LMBC Meeting Minutes
January 21, 2025
Zoom Meeting
Compiled by Maria Xiong

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

Aon:
Megan Poppe
Jennifer Weddle
Nicole Persson

Staff:
Michelle Taylor
Santos Aguilar
Maria Xiong

1. Call to order: Co-Chair Leslie Goodlow called meeting to order at 1:33PM.

2. Meeting Minutes: December 16 meeting minutes were accepted as written.

3. Follow ups from January 14 meeting: Michelle provided an update on communication with the council and the open enrollment timeline. She confirmed BHR has been communicating with Deputy City Administrators, City Budget Office, and Council. Council is aware of ongoing discussions within LMBC related to increased costs for the upcoming year and LMBC's work toward recommendations for Council.

Michelle thanked Santos Aguilar, Benefits Supervisor, for putting together a tentative timeline with the earliest possible annual open enrollment date starting on May 2 with a tentative close date of May 19 giving about a 3.5-week window. A tentative timeline document was shared with the group and considerations must be given to our contract requirement to freeze salaries as of May 1, rate programming, testing, communication, post-enrollment period audits, and ensuring new cards arrive ahead of July 1.

4. 2025-26 Aon plan year renewal: Nicole Persson began with a quick reminder of slide four which indicates the overall renewal rates are coming in at double digits, leading to a weighted average increase of 13.3%. Specifically, Kaiser's rate is increasing by 13.7%, and Moda's by 16.2%, and there are no excess reserves to start the 2025-26 fiscal year.

Nicole then moved to slide six, which shows a stop loss experience summary comparing the City's actual claims compared to a good year, expected year, and a bad year. The City performed as expected during the last few plan years and is on track for another expected year. For a plan of the City's size and experience, a $500k stoploss threshold is likely the lowest policy a vendor would underwrite so Nicole Persson further informed a $1.2 million stop loss amount would be most advantageous. Claire Houston asked if the City has saved money by going with the higher amount. Nicole confirmed and referred to the appendix, page 35, for more information and details. The lower stop loss would mean the City has to pay a lot more premium than they would have received back in reimbursement over the same plan period, and this continues to trend in the City's favor looking back a few years.

Erich asked if the stop loss increase is due to population growth, inflation, or other factors. Nicole Persson responded that a 20-30% premium increase is expected annually, driven by factors such as advanced medical procedures, higher costs, and new groundbreaking drugs. While a double digit stop loss increase seems high, the change over current is expected to be less than $100k, given the low premium the City pays to bear more of the risk. Megan clarified changes in stop-loss considerations were raised, they don't recommend reducing stop-loss but acknowledged it could offer an estimate for impact, noting that premiums are likely to exceed reimbursements, and stop-loss trends with risk coverages continuing to rise.

Megan moved on to slide 10, summarizing the LMBC established values: quality, equity, and financial responsibility. When exploring cost-reduction options, it's a good reminder that one key value is "the community bears the cost burden, not those in greatest need." The committee is committed to aligning actions with these values while addressing needs.

Megan moved to slide 11, continuing the conversation from the January 14 meeting, with some updated information that wasn't available last week. Megan presented a potential method to track progress on each item as the committee members review various options. This may help clarify which approaches are supported to move towards a committee vote and which are not supported, guiding Aon as they refine meeting materials. Support doesn't necessarily mean approval, as there may be more information needed, but it's a step forward in the conversation. Ones without support may need to be brought back to the conversation if not embedded in collective bargaining agreements and necessary to meet budgetary requirements.

Since some of these items were reviewed during the last meeting, Megan proceeded with a quick discussion of items one through three:

1. Moda Dental, Intellectual and Developmental Disabilities, adding sedation services are covered under class II benefits for members with intellectual or developmental disabilities. Negligible claims impact. Recommend moving forward to committee vote.
2. Removing the prior authorization for nutritional therapy under Moda Medical. Negligible claims impact. Recommend moving forward to committee vote.
3. OHSU virtual visit to be replaced by CirrusMD to expand virtual visit access to 24/7. This would keep benefit levels at the same $10 co-pay. There would be a $55 charge to the plan per seven-day incident use and incident does not need to be the same. Recommend moving forward to committee vote.

