

LMBC Meeting Minutes

March 5 2024

Notes compiled by Jeannine Herrera

Call to Order

- Co-Chair Leslie Goodlow Facilitating
 - Attendees:

Michelle.Taylor	Santos.Aguilar
Anne.Hogan	Vince.Elmore
Maranda.Henderson	Ken.McGair
Kari.Koch	Joel.Michels
Paul.Cone	Heather.Holz
Kayla.Neal	Danny.Allison
Jerome.Cruz	Shelby.Hemphill
Miriam.LebLang	Elizabeth.Brandenburg
Lindsay.Bjork	Blake.Dye
Kim.Epling	Margaret.Evans
Claire.Houston	Jamie.Doscher
Leslie.Goodlow	Nicole.Powell
Elisa.Rivera	Jenny.Scott
Tom.Armstrong	Amy.Tuttle
Carolyn.Welch	Ronald.Zito
Nick.Kreimeier	Lex.Jakusovszky
Christopher.Richard	

- Absentees:

- Discussion of any required changes to meeting minutes from February 20th. Minutes were approved by Leslie and seconded by Rachel Whiteside.

Discussion Goals

Outline any outstanding company milestones or achievements since the last board meeting.

- Align discussion around LMBC's mission:
 - The Labor Management Benefits Committee, a collaborative group comprised of managers and union representatives, is committed to providing affordable, sustainable, quality healthcare for employees and their families. They make plan design recommendations to City Council every year. As stewards of the City's self-insured medical plan, the LMBC values education, equity, and individual responsibility for personal health. They are committed to providing effective communication and tools to

- enhance employee understanding of programs and embrace innovative approaches to addressing challenges and opportunities of the health benefits plan.
- Allie Wong began the conversation explaining that plan modifications need to focus on the end goal. With the alignment of the above mission, we want to decide if the financial goal is achieving 8% medical renewal, or 8% total renewal increase. The third goal is to decide how to accomplish this; decide which change recommendation/options may be an easier goal, and which won't work at all. The LMBC needs to make some difficult decisions, and Allie Wong validated this emotional response; the City takes ownership of the employee's well-being; speaking of roles and responsibilities, we go back to the mission statement.
- The idea was brought up to engage with additional education to assist keeping costs lower, for example, FSA education to ensure members know how to utilize their plan. This can help keep costs lower than without education of plans.
- Decide if financial goal is achieving 8% medical renewal, or 8% total renewal increase.
- Nishali N reviewed the 2024 PY: wanted to highlight the 8% for Kaiser; this chart is looking at how we can use this first scenario to reduce the cost of Kaiser to make parity with the Moda and Kaiser plan.

2024PY Financial Summary - LMBC LMBC (Total Annual Increase at 8%)

SCENARIO 3: TOTAL ANNUAL INCREASE AT 8%					
MEDICAL / RX / VISION / DENTAL			PREMIUMS		
CARRIER	COVERAGE	ENROLLED	CURRENT 2023-24	RENEWAL 2024-25	PERCENT CHANGE
Kaiser (Fully Insured) ¹	Medical / Rx / Vision	1,869	\$33,521,139	\$36,202,813	8.0%
CityCore Moda Health (Self-Insured) ¹	Medical / Rx	4,166	\$69,888,419	\$76,108,306	8.9%
Kaiser (Fully Insured)	Dental	1,817	\$3,347,753	\$3,306,618	-1.2%
Moda Health / Delta Dental (Core and Buy-Up, Self-Insured)	Dental	4,277	\$6,993,505	\$7,235,703	3.5%
Vision Service Plan (Basic and Buy-Up, Self-Insured)	Vision	4,155	\$700,254	\$732,412	4.6%
Total Annual Costs			\$114,451,069	\$123,585,944	8.0%

¹ Kaiser/Moda premiums do not include City fee, which covers Personnel Costs, Additional Employer Costs, Internal and External Materials and Service, Debt Service, Overhead charges, and Contingency expenses

Assuming the Kaiser 8% renewal is adopted, to reach a total budget 8% increase, plan design changes equivalent to at least \$2.05M decrease in premium (8.9% renewal increase) to the Moda self-insured premium must be met (3% decrease in premium from status quo).

