LMBC Meeting Minutes
December 16, 2024
Zoom Meeting
Compiled by Anne Hogan

LMBC Members:
Amy Tuttle, Mgmt - Present
Blake Dye, Mgmt - Present
Carolyn Welch, PPA-BOEC- Present
Casey Hettman, PPCOA- Present
Claire Houston, PCL- Present
Isaac McLennan, PFFA- Present
Jenny Scott, City Auditor's- Present
Kim Epling, Mgmt- Absent
Leina'ala Slaughter (for Jamie Doscher) - Present
Leslie Goodlow, Mgmt- Present
Lex Jakusovszky, Mgmt- Present
Margaret Evans, Mgmt- Present
Michele Juon, Mgmt – Present
Nick Kreimeier, DCTU - Present
Nicole Powell, Mgmt- Present
Rachel Whiteside, PTE17- Present
Rob Hutchens, PFFA- Present
Ron Zito, Mgmt- Present
Tom Armstrong, Mgmt- Present
Vince Elmore, IPR- Present

Guest Presenters:
Laura Odoms, Moda
Lori Armitage, Moda
April Canetto, Moda

Nancy Langeland, Express Scripts
Eileen Bondy, Express Scripts

Facilitator: Meredith Holley

Aon:
Megan Poppe

Staff:
Michelle Taylor
Anne Hogan

1. Call to Order: Co-Chair Leslie Goodlow called the meeting to order at 1:00 PM.

2. Moda Annual Utilization Presentation

Moda Account Executive Laura Odoms introduced herself and her team. Underwriter Lori Armitage began the Moda presentation by focusing on the City's Medical Spend Summary (slide 4), which highlighted the allowed per member per month (PMPM) costs by major service category for the previous plan year July 2023 to June 2024:

- Inpatient per member per month (PMPM) costs decreased slightly from $90 in plan year 2022-2023, to $89 in 2023-2024, a -1.4% change.

- Outpatient and professional PMPM costs have increased when compared to the previous plan year: $214 PMPM (outpatient) and $270 PMPM (professional) in 2022-2023 to $221.63 PMPM (outpatient) and $303.81 PMPM (professional) in 2023-2024, a

3.3% and 12.4% increase; professional claims were the primary drivers behind this increase.

When all major service categories are considered, the allowed per member per month (PMPM) amount increased by 6.8% to $614.33 from $575 PMPM in plan year 2022-23. In plan year 2023-24, a total of $35,969,544 was spent on professional services, $26,239,518 was spent on outpatient services and $10,524,563 was spent on inpatient services.

Moving on to slide 5, Lori highlighted the top cost drivers for each service category.

- For inpatient services, the top cost drivers included circulatory system, pregnancy/childbirth, and digestive system admissions.
- For outpatient services, the top cost drivers included surgeries, chemotherapy/therapeutic injections, and ER visits.
- For professional services, the top cost drivers included office visits, mental health/chemical dependency visits and physical therapy/other therapy visits.

Large claims were the focus of slide 6 and Lori noted that cancer diagnoses were the top driver of these claims with the average paid per member being $188,597 (includes both medical and pharmacy (ESI) claims).

Slide 7 listed the inpatient admit details of the 2023-2024 plan year and Lori mentioned that there was not much change from previous plan years.

- There were 33.5 inpatient hospital admissions per 1000 members for the 2023-2024 plan year, a -1.9% decrease from the previous 2022-2023 plan year and 20.1% below similar public peer entities.

Slide 8 highlighted the in-patient pregnancy and childbirth numbers by admit or delivery type. The term “other maternity” includes people who were admitted but who did not go into labor or who did not deliver their babies.

Professional services were summarized on slide 9 and Lori noted that office visits with primary care providers made up 48% of visits and spend; she noted that the Preventive Care Initiative (PCI) had a positive impact by increasing the number of visits and as a result, increasing these costs slightly. Mental health therapy visits comprised 88% of the claims and spend, while PT for back pain and joint disorders made up 50% of the spend. This is a 12.4% change from the previous plan year 2022-2023 and 11.7% above similar public peer entities.

Slide 10 featured details of members’ mental health therapy visits for plan year 2023-2024 and showed that both in person and telehealth services per 1000 members increased to 2,957.3 visits from 2,651.6 visits during plan year 2022-2023, a positive change and a result of members getting the care that they need. Utilization of the virtual mental health tool or smartphone app, Meru also increased.

