

LMBC Meeting Minutes
 January 8, 2019
 8th Floor Conference Room, 111 SW Columbia Ave
 Attendance

<i>LMBC Members present</i>	<i>Staff</i>
Tara Anderson	Cathy Bless
Tom Armstrong	Anne Hogan
Dave Benson	Michelle Taylor
Jamie Doscher	
Mark Gipson	<i>Presenters</i>
Ashlie Grundy	Anne Thompson (Aon)
Jay Guo	Shelley Zhao (Aon)
Jeannette Hopson	Emily Shettel (Aon)
Claire Houston	
Craig Morgan	<i>Other Attendees</i>
Rachel Whiteside	Paul Cone (PTE 17)
<i>LMBC Members absent</i>	
Alan Ferschweiler	
Leslie Goodlow	

1. **Meeting Called to Order** – Co-chair Dave Benson called the meeting to order at 1:07 pm.

1. **Meeting Minutes Discussion** – Dave requested the committee review the meeting minutes for any additions, deletions or other errors. Though the notes had included her as being present, Claire Houston noted that she was not in attendance at the December 2018 meeting. The committee voted to accept the change.

2. **Meeting Day/Time Review Discussion (Michelle Taylor)**

Michelle Taylor began the discussion by explaining a survey had been e-mailed out to members to determine a better LMBC meeting day and time. The current monthly meeting falls on the same day as the New Employee Orientation monthly meeting (NEO) which several committee members attend. The results of this survey showed most committee members thought either the third or fourth Tuesday of every month as well as an afternoon time slot worked best for them. Michelle also noted that the 8th floor conference room in the Columbia Square Building was no longer available so these meetings would have to move to another room. Ashlie Grundy added there is an Equity Group meeting that she and other members attend on the fourth Tuesday of every month. Because of this, it was agreed by the group the third Tuesday would be the new LMBC meeting day. Michelle will announce the new meeting location as it was yet to be determined.

3. **Third Party Administrative RFP Update (Cathy Bless, TPA committee members)**

Cathy Bless asked third party administrative (TPA) RFP attendees to give their impressions of the finalist interview process and how vendors performed. Moda, Regence and RGA were the organizations interviewed. While the interview committee indicated a strong proposal from Regence; they also recognized the significant disruption a change in TPA services has on participants. Both bids were viewed as competitive with each other in cost and proposed network changes would negatively impact some employees who currently have in-network services. The Healthy Foundations program is also noted to be very popular with those who

participate and would be a difficult change for members. The full committee continued to discuss proposals and felt comfortable with the direction of the selection committee.

4. Health and Welfare Plan Renewal (Cathy Bless, Aon)

Cathy began the discussion by mentioning the City and its carriers have experienced a full year of the Preventive Care Initiative and after reviewing Moda's annual report, it was clear there had been substantial improvement in employee engagement with their providers. Because of this, she wanted to share with the Committee the Occupational Health & Well-being manager (Joel) would be creating an annual awareness initiative or campaign that could include some type of employee reward (to be determined). Beginning with the new coverage year, July 1, 2019, mental health will be the focus. Joel could assist employees in understanding the difference in mental health provider types and accessing resources within the City's plan offerings. In addition, this committee could consider waiving mental health provider copays as a reward. Each coverage year, occupational health would continue to review target data to determine a new initiative. Mental health is an important issue and a good starting point for this inaugural campaign. We would welcome the committee's ideas or questions related to this initiative. We will come with ideas the Committee could vote on as it pertains to plan design.

Jamie asked Cathy whether she was proposing a new themed initiative every year and Cathy responded yes and this upcoming year's focus could be on mental health. Provider copays could be waived for the entire plan year, if the Committee chose to recommend that, but the educational focus could change each month. Each year, we would welcome input from the committee based on the review the biometrics data from Kaiser and Moda; this data will help inform a focus for the next year. Dave asked about waiving the copay on mental health related medications and Jamie agreed this would be an important addition. Cathy replied it may be something which could be added to the recommendation for the Committee to consider but she didn't know if Kaiser could isolate one classification of medications out of their claims processing structure.

Cathy moved on to Kaiser's annual report and their findings where City participants continue to use services at a higher rate than expected. Even though Kaiser was not pleased with their loss ratio, they offered the city a .1% decrease in medical costs. Kaiser also offered an alternative care benefit at no cost once again. Cathy expressed hesitation at this offer and if accepted, asked members to look at other ways to create balance between the two plans. There are incremental changes this committee can make (e.g. increase the out-of-pocket maximum to \$1000 instead of \$600, implement a daily \$50.00 inpatient fee (\$150 max.). We also understand Kaiser participants want these benefits, but with Kaiser being the highest cost plan the City offers, adding benefits we know will continue to add stress and cost in the future may not be a sustainable strategy.

