

**LMBC Meeting Minutes - Draft**  
 September 11, 2018  
 6<sup>th</sup> Floor Rivers Conference Room, 111 SW Columbia Ave  
 Attendance

<b><i>LMBC Members present</i></b>	<b><i>Staff</i></b>
Tara Anderson	Cathy Bless
Tom Armstrong	Anne Hogan
Dave Benson	
Jamie Burrows	<b><i>Presenters</i></b>
Alan Ferschweiler	Anne Thompson (Aon)
Mark Gipson	Shelley Zhao (Aon)
Jay Guo	Emily Shettel (Aon)
Jeannette Hopson	Joel Michels (Occupational Health)
Craig Morgan	Kourosh Ghaemmaghami
Rachel Whiteside	
	<b><i>Other attendees</i></b>
<b><i>LMBC Members absent</i></b>	
Leslie Goodlow	
Victor Cato	
Ashlie Grundy	
Claire Houston	

1. **Meeting Called to Order** – Co-Chair Alan Ferschweiler called the committee to order at 1:32 PM and committee members were asked to introduce themselves to Shelley Zhao who returned to Aon’s actuary team and to Joel Michels, the City’s new Occupational Health Manager.
2. **Meeting Minutes Discussion** - Alan requested the committee review the latest meeting minutes for any inaccuracies. After review, committee agreed that no errors were found; Rachel Whiteside made motion to approve and Jay Guo seconded the motion.
3. **Discussion of Preliminary Year-end Review of Self-Funded Plan Experience and Update on Current Plan Year (Kourosh Ghaemmaghami, Shelley Zhao)**

Kourosh Ghaemmaghami began the discussion by reviewing the Summary of Wire Transfers handout for last coverage year 2017-18. As of the end of the Fiscal Year 6-30-18, medical claims had increased by 10% and dental claims by 11%. Prescription claims had decreased by 3%. Total medical claims for the 12-month period totaled \$43,957,833.

Cathy Bless added this increase in claims reflects Moda change of its billing practice from bi-weekly wires to weekly wires. This new procedure included newer claims being adjudicated that would have normally been billed/paid in the new fiscal year. At the beginning of the coverage year, claims were running low compared to the end of the year when the claims change started. The City tracks both the revenue from premium deductions and expenses from claims. Based on these claims invoices, the City’s end of the year loss ratio was 106%.

With the start of the new coverage/Fiscal Year beginning on 7/1/18, medical claims have increased by 3%, while prescription claims have decreased by 4% and dental claims decreased by 2% compared to the same period last year as of 8/31/18. Because of this leveling off, our current loss ratio is about 94%.

Alan inquired about when claims are higher than predicted, does this additional money come out of the City's Health Reserve Funds or from the Fall BuMP (Budget Monitoring Process). Cathy responded that the Fall BuMP process estimates future claims and money is transferred out of the Health Reserve Fund as a result. Currently, Kourosh is assuming funds at 10% above last year's Fall BuMP may be needed.

Mark Gipson asked how the Health Reserve Fund is reloaded each year and Cathy replied that Aon calculates the targeted actuarial reserve amount; it's currently about \$12 million. Anything above this amount is unallocated reserve money and the City does not have an interest in continuing to grow the reserve fund well above what is required. This extra money has been and will continue to be used to reduce employee costs. Kourosh added that the City currently has a total of between \$18 and \$19 million in Health Reserve Funds and this is the estimate for fiscal year end 2017-18.

Shelley Zhao continued the discussion with her review of Aon's Paid Claim Experience Report handout showing data for the last two coverage years. Aon's reporting is based on Moda claims and the City's loss ratio includes revenue numbers as well.

Alan asked about the COBRA/Retiree loss ratio data and Shelley explained that Aon doesn't usually track retiree numbers separately, though it is generally a more expensive population as is generally shown in the City's reporting.

#### **4. An Update on the Request for Proposal (RFP) Process and the Next Steps (Aon)**

Aon's Emily Shettel, who has been directly involved with each of the City's RFPs, began her discussion by declaring that it's been a slow but steady process.

- RFPs for Life, long-term disability, short-term disability and other voluntary products had been released last week to prospective vendors. Eleven vendors are expected to respond, and a review of the initial answers will happen at the end of October.
- RFPs for third party administrative services, networks and supportive services for self-funded medical and dental plans were released yesterday (9/10/19) and committee members can expect vendor responses in mid-October. Nine vendors are expected to participate. Aon will do the first evaluation and will forward the top 5 for the RFP Committee to consider. It will be up to the RFP committee to decide how many finalists they want to interview.
- RFPs for third party administrative services, networks and supportive services for the self-funded vision plans will be released tomorrow (9/12/19) and seven potential vendors are expected to respond.

Currently, the RFP process is on schedule and Aon has been pleased with the initial vendor responses.

#### **5. Introduction of the Occupational Health & Wellbeing Program Manager (Cathy Bless, Joel Michels)**

Cathy began Joel Michel's introduction by restating the Occupational Health Program has moved from Risk Management to the Benefits Office after the hiring process of a replacement nurse was

unsuccessful. This problem presented an opportunity to rethink how the Occupational Health Program could be improved and expanded. The overall wellbeing and safety of employees will now be much of the focus and Joel Michels will be its program manager. He has been the manager of Healthy Foundations and is familiar with many of these employees within the bureaus across the City. He also had the opportunity to head last year's Preventive Care Initiative onsite clinics and had direct contact with many employees. Joel will continue to work with Healthy Foundations and lead the continued implementation of the CityStrong program.

