LMBC Meeting Minutes
April 1, 2025
Portland Building, Room 216
Compiled by Maria Xiong

LMBC Members:
Tom Armstrong, Mgmt – Present
Jamie Doscher, Labor – Present
Erich Pacheco (Blake), Mgmt. – Present
Vince Elmore, Labor – Present
Kim Epling, Mgmt. – Present
Margaret Evans, Mgmt. – Present
Chris Flanary, Labor – Present
Leslie Goodlow, Mgmt. Co-Chair – Present
Lacey Sparling (Casey), Labor – Present
Claire Houston, Labor – Present
Rob Hutchens, Labor – Present
Lex Jakusovszky, Mgmt – Absent
Michele Juon (Kim proxy), Mgmt. – Absent
Nick Kreimeier, Labor – Present
Isaac McLennan, Labor – Present
Nicole Powell, Mgmt. – Present
Aaron Rivera, Mgmt. – Present
Jenny Scott, Labor – Present
Amy Tuttle, Mgmt. – Present
Carolyn Welch, Labor – Present
Rachel Whiteside, Labor Co-Chair - Present
Ron Zito, Mgmt. – Present

Staff:
Michelle Taylor
Santos Aguilar
Maria Xiong

Aon
Jenn Weddle
Erin Walker

1.Call to order: Co-Chair Rachel Whiteside called meeting to order 10:35 AM.

2.Meeting Minutes: March 18, 2025 minutes will be available to review at the next regular meeting.

3. Follow-up items from last meeting/ Updates:
The meeting began with a committee discussion to clarify voting thresholds and methods outlined in the various collective bargaining agreements (contracts). It was recommended and acknowledged that LMBC could benefit by the creation of bylaws ahead of future votes. Prior to the vote in March of 2024, Co-Chairs Rachel and Leslie with Michelle met and mutually agreed upon 75% of votes required to move forward a recommendation to Council. There was acknowledgement that many contracts have outdated language, and this committee is now at 22 members, with the recent addition of AFSCME's ratified contract. For this meeting and consistent application from the

voting meeting in March, the 75% threshold will be used to move forward recommendations.

Members revisited the original task of the committee which was to come up with three proposed packages to move forward to Council, meeting the 8%, 10%, and 12% goals.

Differing perspectives were discussed amongst committee members with some folks feeling the primary task was to develop option packages, since financing the decision falls under the Council's responsibilities. Other viewpoints emphasized that financial responsibility is a core value, and therefore, it is optimal to create options within the budget guidelines provided by the City Budget Office.

Discussion shifted to the previous meeting and the committee generally agreed the 12% package and the 10% packages met the 75% voting threshold and would be the recommended changes making up the options presented for Council consideration.

The committee moved onto discussion of a third option for the 8 percent package, consisting of the following items:

Item 13 – Offer Hinge Health virtual musculoskeletal therapy under ESI benefits. This is an alternate (not replacement) program for physical therapy in a virtual setting. ESI estimates 812 members would be eligible, and this benefit would result in a 0.6% premium reduction.

Item 16 – Implements Transcarent access to surgery Centers of Excellence (COE). Reduces claims costs and improved outcomes. Cost sharing not waived for use of COEs. Fee is $2 PEPM, plus case management fees. 0.3% decrease in premium.

Item 18 – Implements Transcarent cancer support package which includes oncology surgeries, chemo/radiation, second opinion services, at-home urgent care, and support for patients, survivors, and caregivers. Reduces claims cost and improves outcomes. $2 PEPM, plus case rate fees. Expected 0.1% decrease in premiums.

Item 20.5 - Implement Garner, adding to Moda medical plan to incentivize members to utilize high quality providers in the existing network, implementing a $1250 Health Reimbursement Account with a deductible of $500, $2050 out-of-pocket maximum, and for CityHD $2000 Health Reimbursement Account with a deductible of $3650, $7,200 out-of-pocket maximum. This change decreases the overall renewal by **1.6%.**

Item 33 – Adjusts the Kaiser plan and implements a $250 deductible, $2,000 out-of-pocket maximum, three tier pharmacy copay, 10% cost for outpatient surgery and inpatient services after deductible, $200 copay for emergency room, 20% coinsurance for ambulance after deductible, 10% coinsurance for lab/imaging after deductible. This change decreases the overall renewal by **3.4%.**

One member noted the 8 percent Option 3 package would have a direct financial impact on Kaiser participants. Another member commented that 8 percent, option 3 distributes the impact more evenly across all participants. They recalled in prior meetings, it was discussed that 8 percent, option 1 primarily affects Moda participants, while 8 percent, option 2 impacts Kaiser participants.

A committee member voiced concern of the impact to pharmacy- the deductible and out of pocket maximum seem ok, but the pharmacy change is going to be more impactful.

Another concern was raised about how costs can be evenly distributed across the City, given that Moda covers 65% of the City's population while Kaiser covers 35%. They pointed out that Kaiser participants, despite being the smaller group, would see a deductible increase from $0 to $250 under one of the proposed options at the 8% renewal level, while Moda participants have a perceived experience of gradual increases over the years. Additionally, Kaiser members would face a $400 increase to the out-of-pocket maximum.