Lori discussed the City's outpatient service type details on slide 11 and highlighted that there was a 3.3% increase in outpatient allowed per member per month (PMPM) costs due in large part to the high cost of cancer claims. Other services that were higher than similar public peer entities included radiation oncology, mammograms, and CT scans. Lori also noted that outpatient surgeries in a hospital setting decreased by 3%, while surgeries in ambulatory surgery centers (ASC; usually less expensive) increased by 3%.

Moving on to slide 12, Lori broke down emergency room visits, and those claims considered non-avoidable, avoidable, and undetermined. In 2023-2024, 20.2% were considered emergent and non-avoidable, 41.5% avoidable and 38.3% undetermined (not enough information). The top three reasons for these visits are as follows: 1. Abdominal pain, 2. Non-specific chest pain, 3. Open wounds of extremities. Lori noted that these numbers reflected normal or expected utilization at 9% of the City's members (126 visits per 1,000 members).

Moda's April Canetta discussed Slides 14 and 15 highlighting the 2023 HEDIS measure rates, which are a set of standardized performance measures developed by the National Committee for Quality Assurance (NCQA) to objectively measure, report, and compare quality across health plans. Overall, the City's prevention and screening rates were higher than other NCQA reported Moda Oregon PPO entities except for diabetes screening rates and child and adolescent well care visits.

April moved on to slide 18, which highlighted condition prospective specific risk scores, or future risk based on the past year's claims experience. The top risk score by condition in plan year 2023-2024, was depression at 5.9% of members.

April finished discussing the medical claims portion of Moda's presentation by highlighting slide 19, which featured healthcare coordination and member outreach data. There were 3,913 members who were contacted about screenings, tobacco assistance, health coaching sessions, welcome letters, or reminders for needed care.

Lori discussed the dental utilization and claims information on slide 21. As in previous years, the City out-performed other public peer entities at most treatment levels including preventive care (44% or 5,028 members), and minor/moderate care (e.g., fillings; 17% or 1,698 members). There were 3,123 members out of 11,453 who did not seek any services during January to December of 2023. The allowed PMPM increased from $55.36 in the 2022 plan year to $58.83 PMPM in 2023, a 6.3% increase.

As shown on slide 22, the Preventive First benefit, which was added in July of 2022, saved Delta Dental participants money. The addition of this benefit meant preventive care services (and money spent toward these services) were not included in the allowed annual maximum benefits amounts ($2000 for the Delta Basic plan and $2,500 for the Buy-Up plan). Because of this, members had the full allowable maximum amount available for non-preventive services such as crowns, implants, etc. As a result, 139 members on the base plan and 113 members on the buy-

up plan did not go above their maximum allowed amounts for 2023-2024 (excludes orthodontics).

Lori finished the Moda presentation with slide 23 and highlighted the treatment levels of members; 43.9% of members had preventive care while 28% of members did not see a dentist in 2023. Leslie Goodlow asked if the percentage rate of those who did not see a provider was "good or bad" and Lori commented that the City had a better rate than comparable public peer entities (at 33%). She added that nationally members, ages 19-26, typically drive these numbers and it can be difficult to incentivize them to seek out care—especially if they're away at college.

Laura asked the committee whether members had any specific questions and Claire Houston wondered if there were any specific areas that had a major shift in utilization that was a significant cost driver. Lori responded that mental health utilization was a standout and Laura added the City has a very favorable mental health benefit—no cost visits (for in-network care)—so there are very few barriers for members to seek out care. In addition, chemotherapy and therapeutic injection claims had also significantly increased.

Rachel Whiteside asked about areas of care that could be within LMBC control to potentially lower plan costs, such as members with Type 2 diabetes getting additional help through specialized. Laura responded that the Moda team will present recommendations based on City utilization data as part of the renewal request.

1. Express Scripts Annual Utilization Presentation (ESI Team)

Express Scripts (ESI) Account Executive Nancy Langeland introduced herself and her colleague, Eileen Bondy, Clinical Account Executive before she began their Fiscal Year 2023-2024 strategic planning and review presentation. Nancy highlighted the key achievements on slides 3 and 4, which are all programs previously recommended by LMBC, and include the following:

- **RationalMed** – Integrates medical and prescriptions claims to close gaps in care and detect therapy-related safety and health risks. The pharmacy savings was calculated to be $82,500.
- **Advanced Opioid Management -** Point of service notification alert system that enforces appropriate dispensing of medications to ensure patient safety and documentation on opioid therapy claims. The total estimated savings was $38,200.
- **SaveOnSP** – Allows both the plan and members to take advantage of manufacturer copay assistance for high priced specialty drugs; copays for members who enroll are $0. The plan net savings was $606,000 and for members, $15,500.
- **Advanced Utilization Management** – Directs members to the most clinically appropriate and cost-effective medications. Total savings estimated at $1.9 million.

