

## **LMBC Meeting Minutes – Final**

February 21, 2023

Zoom Meeting

Attendance

Compiled by Anne Hogan

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

Tom Armstrong  
Dave Benson  
Jamie Doscher  
Kim Epling  
Margaret Evans  
Mark Gipson  
Leslie Goodlow  
Casey Hettman  
Claire Houston  
Isaac McLennan  
Erich Pacheco  
Nicole Powell  
Rachel Whiteside

### ***Staff***

Michelle Taylor  
Anne Hogan  
Santos Aguilar

### ***Presenters***

Megan Poppe (Aon)  
Shelley Zhao (Aon)

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

Jeanette Hopson

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

Co-chair Dave Benson called the meeting to order at 1:33 pm and conducted a member roll call.

## **2. Meeting Minutes Discussion**

Dave Benson asked committee members if there were any additions or deletions after their review of the January 17<sup>th</sup> meeting minutes. No changes were needed, and the minutes were accepted by the committee.

## **3. 2022-2023 Plan Year Renewal and Voting Deck Preview (Aon)**

Aon's Megan Poppe began the presentation by highlighting the Table of Contents and the 2023 LMBC Renewal Calendar on slides 2 and 3. The PBM (pharmacy benefit manager) marketing finalist meetings were/are scheduled for February 15<sup>th</sup> and 23<sup>rd</sup>, while the FSA (flexible spending account) marketing finalist meetings will be held on March 14<sup>th</sup>, 16<sup>th</sup>, and 17<sup>th</sup>. The FSA marketing decision will occur in early April. LMBC member voting will take place on March 21<sup>st</sup>.

Megan moved on to slide 5 and the 2023 renewal overview. Kaiser is quoting a 2.6% premium cost increase to the medical plan. Vision Service Plan (VSP) is quoting a \$.89 per employee per month (PEPM) administrative cost for the VSP Buy-Up plan and a \$.78 PEPM administrative cost for the VSP Basic plan. There are no cost changes to the Standard policies/plans.

Shelley Zhao continued the presentation by highlighting slide 7 and describing the overall 2023 renewal financial projection for the medical, vision and dental plans. There are no changes or updates since the last meeting and she reiterated that Kaiser is quoting a 2.6% premium cost increase (fully insured plan); this would increase the medical/Rx/vision premiums from \$32,207,723 to \$33,036,336, an \$828,613 increase. The self-funded plan is expecting a 2.5% cost increase; this would increase the medical premiums from \$64,226,023 to \$65,831,733, a \$1,605,170 increase.

Finally, the Vision Service Plans (both basic and buy-up; self-insured) would increase by 2.3%, from \$639,211 to \$654,073. The health reserve fund could buy down the Moda increase by using a projected \$5 million or \$5.2 million (depends on stop loss option) in healthcare reserve money. Dave asked about the overall total annual cost increase of 2.3% and Shelley responded this change is due to increasing costs and inflation; she perceived it as being on the lower end of the cost increase spectrum.

Slide 9 listed the Moda administration fee breakdown. Megan explained the 2022 PEPM fee total of \$43.47 is a flat renewal increase as it's changing by \$.01 to \$43.48—a 0% change. The administration fee includes the following services: claims administration, customer service (including a designated phone line), Moda Health online tools with health risk assessment, standard claims processing, annual reporting, analytic support (ad hoc reporting as needed), summary of benefits and coverage (SBCs). This fee does not include Healthy Foundations. The medical management fee includes the following services: health coaching, case management, care coordination, disease management, and utilization review.

Megan moved on to slide 10, which highlighted Moda's proposed renewal rate for the City's \$1 million stop loss coverage for the upcoming plan year: It's a 20.1% preliminary increase or a potential increase of \$100,757 from plan year 2022-2023. The firm renewal will be released in April. Medical costs continue to increase from year to year, and as a result, the stop loss rates also increase. Moda contracts with another vendor to provide this stop loss coverage and protect the City's self-insured plan from unforeseen large claims—anything \$1 million or above (it's insurance for the insurance company). It provides protection against a type of claim that could have a catastrophic effect on the plan.