Another member reminded the committee that our 2024-25 plan year surcharge was introduced specifically to help cover the cost increase of Kaiser. This renewal came in at 14% and no changes were recommended, where there were some changes approved impacting the Moda plan. Supporting this point, one member acknowledged that although the impact on Kaiser is substantial, Item 33 still appears to be the more balanced option. A member stated that the monthly $25 surcharge results in a greater annual cost than what Item 33 would impose.

Shifting the focus, a member suggested that it's important to remember the committee's role is to make decisions grounded in shared values. While recognizing the City's broader budget challenges, they expressed getting to the 8 percent threshold is difficult to support and feels inequitable. They encouraged the group to explore whether consensus could be found on an 8 percent package—not necessarily as a reflection of the group's values or a means of support, but to show commitment to the ask of last year's Council.

The conversation shifted to discussion on creating a recommendation to council at the 8% level and this additional meeting was specifically requested so the group could explore the previously suggested third option and move to a vote. Recalling the vote on March 18, the committee confirmed that 8 percent, option 2 passed the 75% threshold with 15 out of 20 voting yes.

To ensure clarity moving forward, the group was in agreement to revote on options 1 and 2, then hold a vote on option 3, so all recommendations at the 8% level would receive a formal vote.

Voting members voiced either a 'yes' or a 'no' vote for the options presented. Given the recently ratified AFSCME contract, two new members are now included in the vote.

Chris Flanary, representing Labor and Aaron Rivera, representing Management are now eligible to vote. There are now 22 voting members in total.

The 8 Percent, Option 1 package consists of:

> **Item 13** – Offer Hinge Health virtual musculoskeletal therapy under ESI benefits. This is an alternate (not replacement) program for physical therapy in a virtual setting. ESI estimates 812 members would be eligible, and this benefit would result in a **0.6%** premium reduction.
> **Item 16** – Implements Transcarent access to surgery Centers of Excellence (COE). Reduces claims costs and improved outcomes. Cost sharing not waived for use of COEs. Fee is $2 PEPM, plus case management fees. **0.3%** decrease in premium.
> **Item 18** – Implements Transcarent cancer support package which includes oncology surgeries, chemo/radiation, second opinion services, at-home urgent care, and support for patients, survivors, and caregivers. Reduces claims cost and improves outcomes. $2 PEPM, plus case rate fees. Expected 0.1% decrease in premiums.
> **Item 22** – Increasing CityCore deductible to $750 and out-of-pocket maximum to $2,300. Increasing CityHD deductible to $3,600 and out-of-pocket maximum to $7,200. Integrates Garner which incents members to use high quality providers within the existing network. The incentive proposed for CityCore is $1,500/$3,000 Health Reimbursement Account (HRA). The incentive proposed for CityHD is $1,000/$2,000 HRA. This option decreases premium by **2.7%.**
> **Item 32** – Adjusts the Kaiser plan to closely mirror the current CityCore plan design. Implements a $150 deductible, $1,000 out-of-pocket maximum, three tier pharmacy copay, increase in primary care visit copay after the first three visits, $25 specialty care copay, $35 urgent care copay, 20% cost for outpatient surgery and inpatient services after deductible, 20% cost for emergency room and ambulance after deductible, $15 copay for simple lab/imaging, and $75 for complex lab/imaging. This change decreases the overall renewal by **1.8%.**

This option does not move forward as it yielded 2 ‘yes’ votes to 20 ‘no’ votes.

The 8 Percent, Option 2 package consists of:

> **Item 13** – Offer Hinge Health virtual musculoskeletal therapy under ESI benefits. This is an alternate (not replacement) program for physical therapy in a virtual setting. ESI estimates 812 members would be eligible, and this benefit would result in a **0.6%** premium reduction.
> **Item 16** – Implements Transcarent access to surgery Centers of Excellence (COE). Reduces claims costs and improved outcomes. Cost sharing not waived for use of COEs. Fee is $2 PEPM, plus case management fees. **0.3%** decrease in premium.

Item 18 – Implements Transcarent cancer support package which includes oncology surgeries, chemo/radiation, second opinion services, at-home urgent care, and support for patients, survivors, and caregivers. Reduces claims cost and improves outcomes. $2 PEPM, plus case rate fees. Expected 0.1% decrease in premiums.
Item 20 – Implement Garner, adding to Moda medical plan to incentivize members to utilize high quality providers. Implementing with no change to benefit coverage levels and $1,000 incentive would see a **0.6%** premium reduction.
Item 33 – Adjusts the Kaiser plan and implements a $250 deductible, $2,000 out-of-pocket maximum, three tier pharmacy copay, 10% cost for outpatient surgery and inpatient services after deductible, $200 copay for emergency room, 20% coinsurance for ambulance after deductible, 10% coinsurance for lab/imaging after deductible. This change decreases the overall renewal by **3.4%.**

This option does not move forward as it yielded 12 ‘yes’ votes to 10 ‘no’ votes.