- Decide how to accomplish the financial goal established in #2
- Decision must be made ahead of vote on March 19th.
- Michelle paused the discussion to allow for digesting this information and seeing if members want to provide opinions/thoughts. Rachel Whiteside is wanting more information on what Michelle wants, and Michelle explained the 2 options; do we want to see 8% equitability, or 8% across the City (which could give some flexibility for the other plans. Looking at 3.9% cost equivalent decrease, whereas if we do the other one we are looking at 3% of a decrease; this is a significant difference when it comes to benefit percentage. Rachel Whiteside asked about historical data; we do not usually do an across the board or 1 for 1 application; we are in a little bit of a flexible position here

where we have a small choice that could potentially benefit the plan participants on CityCore by not having as many changes.

- Blake mentions that he is struggling with how this is equitable if we are taking away from the Moda plan as opposed to the Kaiser plan. It appears we are making a situation where Moda must take a deeper cut in order for the cuts to be equal on both sides.
- Ron Zito mentioned: if we can make some different choices on the Moda plan, that might be nice because it seems that Kaiser is being a little less flexible than Moda in this renewal.
- Nicole Persson wanted to show that the Kaiser reduced from a 16% to 8%. The benefit would still be richer on Kaiser with the CityCore taking a 3.9% cut vs Kaiser which is set to take an 8% cut. Leslie also clarified that this is the situation that is happening.
- Rachel Whiteside made the comment that the Kaiser plan is taking a deeper cut but that it already is a richer plan; while we are looking at deeper cuts for that plan, we aren't talking about the exact same cost to members.
- The question remains, said Leslie, if we want to change CityCore by 8 or 8.3(?)

Renewal Options Charts

Review the Renewal Options Chart

Renewal Options Chart

Status Quo Target Renewal			11.9% 8.0%
Option	Current	Proposal	Plan Rate Impact
Dental	PPO Network	Passive PPO Network	-1.1%
CityCore Maximum Plan Allowable	Custom	Moda Standard	-0.4%
CityCore Deductible	INN: \$250/\$750 ONN: \$650/\$1,950	INN: \$300/\$900 ONN: \$800/\$2,300	-0.2%
		INN: \$350/\$1,050 ONN: \$900/\$2,700	-0.4%
		INN: \$400/\$1,200 ONN: \$1,000/\$3,100	-0.6%
		INN: \$450/\$1,350 ONN: \$1200/\$3,500	-0.8%
		INN: \$500/\$1,500 ONN: \$1,300/\$3,900	-1.0%
ESI Copay Maximums	Copay Max: \$25/\$50/\$75 2x Mail Order	Copay Max: \$50/\$100/\$150 2x Mail Order	-0.1%
ESI Coinsurance	Generic 10%/Specialty 30%	Generic 20%/Specialty 50%	-0.2%
PCP Office Visit	\$20, ded waived	\$40, ded waived	-0.2%
Specialist Office Visit	\$35, ded waived	\$70, ded waived	-0.3%

Renewal Options Chart (Continued)

Status Quo Target Renewal	Option	Current	Proposal	Plan Rate Impact
				11.0% 8.0%
CityCore ER/Ambulance Copays		Emergency Room: \$200, ded waived Ambulance: ded waived, coinsurance applies	Emergency Room: \$250, ded applies Ambulance: ded applies, coinsurance applies	-0.01%
CityCore Urgent Care Copay		\$35, ded waived	\$50, ded applies	-0.05%
Alternative Care (Chiro/Accu)		\$20, ded waived	20%, ded applies	+0.04%
CityCore OOP Max		INN: \$1,600/\$5,400 ONN: \$10,500/\$31,500	INN: \$1900/\$5,700 ONN: \$11,000/\$33,000	-0.2%
			INN: \$2000/\$6,000 ONN: \$11,500/\$35,000	-0.4%
			INN: \$2,100/\$6,300 ONN: \$12,000/\$36,500	-0.6%
CityCore Network		Connexus	Synergy	-4.9%