Nancy moved on to the trend components featured on slide 5. She noted that while the overall utilization of the pharmacy plan benefit increased by 3.2%, the total plan cost net (after rebates)

per member per month (PMPM) was $82.40. Rebates reduced plan costs by $6.3 million. In addition, 70% of members are prescribed generic or non-specialty medications. The top three indications or categories that incurred the most costs were inflammatory conditions, cancer, and diabetes.

Plan performance highlights for 2023-2024 were listed on slide 6. The average wholesale price (AWP) or "sticker price" of members' medications increased from $32,002,081 in plan year 2022 to 2023 to $35,822,930 in 2022 to 2023, a 11.9% increase. However, after adjustments (copays, SaveOn rebates, etc.) the adjusted plan cost net was $9,757,275 for plan year 2023-2024, a negative -6% change from 2022-2023. The number of members increased from 9,442 in 2022-2023 to 9,868 in 2023-2024, a 4.5% increase, while the plan cost net PMPM decreased from $91.60 in 2022-2023 to $82.40 in 2023-2024 (after adjustments). Rob Hutchens asked whether members are automatically enrolled in the SaveOn program and Nancy responded that SaveOn staff as well as the specialty pharmacy Accredo, will reach out to members at the point of prescription fill to encourage enrollment as they need to proactively enroll. Typically, 99% of members do enroll and those who don't sign on are getting assistance elsewhere.

Eileen Bondy began her discussion of the top 10 indications or conditions driving costs for the City's self-insured plan in 2023-2024. These indications represent 71.9% of the City's total plan cost net. One hundred thirty-two (132) members filled prescriptions to treat inflammatory conditions (the top indicator) at a plan cost net of $2,578,104 in 2023-2024, a decrease of 34.2% ($1.2 million) from the previous plan cost net of $3,751,441. Eileen noted that reduced utilization of high-cost specialty drugs to the cheaper generic medications helped reduce the plan cost net amount by $308,027 from the previous year.

Eileen also highlighted that there was a 335.7% increase in the plan cost net PMPM for GLP-1 medications. For the plan year 2022-20023, 48 members had received this medication at a plan net cost of $110,513. For plan year 2023-2024, this number had increased to 721 members at a plan net cost of $503,251. Eileen added that this change was not unique to the City's plans and was seen at other public entities.

Eileen moved on to slide 7, which highlighted the Top 25 Drugs by Plan Cost Net. These medications represent 55.3% of the City's total plan cost net and comprises 11 indications. In addition, 15 of the City's top 25 are specialty drugs, which make up 64.7% of the total plan cost net. The brand names listed in blue font are specialty medications while those listed in black font are non-specialty medications. The top three costliest medications are Skyrizi (pen), Humira (pen) (both prescribed to treat inflammatory conditions) and Ozempic (prescribed to treat diabetes). Skyrizi is listed in three different locations on this list.

Slide 9 featured the impact of GLP-1 medications on the healthcare industry overall and the City's self-insured plan. With 42% of Americans considered to be obese, these medications are the "number one driver of drug trend and are expected to occupy a $100 billion market by 2030". Eileen noted that GLP-1 drugs were responsible for $1.2 million or 10.7% of the City's

overall cost. In addition, these medications accounted for $10.39 PMPM, which was a 77.5% increase from the previous plan year 2022-2023 or $5.85 PMPM. Because of the increased demand for these medications, there had been national shortages during the past year, but the FDA has now confirmed that they should be widely available for refill. In addition, Wegovy has been approved for the treatment of cardiovascular disease, while Zepbound has been approved for severe fatty liver, sleep apnea and in 2026, should be approved for chronic kidney disease. Eileen added the Ozempic has become the frontrunner for approval in the treatment of Alzheimer's disease and will soon have oral tablets available in 2025.

Committee member Michele Juon wanted to confirm that Ozempic would be used to treat Alzheimer's disease. Eileen responded that research seems to show there are metabolic causes for Alzheimer's, as well as diabetes, and these medications may have positive impacts on various neurological conditions.