Regarding the Preventive Care Initiative and committee focus, Mark Gipson discussed his concerns of managers and supervisors not fully supporting employees who were trying to meet PCI requirements. He was hoping the annual exam could be treated like a protected FMLA day. He has heard of managers who penalize employees who are trying to comply by taking away flex days or popular shifts.

As part of the additional conversation and discussion, Tara indicated she had interest in looking at other incentives Dave and Jamie both agreed that it would be smart to find out what incentives other companies are offering their employees, so the committee is "not reinventing the wheel". Tara also asked members why the committee couldn't just accept Kaiser's alternative care proposal without having to change plan design? Mark talked about the difficulty of taking away a benefit from employees once it's been established. Jamie added she knows there is a need to create balance between the Moda and Kaiser plans, but she still struggles to understand how and why. What are the ramifications of an imbalance and why are we

concerned about the Kaiser offer? What would the Kaiser plan trend look like in another three years if nothing changed? The committee agreed that adding another meeting to revisit the guiding principles and philosophy of this committee would be ideal. As a result, there will be two meetings left before the committee has to vote on potential plan changes in March.

Anne Thompson asked committee members to focus their attention on the renewal information slide deck and began the discussion on the 2019-20 total cost summary highlights on page 3:

- Kaiser offered a flat -.1% percent change on the Kaiser medical, prescription, vision plan. The total cost in premiums would change from the current \$30,889,664 to a projected \$30,859,251 per year
- Aon indicated, at current costs/projections that an increase in the CityCore/CityHD/CityBasic medical plans of up to 10% may be needed. The City anticipates using additional reserve dollars to stabilize the increase to 5.5% The total cost would change from \$54,898,171 to \$57,917,570.
- Kaiser has proposed a 4.5% increase on the fully insured dental plan. Total cost in premiums would increase from \$3,000,685 to \$3,135,567.
- Moda/Delta Dental plans (both basic and buy-up) will not be increased.
- The Vision Service Plan (VSP) total cost of premiums would increase by 1.4% or from \$477,559 to \$484,293 per year.

Jamie requested Aon include the dollar amounts for both City and employee contributions for each plan. Committee members also wanted to view the cost breakdown of the City's administrative fee of \$41.98 per employee per month (PEPM). Shelley noted Kaiser justified their higher dental premium increases by highlighting the growth trend in dental usage, but members also noted the increase occurred after the approval of implant coverage and additional orthodontia coverage by the committee in 2018.

Jay Guo was concerned about the \$3 million operating fund reserve dollars being used to keep the CityCore increase to 5.5%--how long can the City continue to do this, and Shelley conceded that it would not be sustainable over several coverage years. The City has a policy related to the use of reserves and this is looked at each year to determine what is an appropriate level. As indicated, these numbers are preliminary.

The new basic life, LTD and EAP premiums on page 5 highlighted the positive results of the RFP process with Standard Insurance dropping their rates:

- Basic Life premiums dropped by 14.8% or \$61,179.00
- Long Term Disability (basic policy / city paid only) dropped by 30.5% or \$208,155.00
- The addition of Short Term Disability (city paid only) for \$658,477.00
- A 24.2% or \$77,129.00 decrease in premium costs for the employee paid Long Term Disability Buy-Up coverage

Tara Anderson mentioned the employees she's talked to are excited about the travel insurance benefits highlighted in the latest Benefits newsletter... is it a new benefit? Michelle responded it has been part of our Standard Insurance life policy but not communicated well. Staff are currently working with Standard and VSP (Vision Service Plan) to better understand what additional benefits are available to City employees. Dave added that these companies should be providing the City

with marketing materials to better communicate these perks. Michelle agreed and added Standard may have offered additional money for the City to spend on marketing. Ashlie responded that from a recruiting standpoint, these additional types of benefits are important to highlight at job fairs and potential recruits.

Administrative rates/premiums from Moda, Kaiser, Express Scripts (ESI), VSP, WageWorks, Cascade Centers and Standard Insurance were highlighted on page 6 of the presentation. ESI, WageWorks and Cascade Centers showed no change as all are still locked into current contract.