The 8 Percent, Option 3 package consists of:

Item 13 – Offer Hinge Health virtual musculoskeletal therapy under ESI benefits. This is an alternate (not replacement) program for physical therapy in a virtual setting. ESI estimates 812 members would be eligible, and this benefit would result in a **0.6%** premium reduction.
Item 16 – Implements Transcarent access to surgery Centers of Excellence (COE). Reduces claims costs and improved outcomes. Cost sharing not waived for use of COEs. Fee is $2 PEPM, plus case management fees. **0.3%** decrease in premium.
Item 18 – Implements Transcarent cancer support package which includes oncology surgeries, chemo/radiation, second opinion services, at-home urgent care, and support for patients, survivors, and caregivers. Reduces claims cost and improves outcomes. $2 PEPM, plus case rate fees. Expected 0.1% decrease in premiums.
Item 20.5 - Implement Garner, adding to Moda medical plan to incentivize members to utilize high quality providers in the existing network, implementing a $1250 Health Reimbursement Account with a deductible of $500, $2050 out-of-pocket maximum, and for CityHD $2000 Health Reimbursement Account with a deductible of $3650, $7,200 out-of-pocket maximum. This change decreases the overall renewal by **1.6%**.
Item 33 – Adjusts the Kaiser plan and implements a $250 deductible, $2,000 out-of-pocket maximum, three tier pharmacy copay, 10% cost for outpatient surgery and inpatient services after deductible, $200 copay for emergency room, 20% coinsurance for ambulance after deductible, 10% coinsurance for lab/imaging after deductible. This change decreases the overall renewal by **3.4%.**

This option does move forward as it yielded 18 ’yes’ votes to 4 ’no’ votes, meeting the 75% threshold.

The question of what recommendation should be made to the Council was raised and a member motioned to recommend the 10 Percent Package. The motion was seconded.

10 percent package:

> **Item 13** – Offer Hinge Health virtual musculoskeletal therapy under ESI benefits. This is an alternate (not replacement) program for physical therapy in a virtual setting. ESI estimates 812 members would be eligible, and this benefit would result in a **0.6%** premium reduction.
>
> **Item 16** – Implements Transcarent access to surgery Centers of Excellence (COE). Reduces claims costs and improved outcomes. Cost sharing not waived for use of COEs. Fee is $2 PEPM, plus case management fees. **0.3%** decrease in premium.
>
> **Item 18** – Implements Transcarent cancer support package which includes oncology surgeries, chemo/radiation, second opinion services, at-home urgent care, and support for patients, survivors, and caregivers. Reduces claims cost and improves outcomes. $2 PEPM, plus case rate fees. Expected **0.1%** decrease in premiums
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> **Item 20** – Implement Garner, adding to Moda medical plan to incent members to utilize high quality providers. Implementing with no change to benefit coverage levels and $1,000 incentive would see a **0.6%** premium reduction.
>
> **Item 32** – Adjusts the Kaiser plan to closely mirror the current CityCore plan design. Implements a $150 deductible, $1,000 out-of-pocket maximum, three tier pharmacy copay, increase in primary care visit copay after the first three visits, $25 specialty care copay, $35 urgent care copay, 20% cost for outpatient surgery and inpatient services after deductible, 20% cost for emergency room and ambulance after deductible, $15 copay for simple lab/imaging, and $75 for complex lab/imaging. This change decreases the overall renewal by **1.8%.**

One member commented they feel the 10 percent package reflects the rising cost of healthcare, acknowledges the City's budget shortfall, and recognizes that all three packages involve sacrifices. Given the circumstances, some members felt this was reasonable to accept the impact and request continued support from the Council.

A motioned was made to vote on sending all three packages forward, with the recommendation in favor of the 10 percent package. Motion was seconded.

A vote was taken in response to this motion. Sending all three packages forward, with the recommendation in favor of the 10 percent package did not pass with 13 'yes' votes, and 9 'no' votes.

A motion was made to recommend the 8 percent, option 3 package to Council. Motion was seconded.

One member emphasized the significance of the group's work in developing three recommended packages.

Another member raised a point of importance involving this group’s need to recommend a package that meets the 8% budget threshold while still offering a range of options. Other members indicated the focus of the committee is not merely to hit a specific number, but to provide benefits best fitting the needs of City employees and their families. While fiscal responsibility remains a core value, the commitment is to the many guiding principles discussed throughout the year. It's also important to note the committee is tasked with making recommendations to Council and to ensure options have been explored, aligning with values and guiding principles.

The committee proceeded to vote for the 8 percent, option 3 package (details listed above and are the same as the previous vote) as the recommended package for Council. This did not pass with 9 ’yes’ votes to 13 ’no’ votes.

No percentage recommendation received enough votes to be presented as the Committee recommendation, but there are plan design options for consideration within the 8%, 10%, and 12% packages.

4. Other Business: None

5. Public Comment: None

The meeting adjourned at 12:01PM

6. Next Meeting: April 15, 2025, 1:30 PM – 3:00 PM. Details available upon request or via the meeting invite.