Renewal Options Chart

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				11.0% 8.9%
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ESI Coinsurance		Generic 10%/Specialty 30%	Generic: 20%/Specialty 50%	-0.2%
PCP Office Visit		\$20, ded waived	\$40, ded waived	-0.2%
Specialist Office Visit		\$35, ded waived	\$70, ded waived	-0.3%

AON

Renewal Options Chart (Continued)

Status Quo Target Renewal	Option	Current	Proposal	Plan Rate Impact
				11.9% 8.9%
CityCore ER/Ambulance Copays		Emergency Room: \$200, ded waived Ambulance: ded waived, coinsurance applies	Emergency Room: \$250, ded applies Ambulance: ded applies, coinsurance applies	-0.01%
CityCore Urgent Care Copay		\$35, ded waived	\$50, ded applies	-0.05%
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Page 1

- The renewal options charts begin with the status quo target model, explained Nicole Persson. Status Quo shows an increase of 11%, while making these listed changed would get us down to the goal of 8%. The biggest change to this option is the change in dental network from PPO to PASSIVE PPO Network; this would impact the plan rate by -1.1%; this change has no negative impact on employees and has a large impact on the rate %. Rachel Whiteside wanted to clarify that the member would still be able to see their providers online(?)
- The next line item would be the option to switch from a more customized model of deductible to a standard model. This would impact the plan rate at a level of 0.04%. Megan Poppe stated that some members may pay more while others pay less; this doesn't impact access to benefits, this just changed how much is reimbursed for those out of network claims. Lex had a similar question: moving to the Moda standard, some reimbursements will go up and others will go down, but ultimately, how will we know if that will be a net savings? Nicole explained that the data pulled for this is the last 12 or 24 months of claims (this is how Aon or Moda get the expected amount that will be saved or spent).
- Option to increase CityCore Deductibles (chart shows in raised increments of \$50).
- ESI Copay Maximums, increase proposal of 2x each max.

- PCP Office Visit: proposal to increase from \$20 to \$40, and Specialist Office Visit from \$35 to \$70.

Page 2

- A few additional copay changes, things like altering the emergency room and ambulance costs (copay go up to \$250). That change only nets out a 0.01%
- Alternative Care produces a slight increase when switching from current \$20 copay to 20% Deductible.
- Minh Dan Vuong asks what the difference is between slides 10-11 and 12-14, the only difference in the top right corner - the difference is the renewal percentage being 8% vs 8.9%. Ron Zito asked if there was an option to hit the target renewal % without the network change from Connexus to Synergy; this change saves -4.9%. Nicole mentioned it could happen, but you'd basically need to accept all the other recommended change points in that case.
- Tom Armstrong is asking if these rates and costs reflect or compare to other plans in different employers: Michelle did some looking and it does appear our deductible is low; looking at regional and national data, the average deductible out there for employee only is around \$2k while the family is around \$4k. This shows that our deductibles are pretty low; it is difficult to make comparisons sometimes because of the very low-cost share, and the rich plans. We could be comparing this to groups that have higher premiums, cost shares, etc. Michelle does believe that what is shown on the screen is still very competitive compared to what else is out there.

Proposed Voting Items

Allie Wong expressed again that now is the time to express feedback, LMBC members can ask questions etc. at this time before we make the voting decisions. Floor open to feedback, thoughts, comments.

