

LMBC Meeting Minutes - Draft
March 13, 2018
8th Floor Conference Room, 111 SW Columbia Ave
Attendance

LMBC Members present

Betsy Ames
Mike Abbate
Tara Anderson
Dave Benson
Jamie Burrows
Alan Ferschweiler
Mark Gipson
Ashlie Grundy
Jay Guo
Claire Houston
Craig Morgan
Rachel Whiteside
Jon Uto

Staff

Cathy Bless
Anne Hogan

Presenters

Anne Thompson (Aon)
Steve Caulk (Aon)

Other attendees

Paul Cone (PTE17)
Emily Mungo (Aon)

LMBC Members absent

Tom Armstrong
Jeannette Hopson

1. **Meeting Call to Order:** Co-Chair Alan Ferschweiler facilitated the meeting and a call to order was announced at 1:32 pm. It was noted that members Tom Armstrong and Jeanette Hopson would not be attending today's meeting; Betsy Ames will be Tom's proxy and Mark Gipson Jeanette's proxy. Current committee members introduced themselves to new LMBC member and Portland City Laborers' (PCL) union representative Claire Houston after Cathy Bless announced her new membership to group. Jamie Burrows will be acting as her proxy during today's voting process. Betsy Ames will be acting as the proxy for the additional management vote that has not been filled.
2. Alan deferred to the committee inquiring if there should be any edits to the February 27th meeting minutes as he was absent. After a quick review, the committee responded affirmatively with "I's" after Mike Abbate moved that the committee accept the notes as written (Betsy seconded the motion).
3. Final discussions regarding potential recommendations to Council on plan design changes for the 2018-19 plan year. (30 minutes – Aon Hewitt and Cathy Bless) Continuation of renewal information on the self-funded plan and insured plans. It was decided by the Committee to just move to the final discussions and voting.
4. **Final discussions regarding potential recommendations to Council on plan design changes for the 2018-19 plan year (Anne Thompson, Stephen Caulk and Cathy Bless)**

Anne began the discussion noting that the bound report titled "2018/19 Renewal Report – Revised" was the most comprehensive handout and included the most up-to-date information though it did not include the voting slide sheet. Anne asked committee members if there were any particular items that they wanted to discuss in more detail.

Cathy Bless responded that she had some potential Kaiser plan changes she wanted to alert committee members to after she met with Human Resources Director Serilda McGee.

Serilda requested the potential Kaiser custom plan inpatient facility charge (found on page 33 under “Custom Plan” heading) of \$150 per day up to \$750 total admittance costs be reduced to \$100 per day up to \$500 total costs. This change is not reflected in this handout. Because of this, the custom plan’s impact on reduction of City costs will be less. As detailed on page 32, instead of -1.1% difference after the Kaiser plan renewal, there would be a -08% difference.

Alan wanted to know Serilda’s thought process involving this reduction. Cathy responded that Serilda had concern about the 7.1% increase Kaiser is seeking, but had not had an opportunity to review the recommendations the LMBC had discussed. Serilda also voiced concern about the cost impact to Kaiser members. Mike asked if this was part of a broader strategy on her part? Cathy replied that Serilda was aware that some of the City’s lowest paid employees are currently Kaiser participants and she was concerned about the negative financial impact of this change. Mark wanted to confirm that members would pay these fees anytime they spent the night in a facility and Cathy replied yes.

The custom plan also involves an increase to the Kaiser Out-of-Pocket maximum from \$600 per individual and \$1,200 per family to \$1,000 per individual and \$2,000 per family. Steve Caulk added that 762 Kaiser members met their Out-of-Pocket maximum of \$600 in the previous plan year and 375 would have met it if the OOP is increased to \$1000. Many of these members met their OOP maximums through the payment of prescription copays for medications and in general, inpatient facility charges are not as impactful to this group. He mentioned that around 400 members accounted for these inpatient costs.

Mark Gipson wondered whether members who experience hospital stays are mostly likely going to hit their OOP maximum anyway and Cathy replied that this may not be so common under the Kaiser HMO system as patients are not billed the same way as CityCore members.

