members and determined that 12 members would be adversely affected because they were more than four miles from a preferred pharmacy (list on page 49), and noted those individuals could switch to mail order.
10. **Advanced Opioid Management Program** – ESI is recommending a prescription program that would monitor and review opioid prescription use among members at a cost of \$.39 per member per month or about \$51,000 per year. There are currently 707 members who receive opioid prescriptions. The program would monitor possible patterns of abuse.
11. **Moda Dental** – Clarify coverage language for occlusal guard coverage and increase orthodontia lifetime maximum from \$2500 to \$3000. Anne also presented additional orthodontia coverage information on page 53. Neither Moda or Kaiser require that medical necessity be a requirement for coverage but the average cost is higher with Kaiser; their average cost is \$6295 while Moda's average cost is \$5237. The City purchased a rider which provides this coverage without additional medical necessity requirements from Kaiser. Dave Benson wanted to know why Kaiser costs are higher on average. Anne and Steve speculated that their entire book of business was probably included in this dataset, which included higher costs for those who qualify under a medical necessity requirement (e.g. clef palate). Betsy confirmed with Cathy that it had been a long time since the orthodontia coverage maximum had been increased. Mike and Rachel Whiteside wanted to know what the cost of the increase would be? Steve added the cost increase could be absorbed in the flat rate increase.
- **Kaiser Medical** – This is not part of the punch list yet, as the Committee is still discussing the changes. The recommendation from the City is to mitigate the 7.1% Kaiser increase with an incremental plan design change valued at 1.1%. The custom plan shown on pages 28 and 29 may increase the out-of-pocket maximum (from \$600/\$1200 to \$1000/\$2000), adds an inpatient facility charge of \$150 per day up to \$750, and increases the emergency room copay from \$75 to \$100.
12. & 14. **Kaiser Dental** – Kaiser is offering to add implant coverage and increase orthodontia maximum to \$5000 from \$3000. Kaiser is offering these changes in lieu of a decrease in premium. Kaiser has not agreed to offer a decrease in premium even though Steve calculates the City is overpaying the premium by at least 5%.
15. **VSP (Vision Service Plan)** – Change to self-funded plan from fully insured plan.
16. Cascade Centers is offering its **WholeLife Scale Program**, which would give members online assessment tools. Cost is \$.35 per employee per month. Jamie was not convinced

that such a program was necessary because of employee access to the wellness programs Healthy Foundations and CityStrong. Mike also commented that it seemed duplicative. Cathy added that she thought it was interesting but a better approach may be to wait until other organizations purchase it and to be able to review their outcomes.

17. The Committee wanted to discuss the possibility of adding **massage therapy** in addition to the current medically necessary coverage. Currently, about a million dollars of massage therapy claims are processed in a coverage year and of these claims, about 75% are determined to be medically necessary and are covered as such. Mark recalled that last year’s committee vote on massage coverage fell apart but he thought that it would be a way to differentiate the plans and make CityCore more appealing. Cathy commented that the committee could discuss this type of coverage again. She also added that the Benefits Office has worked with Moda numerous times on behalf of members who believe that their therapy should be covered as medically necessary. They’ve asked Moda to contact the provider to find out why the therapy is potentially being coded incorrectly. Betsy asked whether providing 6 to 12 therapy sessions could be possible? Jamie also asked about tracking therapy time rather than sessions. Cathy replied that Aon could review costs and build it into the plan for next meeting but that it’s difficult for Moda to track therapy on a time basis because it’s based on coding. Committee members felt that the term “medically necessary” has different meanings for different people. Dave wondered if there had been any studies done on the benefits of massage. Steve answered that there is no hard data and the numbers he’s seen are “squishy”. Cathy added the Benefits Office will need to be prepared on how to best educate members and the types of providers that would be covered if this additional benefit was affordable and approved.

The committee discussion moved on to the upcoming LMBC vote day after Mike asked about the process—when will members vote on these punch list items? The committee deadline for a vote is the March 13<sup>th</sup> meeting. Cathy added that the Benefits Office needs to have enough time to configure the new rates into the enrollment system so that employees can view their premium costs as they enroll; the finalizing of rates and plan designs is important.

Mark commented that he thought the committee had challenges last year regarding the different plan packages. Betsy added that this time we’re moving forward with separate packages and she asked, “can we get a sense of where the committee stands on this punch list?” Cathy added there does need to be a discussion on the re-tiering so that the committee could have a sense of where the group currently stands.