Megan highlighted slide 11 and updates to the required federal changes. Committee members do not vote on these changes. Moda will continue to monitor this **Item F1** for any additional changes, but the "No Surprises Act" protects members from surprise billing for emergency services and for non-emergency services by an out-of-network provider working at an in-network facility. Additional proposed changes to this act include new provider discrimination rules (affects alternative care providers), advanced explanation of benefits (EOB) and continuity of care when provider changes network status. The impact to the plan will be determined once rulemaking/changes are finalized.

As of May 11, 2023, the COVID Emergency Declarations is ending as shown in **Item F2**. Because of this end to the Public Health Emergency, health plans are no longer required to cover COVID testing and related services at no-cost. Plans will continue to be required to cover COVID vaccines for network providers at no cost share but are no longer required to provide vaccines at no-cost for out-of-network claims. For those participants who had a qualifying life event (e.g., separation from employment, etc.) prior to May 11<sup>th</sup>, deadlines have changed; they have until July 10, 2023, to submit COBRA paperwork as listed in **Item F3**.

Slide 12 listed the Oregon state changes. Like the federal changes, committee members do not vote on them. **Item S1** changes the definition of a disabled adult dependent (26 years old or above). This dependent will now be covered if a written statement of disability from the child's physician is received, the dependent had at least 2 years of coverage on the parent's plan before reaching age 26 and the subscriber (who is the legal guardian) claims the dependent as a tax dependent or the child's tax return shows an adjusted gross income of less than 150% of the federal poverty level. Currently, the subscriber is required to submit a determination of disability under the Social Security Act and the dependent must live with them. **Item S2** would change the current ambulance transportation limit of 300 miles to include "emergency medical services transport" which is an EMS evaluation and transportation to the nearest facility capable of meeting the needs of the individual; a trip limit to emergency services may not be applied. **Previously there was a question whether out-of-state or international emergencies would be covered under this change and Megan confirmed there would be no mileage limit.**

Megan then moved on to slide 13, highlighting the Moda recommended plan changes. The committee would be voting on these items in March. **Item R1** would remove a 4-visit maximum for nutritional therapy services for both the CityCore and CityHD plans as it poses a risk to mental health therapy compliance (covers eating disorders and this change would conform with the mental health plan). Prior authorization would also not be required for the first 5 visits. **Item R2** would implement CirrusMD, a text-based virtual care platform that lets members connect to a doctor 24 hours a day, 7 days a week. The cost for the City is \$.25 PEPM, which amounts to \$12,000+ per year. These virtual care visits are covered at no cost sharing for the CityCore member (this applies to CityHD participants who have met the deductible). There is a claims cost to the City of \$45 (once per 7-day engagement).

Highlighted on slide 14, **Item R3** would implement Moda 360, an enhanced member support solution with three key components: the Moda 360 console, the health navigator team, and the care 360 team. The navigators, familiar with both the healthcare system and the City's plan design, can help members understand their benefits and the services/tools available to them. The cost is \$3.57 PEPM or \$160,000 per year. Aon staff had an opportunity to witness a Moda demonstration of this service and they determined it would aid the Moda patient advocate because Heidi Jurgens (City's patient advocate) would have access to additional tools.

**Item R4** is another health support system for members who need behavioral health services. A behavioral health champion would help members, with the use of their support tool, determine the types of services needed and identify an available provider. They would also follow up after the initial appointment and again in 4-6 weeks to provide additional assistance if needed. The cost, if packaged with Moda 360, is \$1.81 PEPM or \$80,000 per year. As a standalone service, the cost would be \$3.62 PEPM or \$160,000 per year. **Aon also had an opportunity to ask Moda additional questions and assess other entities' experiences with this new service. It's difficult to determine potential costs to the City as it's a relatively new offering with limited experience data from other entities. Additional engagement costs could range from \$20 up to \$1,100 per month for the first three months; clinics such as Hazelden Betty Ford charge the higher rates. Michelle Taylor added there are concerns the City could get charged a fee for some initial services even if a patient creates an account but does not follow through or utilize any treatment. Detailed reporting may also be limited.**

Megan moved on to both the Express Scripts (ESI) state and proposed plan changes (slide 16). **Item S1** (state change) would provide an update to the definition and process of prescription step therapy so that there is a clear, readily accessible, and convenient process for a doctor to request an exception. Dave asked if there were any additional updates to the Kroger contract with Express Scripts and Megan replied there are none.