Mark then brought up the newest proposal involving inpatient drug and alcohol treatment facilities that was offered at the last meeting. The benefit offers all CityCore participants the same benefit that was offered to fire through collective bargaining. The proposal is to waive any co-insurance for in-patient services and only charge a \$250 deductible (if not already met with other services). Alan announced that he had not been aware of this new addition and Cathy responded that this proposal was discussed at the last February 27th meeting as a more effective alternative to the Express Scripts opioid management program and in response to concern about how the City’s will support those needing support. Alan replied that he thought it ironic that this proposed recommendation, a benefit that was added to the PFFA contract during arbitration, was discussed and added to the item list while he was absent.

Anne proposed going through the proposed item list of changes at that time and Cathy mentioned that the list order had changed so that the less debated issues and proposals were shown first. Betsy Ames suggested that the committee review the list once and vote at the same time; members agreed.

5. Plan recommendation voting by Committee

The following table lists each proposal, committee discussions and decisions. Twelve of the 16 members of the LMBC committee must affirmatively vote in favor of a proposed change for it to pass, also known as the quorum:

Item 1 – Add Cascade Centers online WholeLife Scale tool for employees –

	LMBC Final Vote	# of "Yes" votes	# of "No" votes	Plan / Vendor	Consideration
1.	No	0	16	Cascade Centers	Implement the WholeLife Scale Program, a wellness program

Item 2 - Occlusal Guard (Moda Dental) - Claire Houston noticed coverage change language that the committee had previously missed involving occlusal guard repairs—three repairs were still allowed but the time frame was more restrictive. This would be taken out of final edit.

2.	Yes	16	0	Moda Dental	Clarify occlusal guard (night guard) coverage language in plan: Occlusal guard is covered once every 2 years at 100%; no deductible up to a maximum of \$150. Repairs and relines are not covered within initial 6 months of placement.
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Item 3 – Increase in Moda dental orthodontic benefit to \$3000 lifetime maximum. Steve added that the dental plan could absorb the increase in costs.

3.	Yes	16	0	Moda Dental	Increase orthodontia lifetime maximum to \$3000 from \$2500
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Item 4 - Kaiser implant coverage (50% up to \$2000); Betsy noted that Kaiser added this incentive after Aon challenged Kaiser that the dental costs should be lowered. Mike inquired what the possible downsides would be and Anne replied that there are concerns that Kaiser could increase the rates in upcoming years and that the City may have less leverage in future negotiations.

4.	Yes	16	0	Kaiser Dental	Add implant coverage: 50% of cost of implants up to \$2000.00 covered
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Item 5 - Increase in Kaiser dental orthodontic benefit to \$5000 lifetime maximum. Mike asked if there was existing information regarding the number of members who maxed out this benefit and Cathy replied that Kaiser hadn't given Aon any member numbers but that the average cost for Kaiser participants was \$6300.00. Cathy added that it is believed that Kaiser included "medically necessary" services in their costing which bumped up the costs.

5.	Yes	16	0	Kaiser Dental	Increase orthodontia lifetime maximum to \$5000 from \$3000
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Item 6 - ESI Advantage Program. Anne mentioned there would be no immediate cost impact/benefit because current members' prescriptions would be grandfathered. Jamie Burrows asked about the impact of new generics on the market and Cathy answered that ESI had not responded to their inquiry and it would be most likely based on their formulary negotiations anyway. Rachel Whiteside asked if the committee voted on this proposal last year and it was voted down—Cathy replied yes. Steve added that ESI is trying to bend the upward trend of the cost of prescriptions and believes there could be 1-2% range in savings. It would not be evident during the first year, but the second year and onward has the potential to show improvements.

Craig Morgan mentioned that he wanted to see the actual savings in dollars and was not inclined to vote yes. Jon Uto added that due to the grandfather clause, waiting to approve this program may have a long term negative effect on potential cost savings; it may make sense to act earlier rather than wait. Jay Guo thought that the current prescription plan had been effective in keeping costs under control even with a potential 3% increase.

Cathy noted, the \$423,000.00 in ESI rebates weren't included in the latest cost reports. Mark asked whether the Benefits Office received many complaints about prior authorization? Cathy responded no and added that most issues arise from members giving the pharmacy incorrect information and as a result their claims are not processed correctly (showing up as ineligible in their system).