Joel began his own introduction by talking about his experience with Healthy Foundations and how this has allowed him to become familiar with City employees and some of the issues that they deal with daily. Joel knew nurse Carolyn Williams on both a professional and personal level and he feels that his stepping into this role is a natural progression for him. He is excited to branch out in this new role and welcomes feedback from committee members about any health and safety issues that they think are important.

The City averages about 18-20 employee exposures per year. He feels he has a great opportunity to create a centralized program that takes the variability out of the system. Flu and Hepatitis immunizations would be part of this program and he'd like to create a record system that allows employees to check to see when they're due for shots or the results of lab work if they've been exposed to a pathogen.

He'd also like this program to support wellness, ensuring employees stay safe and healthy while on the job (e.g. respiratory program at the Police and Park's Bureau). Creating a partnership with both Cascade Centers (EAP administrators) and Kaiser will help influence and reach more employees.

The streamlining of flu shot clinics is another important goal for Joel. He's contracted with a nursing group who will help him administer flu shots. He would like to better meet the needs of employees and be more accessible. Cathy added that the flu shot program was historically a partnership with Risk Management as part of a work site program, but employees could and still can get these shots through their providers and pharmacies as well. Our office has determined that these onsite clinics administered by an outside group are the most efficient and economical way to immunize employees.

Joel acknowledged that the planning and preparation of the flu clinic program was a "beast" and Carolyn spent many weeks organizing them. Just the storing and transporting of the flu vaccine is a complicated undertaking and the clinics' reach were expanding every year. Having a group who specializes in the administration of these flu clinics make more sense rather than having an employee at the City try to cobble together a program each year. Our office would like to encourage all committee members to talk to employees about the importance of getting a flu shot.

Alan asked whether the city-administered program was getting scrapped and Joel responded that the program was not being scrapped but a more experienced group who is familiar with storing and transporting shots would be administering the program. Cathy also added that Joel will keep giving flu shots to smaller groups of employees who work the night shift or whose work locations are farther out of Portland. Alan wanted to know the contractual costs of this outside group and who would be paying for it?

UPDATE: To provide the Committee with additional information, and to clarify how the program was budgeted this year, the following was provided to Alan:

Bureau's will be charged for flu shots in this fiscal year as part of the budget that was already adopted. The Fire Bureau, through Janet Woodside manages this currently for PFFA members. For the other bureaus, we will use the same methodology as the prior fiscal year to assess the cost and spread it across bureaus. Moving forward into fiscal year 2019-20, we plan to offer worksite flu clinics to all bureau's (this can include fire in coordination with the block training), and allow the

flu shots to be billed directly to the health plan (either Kaiser or Moda), how bureau's get charged has not yet been decided. This allows for accurate tracking of influenza vaccination amongst the total employee population and will more accurately reflect, for reporting purposes, where our gaps remain. Using a national organization to administer the flu vaccine is both safe and cost effective.

Dave Benson inquired whether cost of the program included Carolyn's time? Cathy responded it was evident that four months of Carolyn's salary and time was taken up by this program. Joel added that there a lot of studies showing efficacy of flu shot programs. Dave asked whether there were any metrics showing that we have a healthier population because of our successful in-house program? Cathy responded that this type of data is probably part of the Healthcare Effectiveness Data and Information Set (**HEDIS**) data that can be reviewed. It's a marker for health plans as they're required to forward their preventive care data to the CDC. Joel mentioned there are other advantages to doing a flu drive at work—the costs are cheaper with a larger group and ultimately, the end goal is to get as many people vaccinated as possible.

Jay Guo asked if it's free for the City if the employee goes to a Kaiser provider or pharmacy and Cathy responded that it still costs the City money. Alan wanted to know if it costs the plan more money to hold these clinics rather than having the employee go to the pharmacy? Cathy replied that it depends on the pharmacy as well as other variables (the type of contract they have with Express Scripts, etc.) but ultimately the cost of a flu shot is less than cost of additional health services later, loss in work time, etc.

Rachel Whiteside agreed that employees are going to do what's easier for them and when it's not readily available, people won't get shots. Joel added that while there may be an opportunity to do things to save money, improved employee experience and convenience may be a more important goal.

Dave observed that Joel seems to have more than one job and Joel admitted that it's been a busy couple of months. Having a medical assistant would be helpful as well as improving the software platform that is currently being used.

Cathy added the City wants to be an employer of choice and having Joel head our Occupational Health Program will help meet this goal. Joel will be able to meet with bureau employees and determine where there are gaps in service and safety. In addition, Joel can tap into coaches at Healthy Foundations and have them meet with employees who need additional help navigating the healthcare system.

From a union perspective what do you hear from employees? What occupational stresses are they dealing with daily? Joel is currently gathering information and welcomes any committee input. Tara Anderson mentioned the biggest issue for employees is the lack of ergonomically correct work spaces that include chairs, desks, and computers. Joel agreed that he has seen a significant difference between the bureaus. Cathy replied that Risk Management is still in charge of ergonomic assessments, but that Joel can pass on this information. Rachel added that the sit-to-stand desks are not that expensive now and that it should be an option for all employees who spend eight hours sitting at a desk.

Tara inquired whether travel immunizations are currently covered for employees and Cathy responded that travel vaccinations have not been historically covered—however preventive care immunizations are covered. Committee members thanked Joel for his time.

**12. Other Business: Employee survey – Update and preliminary observations**

Cathy let committee members know that no preliminary data was available yet and hopes to have it ahead of the next meeting. Tara thought that the message question on the survey was not clear and confusing to employees. Anne agreed and responded that the results may be skewed as result.

**13. Public Comment: None**

**14. Next Meeting: Tuesday, October 13th, 2018, 8<sup>th</sup> Floor Columbia Square Building.  
The meeting will begin at 1:30 pm.**

**15. The meeting was adjourned at 2:36 pm.**