Moda is providing a rate pass for next coverage year (2019-20) and an updated 5-year rate guarantee schedule highlighting the following (page 8):

- There would be no per employee per month (PEPM) increases for medical administration or management, the PHCS network (for retirees and COBRA participants) or changes to the Prescription Interface Fee
- However, Moda is increasing its PEPM cost by 7.7% or \$.25 for the Connexus Network and a 1.5% or \$.02 PEPM increase for the Health Advocate

Anne discussed Moda's clinical enhancements or offerings for both CityCore and CityHD plans in the next coverage year (pages 9 and 10):

- **Item 1: MagellanRx Management** – This partnership between Moda and MagellanRx offers a provider administered injectable medication authorization process, post-service pre-claims edit program and site of care program. Besides authorization, the program would help guide medical injectable drug administration to the most economic and clinically appropriate site of service. The cost would be \$.35 PMPM. UPDATE: We have this program already (recommended by the LMBC and implemented), the issue is that Moda is seeking to charge the City for this management. Aon will be pushing back.

Jay wanted to know what the projected savings would be after implementation and Anne replied Moda did not provide this information, but Aon will request it.

- **Item 2: Telehealth/Virtual Visits** – In partnership with OHSU, members can access care through live video chat on a computer, tablet or smart phone. There would no additional administrative fees with this service.

There is some concern that this would go against the philosophy of the Preventive Care Initiative's goal of establishing relationships with primary providers.

- **Item 3: MyIDCare** – This partnership between Moda and ID Experts provides financial and medical identity protection for its members (credit monitoring, daily scanning for SSN use, etc.; reimbursements of out-of-pocket expenses). The cost would be \$.30 PEPM.

Jay wondered when such services would be needed, and Anne replied that if a local hospital had a data breach incident, this would offer members additional security. Jamie asked if Moda had any statistics on identity theft and access to health services and Aon will request information.

- **Item 4: EviCore Health Imaging Management** – This program has been offered before; Moda contracts with EviCore Health to conduct pre-authorization reviews of imaging service requests. The cost would be \$.55 PMPM for advanced imaging management or \$1.00 PMPM if musculoskeletal imaging management was added.

The discussion moved on to state-based regulatory changes that will affect the self-insured plans (pages 11 – 14):

- **Item 1: Hearing Aids** – a. The current benefit offers coverage for **initial** ear molds and batteries. Hearing exams and hearing assistive technology systems are not currently covered.
b. After regulation takes effect, ear molds will be covered up to four times per year for members under age eight and once per year for ages eight to 25. A box of replacement batteries will be covered each year for each hearing aid. Hearing tests will be covered twice per year for under age four participants and once per year for ages four and above. Assistive technology systems for ages 18 and under will be covered
- **Item 2: Reproductive Health and Women’s Preventive Health Services** – a. The current benefit is coverage at no cost for the most effective options; FDA approved devices and products are covered when prescribed by a doctor; abortion is covered at the surgical benefit level. Male contraceptives are excluded; out-of-network services are either not covered or are covered at the out-of-network benefit level.
b. After the regulations take effect, all mandated contraceptive devices, drugs and products are covered at no cost; FDA approved contraceptive devices, drugs, etc. are covered without a prescription; Male contraception, including sterilization is covered at no cost share. In-network abortion is covered at no cost, prior authorization is no longer required though plan can deny services that are experimental; if no in-network provider is geographically accessible, out-of-network services may be paid at no cost.

Committee members wanted examples of male contraceptives—will the plan cover condoms?

- **Item 3: Reproductive Health and Women’s Preventive Health Services – CityHD (high deductible plan)**
a. The current benefit offers abortions service at standard cost sharing, male contraceptives are excluded.
b. After the regulations take effect, in-network abortions and male contraception/sterilization are covered at a zero copay after the deductible is met.
- **Item 4: Mental Health** – a. Currently, Qualified Mental Health Associates and Certified Peer Support Specialists as well as health crisis care management and care coordinators are non-covered providers.
b. Now that a bill has passed, Qualified Mental Health Associates and Certified Peer Support Specialists are covered when working for a state-approved program; behavioral health assessment, case management and care coordination that are medically necessary to transition a member with a behavioral health crisis to a lower level of care will be covered.
- **Item 5: Osteopathic Manipulation** – a. Currently, evaluations billed on the same day of a manipulation are denied.
b. Now evaluations will be covered whether performed on the same or different day as osteopathic manipulations.