Mike noted this program could almost be "invisible" to most members. Cathy agreed and added that doctors could still write a prescription that required pharmacists to dispense as written (DAW) with no generic substitutions. Mike thought that Jon Uto made a compelling argument in favor of this plan.

6.	No	9	7	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)
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Item 7 – ESI Opioid Management Program – Anne discussed this program would cost the City \$.39 per member or approximately \$51,000 annually. There were 707 members who had opioid prescriptions filled. Claire asked if methadone prescriptions would be monitored and Anne replied that there may be additional oversight by ESI. Mark mentioned that in previous meetings members did not see an obvious benefit to this program.

7.	No	3	13	CityCore / CityHD	Implement Express Scripts Advanced Opioid Management Program (description of program on page 18)
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Item 8 - ESI Voluntary Smart 90 program – Anne mentioned that there were no additional fees associated with adding this program and they projected that savings would result in

implementation. According to ESI, 1002 members are not using preferred pharmacy but 98% of them were within four miles of a preferred pharmacy. And members can still have a 30-day prescription filled. Cathy added that additional communication and education would be provided to any members impacted by this change.

8.	Yes	16	0	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).
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Item 8 – Vision Service Plan (VSP) – Anne discussed this change (from fully insured to a self-insured plan) would still allow VSP to administer the plan but the City would be responsible for paying claims. There would be a reduction in annual costs and the benefits wouldn't change. The risk would be transferred to the City (reserve fund). Mike asked if vision benefits would be less likely to improve as a result? Cathy replied that there could potentially be more flexibility to make changes but VSP would still offer suggestions on improvements.

9.	Yes	16	0	VSP (Vision Service Plan)	Change from fully insured plan to self-insured plan; VSP will still administer coverage but the city will be responsible for claims
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Item 10 – EviCore (prior authorization service for radiology) – Anne mentioned there is cost associated with this service and Moda has proposed this every year.

10.	No	0	16	CityCore / CityHD	EviCore (prior authorization service for radiology)
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Item 11. Limit transplant coverage to Centers of Excellence (COE; Moda) – Alan mentioned that he would be more inclined to vote “yes” if an independent organization was making the recommendation and not Moda. Cathy added that members had previously felt employees and their dependents should have a choice on which hospital or doctor they could use for such major surgery. Mike asked what would happen if members didn't do their homework and decided to use a facility with only a 75% positive outcome rate. Cathy responded that transplants have been rare and that all three (in recent history) had been performed at OHSU anyway—on the COE list.

11.	No	0	16	CityCore / CityHD	Limit transplant coverage to “Centers of Excellence”
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Item 12 – Out-of-network tobacco cessation programs would be covered at the out-of-network deductible and out-of-pocket maximum levels. Anne mentioned only one member would have been affected last coverage year. Tara Anderson asked if this could have been a member mistake or lack of education? Cathy added that this change was proposed by Moda but the City has not

cared where members have gone in the past. Tara asked if there was any data on which programs were successful? Cathy replied that they did not have this information. Jamie Burrows wanted to know if there were any negative consequences if this program was implemented? Anne replied that there were none—and Affordable Care Act (ACA) requirements only applied to in-network programs, which the City already covers (the City would be in compliance either with or without this program in place). There are also no dramatic costs associated with not implementing this program. Betsy noted that perhaps this program should be implemented to stay consistent with steering members to in-network providers and services? Alan asked what the average cessation program cost and Cathy answered that it probably depended on the number of classes but she thought about \$225 per program. Alan added that if members are trying to quit smoking they should be encouraged as much as possible. Mark stated that he generally agrees with Betsy on encouraging in-network services but he would leave it alone too.

12.	No	3	13	CityCore / CityHD	Out-of-network tobacco cessation programs will be covered at the out-of-network deductible and OOP maximums rates
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Item 13 – Non-emergency care and non-urgent care outside of the United States would no longer be covered - Anne noted the last non-emergency service provided happened last coverage year in Puerto Rico. Claire asked why Puerto Rico would not be considered part of the U.S. and Anne replied that Moda did not give reason why. Tara also mentioned that employees who retire outside of the U.S. wouldn't have coverage. Jon added that Moda's definition of emergency is cryptic.