- Isaac began the discussion with asking: 95/5 remains but is asking about increasing this overall (absorbing the percentage increase). Tom is asking if there's any option to go back and ask for a few extra million dollars. Michelle jumped in and explained that one of the issues is we are seeing high increases across the board, and the City's financial well-being is not well either. In looking at current vs projected, the increase would be 13 to 14 million dollars. If the City were to just absorb this, it would be too much. 8% is meeting somewhere in the middle: we can recommend some changes to lessen the hit to bureau budget and employees, and also the group that doesn't get considered is our retirees and COBRA folks, so, they pay the full premium. If we take this without any plan design changes, we will hit those folks who expect to have affordable health care. The 8% is a reasonable increase. Claire Houston is asking if City council is aware of the impact to our benefits? Michelle explained that conversations are ongoing; so, there is awareness of what the committee is looking at; further drawing down the reserves are not possible, so what would be the consequence of pulling the reserves down, to not fully cover these changes? We are at a place that we are well below the risk-based capital level; we are not at a place to pull from any reserves; Kaiser is a fully insured plan so this isn't an option anyway; if we pulled from Moda reserves, we would put ourselves in a place where we are financially liable for claims that are up to 1 million dollars. Nick Kreimeier asked if these types of increases are expected every year from here on out? Yup. Claire Houston mentioned that a big concern is the impact this will have on our most at risk members (low-income earners, high utilizers). Wanted

to know if we could do some sort of tiered format based on low-income earners etc. Isaac and a few others concurred with the concern that costs are going up; this is a trend nationwide and across the entire country. Lex mentioned that one of the most impactful items is that the network change is the biggest need, but the hardest change.

- Kaiser:

2024 Proposed Voting Items

Kaiser

Description (Proposed)	Impact	YES	NO
Deductible: • Self: \$100 • Family: \$300 OOPM: • Self: \$1,600 • Family: \$4,800 Prescription Drugs: \$15/\$30/\$50 custom PCP Office Visit: \$5 (first 3), \$10 Specialty Scans: \$75 Urgent Care: \$35 Hospital Inpatient Care (including MH/Substance Abuse): AD 10% Outpatient Admin Meds: AD 10% Ambulance/ER: AD 10% Outpatient Surgery: AD 10% DME: AD 10% Additional Details: Outpatient Therapies: AD \$20 (PT/OT/ST 20 visits max) Home Health: AD 10%, 130-day visit max Infertility Diag/Treat: AD 50% Skilled Nursing: AD 10%, 100-day max Child Hearing Aids: AD 10% every 36 months Travel Immunizations: Excluded	Plan changes to achieve 8.0% Kaiser renewal. Financial Impact: -\$2M, -6.1% in premiums		

- Delta Dental:

2024 Proposed Voting Items

Delta Dental

Description	Impact	YES	NO
Increase the maximum amount for occlusal guard (nightguard) to \$200.	Negligible		
Add extra covered services for members with intellectual or developmental disabilities: - Visits before the first treatment - 2 extra cleanings per year - Silver diamine fluoride for cavities Changes to how care is provided for patients with sensory sensitivities, behavioral challenges, etc.	Negligible		
Change plan network and design to be a passive design and add the PPO network of providers	\$540K Decrease in Premium 1.1% Decrease in Plan Rate Impact		
Revise Maximum Plan Allowable (MPA) to Moda's standard for OON providers only.	0.4% Decrease in Plan Rate Impact		

- Behavioral Health Initiative

2024 Proposed Voting Items

Behavioral Health Initiative

Description	Impact	YES	NO
Continue the five additional EAP visits for the 2024 plan year (July 1, 2024 through June 30, 2025).	Cost neutral (already included in 2024 projected costs)		

Other Business

List any new opportunities or other business to discuss.

Public Comment

List and discuss any public comments.

- Minh Dan Vuong commented as a guest (AFSCME 189). AFSCME 189 has posed some questions: Key items to look at are: how many key members are affected by these changes. Wants to know how many members are going to be impacted and which members. Same for OOP spending; wants more information to put that in perspective. AFSCME asks for different options to switch the Kaiser plan, or has that been decided against, and finally, is that 8% (which is a big concern) believes that this is being used to move from employer to employees. Leslie Goodlow mentioned that this information has been provided before (such as number of members impacted by these changes). There are no other “Kaiser plan options” on the Kaiser side. The Kaiser plan is the Kaiser plan.

Plan of action

List any action items until the next board meeting.

- Consider option for dental passive PPO network to reduce overall renewal by 1.1%
- Next additional meeting will be utilized due to the content level of this meeting (need another meeting to discuss further). Michelle will prepare some slides with AON with some information.
- Leslie Adjourned the meeting at 12:53pm.