Other benefit change proposals listed on page 15 include the following:

- **Item 1: Telemedicine** – Out-of-Network telemedicine is currently not covered. The proposal includes coverage for out-of-network telemedicine services to preserve patient-provider relationships particularly for behavioral health.
- **Item 2: Tobacco Cessation** – Currently, out-of-network services are paid as an in-network covered service but Moda is proposing to change this to out-of-network.

Moda proposed this change last year and committee members rejected it because participant numbers are already low, and the City wants to encourage members to quit tobacco.

Anne moved on to Express Scripts' Clinical Enhancements proposals beginning on page 17:

- **Item 1: Fraud, Waste and Abuse Enhancements (opioid / prescription monitoring)** – This team monitors abnormal utilization or prescribing among members, spots abusive or fraudulent patterns. Currently, based on claims data only, there are 21 members at moderate risk and 2 at high risk.

Jamie mentioned the committee rejected this program last year and instead decided to waive charges for members at in-patient facilities specializing in alcohol and chemical dependency treatment. Anne and Aon will find out the PMPM cost of this program.

- **Item 2: RationalMed** – Program that evaluates integrated health information (medical, pharmacy, lab and patient self-reported data) and identifies patients who are at risk for hospitalizations and long-term health complications. Potential safety issues are sent to the prescribing physician in the form of a RationalMed alert; alerts are also sent to pharmacists, patients and care/case managers based on client's wishes. Reduced hospitalization costs and better use of prescriptions may occur as a result. The cost would be \$.25 PMPM for the first year and \$.35 PMPM for second year. ESI estimates the plan would save \$60,500 in the first year and \$66,826 in the second year.

Claire Houston wanted to know what sort of intervention this program would provide to members besides an alert; this can be questions. Additionally, Anne added that she believed Moda would not give ESI lab data for free.

- **Item 3: SaveOn Copay Offset Program** – Express Scripts partners with SaveOn to help members take advantage of manufacturer rebates through plan redesign and re-designation of specialty drugs as non-essential. Though the estimated savings are \$461,000, SaveOn would require the City to contract with them separately or sign on to ESI's master agreement. SaveOn would also retroactively take 25% of these savings. Currently, 76 members are taking a drug targeted by SaveOn.
 - Plan design changes would require specialty drugs to be categorized as non-essential and as a result, the copays would not apply toward a member's medical out-of-pocket maximum. However, members could potentially pay \$0 copays as a result.

Jamie and Rachel have both heard complaints from members about Express Scripts lacking cost transparency as well members being "steered" to a preferred drug (either generic or brand). The City also has concerns as does Aon regarding ESI's approach. Aon will come back with additional information.

Moda's proposed stop loss renewal rate was highlighted on page 19; Moda has requested a 15% increase or a \$.85 PEPM increase, assuming no changes to the current 2018-19 plan. The total annual premium would increase from \$262,226.00 or \$301,537.00 or by \$39,311.00. Aon will be pushing back on this as well.

Anne moved the discussion on to the self-insured dental plan with Moda / ODS Dental on page 20. The City is entering the second year of a five-year administrative cap guarantee and Moda is requesting a 1.5% or \$.09 PEPM increase in administrative fees. They've also proposed the following benefit changes to the plan:

- **Item 1: Benefits and Limitations** – a. Current plan states that accidental injury coverage is secondary to medical.
 - b. Moda/ODS would like to have the standard coordination of benefits rules apply to determine the primary or secondary order.

- **Item 2: Benefits and Limitations** – a. Currently, space maintainers are covered at one-time per space.
- b. Moda/ODS would like to change it to coverage for members under age 14 as the evidence shows that space maintainers are used prior to age 14.

Anne mentioned the committee has rejected these proposals in prior years.

- **Item 2: Benefits and Limitations** – a. Currently composite restorations in posterior teeth (molars) are not covered and members pay the difference between amalgam (silver) and composite (white/tooth color). Inlays are considered an optional service and an amalgam filling is offered as an alternative to an inlay.
- b. Because composite fillings on posterior teeth are now standard dental practice, they will now be covered for posterior teeth and the optional service for an inlay would be a composite filling.

As highlighted on page 22, VSP (Vision Service Plan) proposed a 37.6% decrease (from \$1.25 to \$.78 PEPM) to administrative fees during the RFP process. This 5-year rate guarantee would begin on July 1, 2019.