Michelle Taylor stated she appreciates the options presented and supports moving items one and two forward to committee vote. Regarding item three, Michelle T. notes CirrusMD was not recommended last year but given the feedback on OHSU's limited hours and interest in reducing higher cost urgent/emergent care claims, it could be a valuable addition for a longer term strategy to seek lower cost care whenever possible. Michelle T. highlights it would be cost-neutral and defers to committee members for further input. Jamie shared support for one and two, neutral on three while emphasizing OHSU's limited hours.

The group generally supported items one and two. A member noted that virtual visits, especially for younger employees, may be beneficial. Rachel Whiteside asked for confirmation that CirrusMD would handle urgent needs. Several members confirmed their support for items one through three, with one specifically liking the 7-day incident use with only one charge to the member and plan.

Megan moved to the next two items on slide 11:

4. ESI pharmacy, SafeguardRx pulmonary care value – specifically for members with asthma or COPD; designed to help members overcome adherence challenges, prevent symptoms, and avoid exacerbations. 90 members would currently qualify with negligible premium impact.

5. Adjust employee contribution percentage an employee paying 7% and the City paying 93% or employee paying 8% and the City paying 92% which shifts the cost of contributions. This proposal is unsupported.

Jamie Doscher raised concerns about item four and individual support looks like from Express Scripts, questioning if it seems punitive. Megan responded they would gather more information from ESI clarifying Jamie's concern and report back. Nick Kreimeier discussed reservations about certain medications receiving pushback from insurance regarding prescription limits. Michelle T. asked if ESI has data showing lower number of urgent/ED visits due to adherence, whether there is 24/7 support, and if reevaluation of the program could occur in future years. Erich wondered if this would significantly impact individuals, while Megan explained it would depend on behavior patterns and

medication adherence. Isaac expressed concerns about whether this approach aligns with their goal to improve health outcomes in a proven positive way.

Megan moved on to slide 12.

6. Moda Dental, VSP Vision: Based on lower utilization and last year's changes to dental, these rates are coming in lower than expected. Item six recommends moving these savings to Moda medical to help offset costs. This 0.5% decrease is already reflected in the renewal projection on slide four. Recommend moving forward to committee vote.

7. Offer Sword virtual musculoskeletal therapy under Moda medical. This is an alternate (not replacement) program for physical therapy in a virtual setting. The cost would be $1,080 per participant, per year and the savings analysis is pending.

   OR

8. 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.

Items seven and eight are similar programs but one is administered through medical and the other is under pharmacy. The committee should only consider one but is currently being shown both for transparency and to determine if there's preference for one. Both involve virtual therapy—Sword with Moda and Hinge ESI—at no cost to the member. These services connect members with physical therapists who assist remotely, but do not replace hands-on manipulation. The system uses sensors to track movement and identify misalignments. The first level focuses on maintenance or prevention, while the second targets acute issues. A higher level involves monitoring conditions like post-surgery recovery. The virtual therapy supplements in-person visits, with three in-person sessions followed by virtual sessions as an example.

Rob asked whether virtual therapy is mandatory or based on the provider and whether it is auto-billed or per-use. Kim wanted to understand the overall goal of the program. Jamie expressed concerns about how virtual therapy would integrate with existing physical therapy, particularly how Hinge and Sword would coordinate with current therapists, emphasizing the focus on post-injury care and expressed a desire to see more preventative options. Jamie also worried about communication between patients and their therapists, fearing the risk of misinformation. Michelle T. asked if ESI or Moda provided any guarantees for the program and if there is an opportunity to pilot the program to gather member feedback.