13.	No	0	16	CityCore / CityHD	Non-emergency & non-urgent care provided outside of the U.S. would not be covered (currently covered at out-of-network level)
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Item 14 – Inpatient drug and alcohol rehabilitation facilities – members who seek services at such a facility would have their co-insurance costs waived after meeting their \$250 deductible. Alan asked if potential costs to adding this benefit was analyzed and Cathy replied that costs were negligible and the cost impact was less than \$80,000. Steve confirmed those costs included the PFFA population. Mike asked if members vote yes to this plan change the amount that employees and their dependents would have to pay will be reduced? Members confirmed this.

14.	Yes	14	2	CityCore	In-Patient Substance Abuse Facility Coverage: After the \$250 deductible met, the cost of co-insurance would be waived for plan participants
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Item 15 – Limit Infusion Therapy to approved providers and in-home care - Anne noted this plan change will result in \$176,000 in savings. Cathy added this change would not exclude medications. Steve mentioned the primary savings results from Remicade being administered to patients at home rather than in a hospital setting. Jamie asked if the administration of medications would be transferred to patients and Cathy responded no. Jamie voiced concerns about possible negative impacts and Steve mentioned that six or seven members would be impacted. Cathy

added that the Moda would reach out to affected members and the City would request any issues be reported.

15.	Yes	16	0	CityCore / CityHD	Infusion Therapy Coverage – limit to authorized providers and allow in-home care (administering of medication at home)
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Item 16 – Moda/CityCore out-of-pocket maximum decrease – Committee members agreed that this plan change would have a positive impact on employees and their families.

16.	Yes	16	0	CityCore	Decrease OOP max to \$1800 per individual and \$5400 for families
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Item 17 – Kaiser Medical – adopt custom design as recommended on pages 32-33 of handout. Betsy asked whether Serilda’s request of reducing the inpatient facility charge (\$100 per day, up to \$500 maximum) would be included in the new plan design? Anne replied yes.

17.	No	11	5	Kaiser Medical	Adopt custom design to reduce the impact of Kaiser cost increase of 7%
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Item 18 – Kaiser/CityCore re-tiering changes – (pages 34-35 of handout)

	Employee Only	Employee + One	Employee + Two or More	Employee Only	Employee + One	Employee + Two or More
TIER CHANGE KAISER AND MODA				TIER RATIOS		
Kaiser Renewal	\$689	\$1,344	\$1,930	1.00	1.95	2.80
CityCore Renewal Status Quo	\$630	\$1,229	\$1,764	1.00	1.95	2.80
CityCore Renewal \$1800 (3x Family)	\$642	\$1,253	\$1,799	1.00	1.95	2.80
CityCore Renewal \$1800 (2x Family)	\$646	\$1,259	\$1,808	1.00	1.95	2.80

Semi-Monthly Costs for employees are as follows:

	Employee Only	Employee + One	Employee + Two or More
Kaiser:	\$18	\$34	\$48
CityCore:	\$17	\$31	\$44

Anne discussed page 36 (see above) of the handout as showing negligible impact to employee contributions on a semi-monthly basis. Alan asked if the re-tiering would result in a re-allocation of dollars and Steve added that this plan change would result in a re-allocation so that ratios between Kaiser and CityCore plans would be similar and easier to compare.

18.	Yes	16	0	Kaiser Medical/ CityCore	Adopt re-tiering changes to both the Kaiser and CityCore plans.
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After the committee finished voting on the list of items, Alan expressed his appreciation for Betsy Ames and thanked her for all her hard work as co-chair and a member of the LMBC committee. Betsy will be resigning as co-chair while she is on leave from the City. Alan added that he appreciated her openness and thanked her profusely “for working with us”. Cathy added that Dave Benson will take over as LMBC co-chair while Betsy is on leave.

12. Public Comment: None

13. Next Meeting: Tuesday, April 10th, 2018, 8th Floor Columbia Square Building. The meeting will begin at 1:30 pm.

14. The meeting was adjourned at 3:01 pm.