

## **LMBC Meeting Minutes**

January 16, 2024

Zoom Meeting

Attendance

Compiled by Jeannine Herrera

### ***LMBC Members present***

Tom Armstrong  
Jamie Doscher  
Kim Epling  
Casey Hettman  
Rob Hutchens  
Nicole Powell  
Elisa Rivera  
Jenny Scott  
Amy Tuttle  
Rachel Whiteside

### ***Staff***

Michelle Taylor  
Anne Hogan  
Santos Aguilar  
Jeannine Herrera  
Kayla Neal  
Maranda Henderson  
Heather Holz  
Joel Michels

### ***LMBC Members absent***

Blake Dye  
Vince Elmore  
Margaret Evans  
Mark Gipson  
Leslie Goodlow  
Claire Houston  
Lex Jakusovszky  
Isaac McLennan  
Carolyn Welch  
Ron Zito

### ***Presenters***

Megan Poppe – Aon  
Allie Huang – Aon  
JaMaun Charles – Aon  
Nicole Persson – Aon  
Shelley Zhao – Aon  
Nishali Naik - Aon

## **1. Meeting Called to Order**

Co-chair Rachel Whiteside called the meeting to order at 1:32 pm.

## **2. Meeting Minutes Discussion**

Rachel asked committee members whether they wanted to accept the December 16<sup>th</sup> meeting minutes as written or whether there were any changes or modifications that needed to be made. There were no issues or problems to address, and the minutes were accepted by the committee.

## **3. 2023-2024 Plan Year Renewal (Aon)**

Michelle Taylor introduced the meeting's topic of conversation (plan renewals) and stressed the increase cannot go above 8% total, which is different than the quoted rates from the carriers and the self-insured plan experience. Michelle explained to LMBC members that carriers were asked to come to the table with their best rates for the upcoming renewal and propose plan design changes for the committee to review which would get us to the target 8% increase. She emphasized costs are increasing and potential changes may be difficult, but necessary to get the plan costs down to a manageable increase impacting bureaus and participants.

Aon's Megan Poppe began the presentation by showing the executive summary on slide 5, representing an increase in most plans. Aon expressed they are having conversations with the vendors to reduce the increase across the board to the necessary 8%, while most estimates show around 14% currently.

Nicole Persson explained the information on slide 6 which includes the historical buy down versus reserve level. Given the health funds current reserve levels, we will not have excess reserves available to buy down rates for the 2024-25 plan year. Aon projects the ending reserve balance to be at 107% of the Risk Based Capital level, which is well below the recommended reserve level of 150%, and recommends a strategy to build up reserves.

Megan Poppe then moved to slide 9 in the presentation, which covers the carrier renewal details for the Moda self-insured plan. There is a slight increase to total administration costs, but these are still actively being negotiated by Aon and they will keep the committee updated.

Megan continued to slide 10 which includes the preliminary stop loss renewals for the upcoming year. As in previous years, the final renewal will not be available until April. A committee member asked if there were any claims which reached the stop loss levels and Aon replied they would share this information with the committee. Nicole gave more information about stop loss to explain how it works and how high the interest is getting on stop loss coverage. This increase is not out of line with market. Rachel Whiteside asked if stop loss coverage is for claims when they are over 1.2 million. Aon confirmed once the plan hits that level claims over that threshold is covered by stop loss. Trend of claims over 1 million have been high, so it's led to conservation amongst stop loss vendors. Aon will exert pressure to try and knock down the renewal.

Aon moved onto the State Based Regulatory Changes proposed by Moda. These are for informational purposes only and no committee action is required.

- Slide 11 outlines the State based regulatory changes, most of these regulatory changes being reflected for both Kaiser and Moda.
  - Item 1 proposes to change coverage for post-exposure prophylaxis for HIV covered with no member cost share – negligible claims impact
  - Item 2 proposes coverage for supplemental breast exams and imaging to evaluate an abnormality be covered with no member cost share – 0.1% claims impact
  - Item 3 is pending proposed rulemaking and for awareness only
  - Item 4 allows Moda to continue to coordinate benefits for members who are enrolled in Medicare as required under federal law. Moda will estimate what Medicare would have paid, and then will adjust it on the back end. The way it's changing is that they will no longer estimate the payment. This may make it less confusing for members, and there are no claims items:
  - Item 5 reduces the amount of cost-share for the first three primary care visits when a member designates a primary care physician. A primary care physician (PCP) will be auto-assigned to Moda members if no one is chosen within 90 days. It would need to be updated to the provider you're currently seeing. First 3 visits now only 5 dollars and HDHP members will pay zero cost after deductible is met. No change related to behavioral health visits.

Jamie Doscher asked if Moda is going to auto-assign based on who a member is already using for primary care services. Aon is asking for more clarification on how this will all work. Jamie also wanted to know if it looks like they may assign someone randomly. Rob Hutchens asked if the member would have to take a positive action, like opt into a PCP. Megan said members can choose to change one, but if you don't do it, there is no action required. It's basically just assigning a doctor to a person.

