

LMBC Meeting Minutes
June 18, 2019
Pettygrove Room, City Hall
Attendance

LMBC Members present

Dave Benson
Alan Ferschweiler
Chris Flanary
Mark Gipson
Jeannette Hopson
Claire Houston
Ryan Kinsella
Craig Morgan
Rachel Whiteside

Staff

Cathy Bless
Anne Hogan
Michelle Taylor

Presenters

Anne Thompson (Aon)
Emily Shettel (Aon)

LMBC Members absent

Tom Armstrong
Jamie Doscher

- 1. Meeting Called to Order** – Co-chair Dave Benson called the meeting to order at 1:34 pm.
- 2. Meeting Minutes Discussion**

Dave requested the committee review the February 19th, March 12th, March 19th and April 16th meeting notes for any errors. With no changes required, Alan Ferschweiler motioned for members to approve minutes as written and Craig Morgan seconded it. The committee approved them.

3. Discussion of Self-Funded Financial Reporting (Cathy Bless)

Cathy Bless began the discussion of the Summary of Wire Transfers handout listing the City's self-insured claims experience as of 5/31/19. Medical claims were up 6% from the previous year, while prescription and dental claims were up 5% and 4%.

Cathy estimated that the loss ratio percentage for May was 104%. This percentage is calculated by comparing the amount of revenue coming in to expenditures that are being paid out to vendors (admin/stop loss fees, medical and prescription claims). These numbers only include the CityCore and CityHD self-insured plans. A loss ratio percentage of less than 100% is ideal.

Cathy indicated no June claims were included in this report and larger claims are to be expected because it's the end of the plan year and many participants have met their deductible.

The City received almost \$2,000,000 in Express Scripts prescription rebates for the 2018-19 plan year. After the latest repricing agreement, the City can expect an additional savings of \$450,000 for next plan year 2019-20. Claire Houston asked Cathy what the expected annual Express Scripts rebates will be in future years and Cathy replied about \$1.2 million.

4. Open Enrollment – Preliminary Results (Cathy Bless, Michelle Taylor)

Michelle Taylor discussed with members the four-week annual enrollment period open to employees from May 7th to June 10th. The overall enrollment numbers were very encouraging with approximately 67% of employees logging on and reviewing their benefits. In previous years, about 50% of employees had participated in open enrollment.

The Benefits Office open enrollment (OE) communications roll-out included a streamlined “What’s New” mailer to employees, 20 informational sessions held at bureaus/locations across the City, numerous e-mails, texts and postcard reminders. The Benefits phone line also received hundreds of calls and many employees dropped by the office to have their questions answered.

In addition to mailing out informational flyers to employees, Standard Insurance also hosted three well-attended online webinars focusing on its life and disability plans. They included a question and answer session with participants.

As a result of this focus on financial security, the initial participation numbers in these various offerings were promising:

- **1225** employees enrolled in the new Short-Term Disability Buy-Up plan or about 25% of eligible employees
- **750** employees enrolled in the guaranteed approval period of Long-Term Disability Buy-Up plan; the total number of employees now stands at 2779
- **1413** employees added additional supplemental life largely due to the temporary guaranteed approval period (up to \$50,000, not to exceed \$300,000, was approved without medical history information)
- **758** spouses/domestic partners made increases to their life policy plan largely due to the temporary guaranteed approval period (up to \$10,000, not to exceed \$30,000, was approved without medical history information)
- **156** children were enrolled in new child life policies
- **2000** employees enrolled in the flexible spending account (FSA) program, an increase from previous years

Michelle attributed this upward participation trend to these Standard Insurance offerings, which included new short-term disability plans, but also to BenefitFocus’s (software vendor) introduction of a smartphone enrollment application to employees. This smartphone application allowed employees the ability to review and change their benefits from almost anywhere. As the open enrollment numbers are reviewed and finalized, these trends will become more apparent.

Final open enrollment confirmation statements were being processed and will be mailed out in mid-June, prior to the new 7/1/19 plan year start date. Michelle encouraged committee members to remind employees to review these statements for errors.

Claire Houston asked how many participants used the software app and Michelle responded this was not known yet. Mark Gipson added that when he first signed up for additional supplemental life insurance, he got a system message that he needed to complete an evidence of insurability form, which was confusing to him as it should not have been a requirement. Michelle acknowledged this system limitation but added there was information mailed to employees about this “pending” message and it was also addressed in open enrollment sessions.

Staff will be reviewing all the supplemental life changes in the system to make sure the guaranteed issue amounts requested are correctly processed. Dave Benson asked if there was a way to audit the enrollment system and Michelle answered the software allows administrators to see employees’ histories of changes including who logged in, what changes were made, etc.