With the conclusion of the self-insured plan change information, Anne moved on to Kaiser's proposed rate and plan changes on page 24. As mentioned previously, Kaiser has proposed a flat -.1% or \$30,414.00 decrease over the current premium rate guarantee for the fully insured plan. For the Kaiser Senior Advantage plan (a Medicare supplemental plan for retirees), Kaiser is proposing a 3.1% rate increase.

Page 25 highlights the Kaiser Dental plan proposed changes and Kaiser has requested a 4.5% or \$134,882.00 increase in premiums rates; Anne added that Aon will push back on this request as dental claims have remained relatively flat over the years.

Discussion began on the City's ancillary plans, as Anne highlighted the new changes in the Standard Insurance plans after the RFP process ended. A Short-Term Disability (STD) plan may be part of the benefit offerings. If implemented, the Long-Term Disability plan waiting period would be extended from 60 days to 90 days and PFFA's plan may be included under the City's policy number, with appropriate approval. During open enrollment, Standard will also allow all eligible employees to enroll in the LTD buy-up plan (additional 20% of monthly salary), even if they had been previously denied coverage. Other plan highlights include:

- A 30.5% or \$208,155 decrease in the cost of the LTD basic plan for the City
- A 24.2% or \$77,129 decrease in the cost of the LTD Buy-Up premiums for employees

Michelle emphasized the Benefits Office would be working on specialized communication (e-mails, postcards, online announcements, etc.) to let employees know about this opportunity; she could also provide a range of premium rates to union leaders so they can communicate this to their members. LTD is based on salary and the Benefits Office reviews employee rates every May 1st to determine/lock in the premium amounts, etc. for the entire year.

For City-paid Basic Term Life, Standard proposed a 14.8% or \$33,562 reduction to current rates, with an occupational death benefit being added to the plan (twice the amount will be paid if a death occurs on the job). This new four-year rate guarantee will extend though to June 30, 2023.

Page 29 highlighted the City's potential Short-Term Life (STD) policy, if approved by City Council. During open enrollment, all benefit eligible employees will be able to enroll in the STD Buy-Up plan and be automatically approved, without providing any medical history to Standard Insurance.

This STD plan has a two-week waiting period with a maximum benefit period of 11 weeks. Eligible employees who are still unable to work may be transitioned to the Long-Term Disability plan.

- The City will pay for the Core plan, providing a weekly benefit of 40% of salary, up to \$770
- The voluntary employee paid Buy-Up plan covers an additional 20% of annual salary, up to a total weekly benefit of \$1,730 (includes Core)
- PFFA members may be included but further approval will be required

For employee-paid Supplemental Term Life, the premium rates will remain the same. However, during open enrollment, employees will be able to elect a one-time \$50,000 policy/increase (up to the \$300,000 maximum GI) without submitting any medical history to Standard—even if they have been previously denied coverage. And beginning on July 1, 2019, separated employees will be able to port or transfer up to \$200,000 of their current supplemental life policy, an increase of \$50,000, and continue to pay their active employee premium rate up to age 75.

The Employee Assistance Program (EAP) administered by Cascade Centers will not have any rate changes during the next coverage year as the City is entering the fourth year of a five-year rate guarantee (expires on June 30, 2021). However, Cascade has offered the following additional benefits:

- **Item 1: New Services and Upgrades** – Discount pet insurance, online compassion fatigue center, end of life planning guide, enhanced financial coaching website and identity theft improvements. No additional cost for these upgrades and these offerings are available now.
- **Item 2: WholeLife Directions** – This program includes a complete mental health appraisal and online/mobile app therapy tool resulting in increased engagement and utilization among members. The additional cost is \$.30 PEPM and the City has requested Cascade Centers provide data on the use/success rates with other public-sector groups.

There are no changes to the Flexible Spending Account Program (FSA) and Health Retirement Account (HRA/voluntary retirement incentive program), administered by WageWorks. The current rate is \$3.25 PEPM or \$77,922 per year (1998 employees currently enrolled) For the next coverage year, the Federal FSA limit will increase from \$2,650 to \$2,700 with the minimum amount required to carry over any unused FSA money still \$50 and the maximum roll over amount still \$500.

With time running out, members agreed that an additional meeting on January 22nd should be scheduled for this committee. Michelle will e-mail members about the time and location of this future meeting.

5. Other Business: None

6. Public Comment: None

7. Next Meeting: Tuesday, January 22, 2019, Rose Room, City Hall. The meeting will begin at 10:30 am and will be scheduled to go until noon.

8. The meeting was adjourned at 3:02 PM.