Aon moved to slide 13, which are plan design changes recommended to reduce premium costs and help chip away at the 14% increase indicated earlier in the presentation. Options include increasing the out-of-pocket maximum to various levels and the impact to premium is reflected on slide 13. Michelle shared the Out of Pocket Maximum (OOPM) information from previous years and how it has fluctuated over the last decade or so. Rob Hutchens asked how many members hit the

OOPM, whether that's single or family, Aon is requesting this information from Moda. Megan confirmed we don't have this information yet.

Aon moved to slide 14, which presents a couple of network change options. These would have a significant impact on members but would have a larger impact on decreasing the projected premium.

Aon moved to slide 16 which goes over Federal Regulatory Changes for Express Scripts. No action is needed by the committee as this is just informational, allowing changes to be made as the Affordable Care Act makes changes to Preventive Services such as immunizations.

Slide 17 addresses Express Scripts plan design changes recommended to help reduce premium costs. The proposed change would be to move the current formulary to the High Performance Formulary which leverages more on generic drug use. 2% of preferred drug scripts would no longer be covered, which would drive some savings.

Aon's JaMaun Charles reviewed slide 19 and 20, which looks at the City's Self-Funded Delta Dental plan ASO fees and recommended benefit changes for the committee's vote. There is an administrative rate hold for the next two years with continued negotiations in progress.

- Item 1 increases the maximum amount for occlusal guards to \$200 which has a negligible claims impact
- Item 2 adds extra covered services for members with intellectual or developmental disabilities and has a negligible claims impact

Megan moved to slide 22 which reviews the Kaiser increase, not including any changes is just over 14%. Aon is still actively negotiating with Kaiser on the increase and requesting they present plan design changes to offset the increase.

Slide 23 reviews state required changes, which look similar and are much in line with the earlier Moda changes required. Hearing aid coverage for dependent children will be revised on the Kaiser side. Related to the primary care access change, Kaiser members will see a \$5 copay vs \$10 for the first three visits and this represents a 0.1 % claims impact which is reflected in the overall premium increase communicated on the previous slide.

Slide 24 introduces the recommended benefit changes for Kaiser members. Aon is still working with Kaiser on changes which get us to the targeted 8% increase. One proposed change is to customize the structure of Kaiser prescriptions into a tiered benefit similar to how members experience coverage on the self-funded side. Option #3 proposes a \$50 day cost to hospital stay, with a \$250 max. Aon explained to the committee how taking the OOPM up only impacts a little bit because it's based on copay. When Aon comes back after negotiations with Kaiser an option would be considering a deductible added to the Kaiser plan.

Aon moved to slide 26, which looks at Kaiser's Insured Dental plan which is looking at slight decrease. Experience and lower trends on this dental plan help bring the rates down. No recommended changes.

JaMaun explained the vision slides on slide 28 for VSP self-insured vision. Base monthly administrative fee would be aligned with the buy up admin fee for the renewal. One recommended optional change is to add LightCare to the base plan. This would add about a 1.2 increase to the premium. This would allow members to use their frame allowance towards their choice of plano ready-made sunglasses or blue light filtering glasses.

Aon moved to slide 31, which confirms the City is entering the final year of a rate guarantee with ComPsych. There is one recommended change which is to continue the expanded EAP visits into the new plan year. Cost are neutral since already planned in 2024 costs.

Moving to slide 34, the City and Carrot are entering the final year of a rate guarantee. Megan Poppe mentioned they are negotiating this as well. Aon explained Carrot's services were recently broadened to include low-Testosterone support, returning to work and parenting support, menopause support and education. Quite a few members have built out their carrot plan, so it is valuable to members. A committee member wanted to know if we had actual numbers and Michelle Taylor replied we would share the most recent utilization numbers as a follow up. We aren't seeing high utilization numbers but according to Carrot, for an employer that doesn't have a financial benefit, we are using the benefit quite a bit. Each time Carrot rolls out a benefit enhancement service, we do see members utilize the services.

4. Next steps: Slide 36 displayed the 2024 LMBC renewal calendar. Michelle suggested an additional meeting between February and March. We can continue to update the deck with plan recommendations and utilization, and each meeting Aon will present an updated deck for committee review. Rachel Whiteside seconded a second meeting. Megan let the committee know they are still negotiating rates and asking vendors for other options to decrease rates, but it is taking some time. The committee discussed making large impactful changes, or multiple little changes that might not feel as big of a financial hit. Rob Hutchins asked if the LMBC can make changes to the employee and bureau premium share due to contractual union agreements and if so, are there any labor contracts coming up for bargaining. The concessions need to be made through plan design changes, Michelle stated, as plan design is not imbedded within the contracts. Rob Hutchens stated he thought plan design was embedded within certain contracts and would need to be bargained, and Michelle said the Portland Police Association contract does, but they are not a part of LMBC.

Jamie asked if we want to choose a date today or if it should go out later. Rachel mentioned we are missing management co-chair. Michelle will follow up with an additional meeting invite for March 5.

Rachel asked if Kari Koch had any questions from the public or other business. Rachel Whiteside had questions from members and Michelle answered.

**5. Public Comment: None**

**6. Other Business: None**

7. **Next Meeting:** February 20, 2023. The meeting will begin at 1:30 PM and will be scheduled to go until 3:00 PM. This meeting will be held online via Zoom only. Details included upon request or via the meeting invite.

**8. The meeting was adjourned at 3:00 pm.**