To improve outreach to employees without City e-mail addresses and with the help of the Bureau of Technology Services (BTS), Cathy Bless explained that those with city-issued phones have automatically been enrolled in the Benefits Text club. Texts include important

benefits alerts as well as rewards such as discount passes. This should improve overall communications with these employees.

The Ordinance with benefit plan changes and vendor contract recommendations will be presented to City Council on 7/10/19 as an emergency Ordinance. There had been a great deal of preparation prior to this because of the number of Request for Proposals (RFP) and resulting five contracts all being reviewed at same time. Cathy and Michelle are currently working with the City Attorneys' Office to finalize the contracts with Standard Insurance and Moda.

5. Planning for the 2020-2021 Coverage Year (Aon)

Referring to the June LMBC slide deck, Emily Shettel began the discussion by reviewing the vendors and their rate guarantee dates listed on slide two. As Anne Thompson pointed out, these dates don't necessarily parallel with the contract dates.

Slide three listed the LMBC planning and renewal timeline for the next plan year. The committee agreed with Aon's recommendation of adding two additional LMBC meetings (one each in February and March) to ensure ample time for reviewing upcoming plan year recommendations. Emily asked committee members to begin thinking about what issues that they would like to tackle with vendors/carriers. Slide four listed some of these concerns and issues that members had previously brought up with the committee:

Moda Medical:	<ol style="list-style-type: none">1. Revisit/continue waived copays for outpatient mental health and substance abuse providers2. Review orthotic coverage as requested by PRO TEC173. Moda will provide their own plan recommendations by 11/22
Kaiser	<ol style="list-style-type: none">1. Set strategy to balance cost and plan design
Express Scripts	<ol style="list-style-type: none">1. Set strategy to establish consistent Rx cost share. Initial recommendation is 8%2. Revisit SaveOn Rebate Program and Aon's other client experiences3. Conduct annual market check to ensure competitive pricing terms (Jan – March)4. ESI will provide their own clinical plan recommendations by 11/22
VSP	<ol style="list-style-type: none">1. Consider Kids Care Program to allow more frequent vision Rx updates
Voluntary Benefits	<ol style="list-style-type: none">1. Consider the addition of Voluntary Benefits (employees pay for premiums) such as critical illness, hospital indemnity and accident insurance

Emily mentioned members had previously discussed waiving copays/costs for inpatient mental health care and both Alan Ferschweiler and Claire Houston agreed it was an important issue. Claire also added that coverage for hearing aids and Lasik surgery had been requested by employees.

If Moda's telemedicine program proves successful, Alan would like to see the program expanded and Cathy also added the retiree population is involved in a pilot project with a company called 98point6, which offers on demand, text-based primary care to participants. She will present this resulting participation data when it becomes available.

Craig Morgan discussed the need for a vision plan above and beyond what the current Vision Service Plan (VSP) Buy-Up plan currently offers to employees. Both Dave Benson and Rachel Whiteside would like Kaiser plan change discussions to begin sooner so members are better informed and comfortable discussing the pros and cons of such changes.

Cathy emphasized members should also make intentional decisions about prescription costs. Dave added he would like a review of the 95/5 premium cost structure. Cathy responded plan funding is determined by the Labor Relations team and unions via contract bargaining while the LMBC is responsible with plan design.

6. Mental Health Initiative Update (Cathy Bless)

The Mental Health Initiative officially begins on 7/1/19 and a flyer announcing a key benefit (\$0 copays for in-network office visits with mental health and chemical dependency providers) will be included with confirmation statements mailed out to employees. The City website will also be updated to include more information about this initiative and CityStrong in general. Joel Michels is currently working with Cascade Centers, the City's employee assistance program (EAP) vendor, to have their Whole Life Directions online tool ready and available for interested employees. This online tool features a survey to help participants assess their mental health needs. Joel is also hoping to hire an Occupational Health assistant to help create monthly presentations ("how to find a provider", etc.) and to answer employee questions.

Regarding Moda participants, Express Scripts has a list of medications associated with mental health or chemical dependency treatment and those drugs will be set at the \$15 co-pay maximum for a prescription. This co-pay amount will match Kaiser's prescription structure

As the meeting ended, Dave reminded committee members to tell their employees to review their confirmation statements. The Benefits Office will be e-mailing and texting employees with reminders too.

7. Other Business: None

8. Next Meeting: Tuesday, September 17, 2019, City Hall, Lovejoy Room. The meeting will begin at 1:30 pm and will be scheduled to go until 3:00 pm.

9. The meeting was adjourned at 2:37 PM.