Megan clarified the virtual therapy programs of Sword and Hinge are 100% voluntary and operates on a per-use basis. She explained the goal of the program is to encourage

virtual physical therapy to reduce in-person visits and lower claims, as well as to prevent unnecessary injuries and surgeries. Megan emphasized virtual therapy would be free for members, but in-person visits would require a co-pay just as they do currently. Megan stated communication between virtual therapists and existing therapists would be patient-driven, meaning the patient would coordinate the information between the two providers. There would be no direct outbound communication from the virtual therapists to the current physical therapists. On the question of guarantees, Megan noted that there typically aren't guarantees for existing services.

9. Offer Virta under Moda medical. Virta is to help members lose weight and ultimately reverse diabetes. This is a voluntary program and charges of $3,048 per year would be per engaged member. Virta aims to help members reverse diabetes through nutrition, counseling, or short-term prescription drugs. The program helps participants achieve weight loss goals over a period of up to two years. It is designed for individuals who are committed to making behavioral changes and is physician-backed.

10. Enlist EviCore specifically for utilization management under Moda medical
    a. Advanced imaging estimated cost of $68k annually, resulting in a 0.1% reduction in premium.
    b. Cardiology management estimated cost of $68k annually, resulting in a 0.1% reduction in premium.
    c. Musculoskeletal review estimated cost of $123k annually, resulting in a 0.1% reduction in premium.

    An alternative approach could be to set a limit on therapy-related claims under the plan. There did not appear to be committee support to move this forward.

11. The Moda medical recommendation to implement TransCarent Center of Excellence (COE) focuses on surgery and cancer support, providing an alternative option for high-quality care. The goal is to improve outcomes by offering additional services, such as coordinating travel for patients who need specialized care in specific areas. The cost is per employee, regardless of who uses the service, and the projected savings may ultimately be lower than initially projected.

Jamie Doscher called out the different fee structures and Megan explained for services under Moda, Sword is billed per participant. However, under TransCarent COE, the Sword service is billed per employee per month.

12. Implement Garner (or similar product) to Moda medical plan to incent members to utilize high quality providers. Implementing with no change to benefit coverage levels would see an overall 0.6% premium reduction. Aon plans to have Garner present to the committee in February (date TBD). This program aims to offer higher-quality care with an incentive: when members see a Garner provider, their out-of-pocket costs will be reimbursed up to a predetermined level. If they choose not to see a Garner provider, the costs remain the same. The plan design

remains unchanged, and the program encourages members to visit Garner providers within the existing network. Garner ensures that these providers are actively accepting new patients and are timely in providing care.

Rachel Whiteside asked If someone is already seeing a provider in the top 20%, but that provider stops taking new patients, would they still be included in the program? Megan confirmed if the provider is already a participant, they will remain in the program. Claire asked how are Garner providers accessed? And how is "high quality" determined? Megan explained Garner providers are part of the current structure, and the platform comes with a concierge service. This is a unique feature which helps members find specific types of physicians in various specialties. If a member needs a particular provider, they can reach out to the concierge, which will help identify providers meeting the criteria and help answer any related questions. As for determining quality, Garner uses multiple algorithms with available claims data to identify high-performing doctors in specific areas.

Issac stated on the surface, this looks like a great option and is in support of proposal 12. Megan suggested inviting Garner to a meeting. She explained Garner offers different levels of service without changing the plan design. One option is raising the deductible from $250 to $500, with an incentive to reduce it back to no out-of-pocket costs for the member. The goal is to lower claims by encouraging members to see higher-quality providers, ultimately improving outcomes.

Michelle mentioned the concierge service, available through an app or call, is part of the criteria for becoming a Garner provider. She noted Garner guarantees providers are accepting new patients, and while Moda’s data is limited to what is shared, Garner uses different criteria, addressing broader issues we're currently facing.

5.Other Business: None.

6.Public Comment: No public comment.

7.Next Meeting: February 4, 2024. The meeting will begin at 1:30 PM and will be scheduled to go until 3:00 PM. This meeting will be held via Zoom.

Meeting adjourned at 2:57pm.