The committee agreed and offered their initial stance as follows (includes additional comments):

	Current Consensus (not final)	Plan	Topic
1.	<b>No</b>	CityCore / CityHD	EviCore (prior authorization for radiology)
2.	<b>Yes</b>	CityCore	Decrease OOP max to \$1800/\$5400 (premiums will increase by 2%)
3.	<b>Yes</b>	CityCore / CityHD	Out-of-network tobacco cessation programs will be covered at the out-of-network OOP max instead of in-network (only one member in previous coverage year would have been affected)

4.	<b>No</b>	CityCore / CityHD	Non-emergency & non-urgent care provided outside of the U.S. would not be covered (currently covered at out-of-network level)
5.	<b>Yes</b>	CityCore / CityHD	Infusion Therapy Coverage – limit to authorized providers and allow in-home care (administering of medication at home)
6.	<b>TBD</b>	CityCore / CityHD	Limit transplant coverage to “Centers of Excellence”
7.	<b>TBD</b>	CityCore / CityHD	For Express Scripts members, implement Advantage Plus Program that expands list of prescriptions that require step therapy or prior authorization (only for new prescriptions)
8.	<b>Yes</b>	CityCore / CityHD	For Express Scripts members, implement Voluntary Smart 90 Program that steers members to preferred pharmacies to receive a 90-day supply of their medications (members can still go to other pharmacies for 30-day supply)
9.	<b>TBD</b>	CityCore / CityHD	Implement Advanced Opioid Management Program (description of program on page 18)
10.	<b>Yes</b>	Moda Dental	Clarify occlusal guard (night guard) coverage language in plan
11.	<b>Yes</b>	Moda Dental	Increase orthodontia lifetime maximum to \$3000 from \$2500
12.	<b>TBD</b>	Kaiser Medical	Adopt custom design to reduce large Kaiser cost increase
13.	<b>TBD</b>	Kaiser Dental	Add implant coverage
14.	<b>TBD</b>	Kaiser Dental	Increase orthodontia lifetime maximum to \$5000 from \$3000
15.	<b>Yes</b>	VSP	Change from fully insured plan to self-insured plan; VSP (Vision Service Plan) will still administer coverage but the city will be responsible for claims
16.	<b>No</b>	Cascade Centers	Implement the WholeLife Scale Program, a wellness program
17.	<b>TBD</b>	CityCore / CityHD	Include coverage for massage therapy that may not be considered medically necessary

After the punch list had been covered, Alan asked if the committee should officially vote on Moda’s proposed 8% stop loss increase based on a no bid contract. At the previous meeting, the committee agreed to these terms and requested that Aon should move forward with their

proposal and not seek bids from other carriers. Since the coverage level isn't changing, the rate is the rate, and no additional vote is required.

Mark asked if the next meeting could be longer to give committee members time to go over the list items that are more complicated, such as the Kaiser and CityCore plan design change recommendations (e.g. 1:15 pm to after 3:00 pm)? Committee members agreed that it was a reasonable request.

Steve continued the discussion of plan changes by emphasizing the difficulty trying to compare Kaiser and CityCore plans and costs because their tiers are set up differently (page 30 in blue)—especially the family tier level. Because of this disjoint, it could be beneficial to meet somewhere in the middle and create a more level playing field, using the same formula to determine how the costs of each tier (1-party, 2-party, family) are determined. The plan changes listed in gray on page 31 show the results of changing both plans to an identical tier level ratio, including increasing family tier to a level that may be more appealing:

- Employee only coverage could be set at 1, employee plus one would be 1.95, and the employee plus two or more would be set at 2.80

Craig asked that if the committee's goal in changing the tier was to try to motivate new employees to choose the CityCore plan and not Kaiser, the tier changes in purple seemed to be more favorable. Cathy responded, after additional discussion and clarification, that the tier change is not to motivate the employee choice.

Rachel asked whether the City has the authority to request a tier change with Kaiser? Steve answered yes, and that Kaiser would be willing to work with the City. Betsy commented that the reason to go with the gray tier changes on page 31 is that it will be a fairer distribution of employee premium costs than the tier changes in purple.

Jamie asked if the City had recently conducted a new employee survey so that it was understood what motivated them to choose one plan over the other? Cathy replied that surveys were done in the fall of 2014 and again in 2015. The questions were reviewed by the LMBC committee and conducted by Aon. Results were also provided to the Committee previously. One of the questions specifically asked employees why they chose their current plan.

- For CityCore members, choice was their number one answer and for Kaiser participants cost was the number one factor.

Jamie asked whether a new survey could be conducted again in the spring or fall and Cathy confirmed that Aon could compile a new survey that could again ask questions regarding employee perspectives on choice and cost.

Mike was concerned that these plan design changes such as re-tiering could complicate the decision-making process for employees and their dependents—distinctions may be harder to discern. Cathy replied that the Benefits Office will always strive to develop stronger messages and to better educate employees on any changes. Betsy added that she believed that this would be a good year to implement changes because Kaiser rates are going up.

Cathy asked committee members whether they needed any additional information on these potential tier changes? Betsy replied that she thought that the committee should agree to these tiering recommendations, that making it "equal" made sense to her.

Jay also agreed that creating similar tiers ratios would make it easier to compare. Dave requested that the employee cost share be included in the tiering information so it's easier to see and understand.

Cathy stressed to members that the committee should not feel tied to any decision but that it was important to bring these latest ideas forward and discuss these issues further. Jamie asked how often the City negotiates with Kaiser; Cathy answered that it happens annually.

**12. Other Business: No**

**13. Public Comment: None**

**14. Next Meeting: Tuesday, February 27, 2018, 8<sup>th</sup> Floor Columbia Square Building. The meeting will begin at 1:15 pm.**

**15. The meeting was adjourned at 3:07 pm.**