4. Values Discussion

Facilitator Meredith Holley began the discussion regarding the bullet points or statements listed under each LMBC value: Quality, Equity and Planning and Financial Responsibility. She requested to take a "temperature check" from committee members on this overall language of each value, so members could give pushback or feedback. She asked members to add the following numbers in the Zoom Chat that encompassed their views regarding all the value statements:

- 1 – "Yes"
- 2 – "Yes, with modifications to wording."
- 3 – "No to values as listed."

17 committee members added "1" to the chat, while two committee members entered "2". One member explained they chose "2" because they believe the City has an obligation to provide a set of benefits that are equal to or better than the previous year instead of a continued erosion of these benefits. The second committee member added that language can be subjective and open to interpretation. They added the "quality" bullet point includes a statement about "healthy outcomes for plan participants" contributing to "a healthy, happy, effective workplace community" was the sticking point.

Michele Juon wondered who is measuring and reviewing the data that connects the efficacy of the programs/services provided with the health outcomes of the City's members? She also asked when the committee would be able to hear Aon's recommendations for the next plan year.

Michelle Taylor responded that as part of their annual renewal process to Aon, the City's vendor partners may present additional recommendations and programs that may not be medically necessary or fiscally responsible. As a result, both Aon and the benefits team review these recommendations. Michelle added this information would be ready soon and suggested holding

an additional, earlier meeting in January. She will discuss possible dates with Aon and reach out to the committee as a follow up.

4. Update on Tasks from Last Meeting

Michelle Taylor thanked members for forwarding their feedback on the shared plan comparison document. Michelle is also working on updating the definition document based on new acronyms presented in recent presentations. In addition, Rachel Whiteside, Jamie Doscher, Margaret Evans, and Michele Juon volunteered to be a part of the plan design subcommittee and met on December 2nd. They will meet again in early January. Claire Houston asked about vendor renewal numbers and Michelle answered the data was not available yet but would be shared late December and formally presented at the January meeting.

5. Plan design discussion and decision making

Meredith Holley began the discussion by addressing the possibility of a range of plan design options to be put forth by the committee to City Council if a compromise is unable to be reached. With newly elected City Council members, Michelle added that multiple recommendations could be needed because they are new to this process. Meredith asked members if they had ideas about how to proceed and mentioned she had heard the "behind the scenes" discussions instead of "upfront transparent" presentations negatively impacted year's process and results. Both Rachel and Rob expressed frustration with this process and the anticipation of a future lack of consensus. Meredith responded there is value in discussing a lack of consensus even though it is an uncomfortable topic. Leslie added she too was frustrated the surcharge was not presented and shared during a committee meeting.

Tom Armstrong agreed with Leslie's sentiments and shared that last year, cost sharing discussions were not agreed upon but the surcharge was ultimately the outcome that Council decided. He added a preference for some sort of process option that would result in multiple plan options being presented to Council if there is a committee deadlock.

Nick Kreimeier commented that he was disappointed that the vote last year was split between labor and management members. He suggested holding a straw poll before the actual vote occurs and deciding what benefits members could compromise on and what is not an option.

Meredith reflected about the tension seems to exist between the committee making changes equitable for all versus changes primarily affecting those who use services. Ron commented these healthcare discussions are complex and difficult to make decisions but a recommendation to Council is still required regardless of what happens in this committee.

Megan Poppe recommended members target potential areas of change such as increasing deductibles and/or copays or changing the network. Claire inquired why or how Moda is such of driver of increased costs for the self-insured plan and Megan responded that Moda is essentially a third-party claims administrator or payor of claims, and they contract with each of

the different health systems. Changes such as limits on chiropractic sessions or an increased use of prior authorizations could also save money.

Lex Jakusovszky commented they recalled discussions about not interrupting services or networks for existing members and Michelle replied implementing a Synergy network change (from Connexus) for new employees to the City could be an option. Additionally, this could impact employees who "opt-out" of coverage and then elect Moda coverage or who move from Kaiser to the Moda plan. These are options the committee could consider.

As the meeting ended, Claire noted the addition of Evernorth to Express Scripts' logo and wondered if there was an ownership change and if so, would it affect future costs. Megan replied this addition reflected a change in branding, as Evernorth already existed as ESI's parent company (and Cigna). ESI is still considered an independent entity.

6. Public comment: None

Meeting adjourned at 4:07 PM