Megan shifted the discussion to the Delta Dental self-insured plans administered by Moda on slide 18. There are no updates or changes to the administration fee, currently \$6.58 per employee per month, for the upcoming plan year 2023-2024. The fee includes claims administration, customer service, standard claims reporting and annual reporting. **Item S1**, listed on slide 19, is an update to the definition of a disabled adult dependent (26 years old or above) and is identical to the medical plan change. This dependent will now be covered if a written statement of disability from the child's physician is received, the dependent had at least 2 years of coverage on the parent's plan before reaching age 26 and the subscriber (who is the legal guardian) claims the dependent as a tax dependent or the child's tax return shows an adjusted gross income of less than 150% of the federal poverty level. Currently, the subscriber is required to submit a determination of disability under the Social Security Act and the dependent must live with them.

There are no updates to **Item R1**, a proposed Moda recommended dental plan change, as highlighted on slide 21. This change would reduce the restoration services (fillings) waiting period from 3 months to 2 months after a dentist performs an interim caries arresting medicament (tooth

band aid) application on a tooth. Clinical evidence shows that a dentist can determine at 2 months whether this medicament is working or if the member needs a filling. Aon has determined that the claims impact would be negligible.

There are no updates regarding Kaiser's 2.6% quoted renewal rate increase for the City's fully insured medical and prescription plan, an increase of \$828,613 from plan year 2022-2023.

**Items F1, F2, F3 and F4**, shown on slide 23, listed the federal regulatory changes Kaiser will implement with the new plan year. **Item F1** updates the No Surprises Act and balance billing (out-of-network providers' services at in-network facilities will be covered). **Item F2** provides coverage for breast milk storage supplies and equipment as well as male condoms; **Item F3** provides coverage for colonoscopies when performed after a positive stool-based screening test or visualization screening test; **Item F4** provides coverage of venipuncture services (puncturing of vein to draw blood or insert IV injection) for preventive lab screenings and coverage of behavioral counseling interventions for type 2 diabetes and other risk factors.

Slide 24 listed **Items F5 and F6**, additional federal regulatory changes involving the ending of the COVID Emergency Declarations effective May 11<sup>th</sup> (same as the Moda self-insured plans). Committee members do not vote on these changes.

Slide 25 highlighted the recommended changes from Kaiser for plan year 2023-2024. **Note that item numbers have changed because of the latest updates:**

- **Item R1 – Alternative Care Rider** - Coverage for members' self-referred acupuncture visits. They would be required to see a provider who is part of the CHP Group network. Members could schedule 12 visits and pay \$20 per visit. The impact to the City is estimated to be \$99,000 per year. Currently, there is no coverage.
- **Item R2 – Chiropractic Rider** - Coverage for members' self-referred chiropractic visits. Members could schedule 12 visits and pay \$20 per visit. The impact to the City is estimated to be \$132,000 per year. Currently, there is no coverage.
- **Item R3 – Possible monetary offsets to the Alternative Care and/or Chiropractic Riders. Leverage one or both of the following changes to reduce premium increases related to acupuncture or chiropractic costs:**
  - **Brand drugs copay: Increase from \$15 to \$30**
  - **Inpatient hospital copay: Increase from \$0 to \$50 per day (up to \$250 max)**
- **Item R4 – ART Fertility Rider** - This item has been removed from voting options as **Kaiser disclosed the City's other health plan(s) would need to offer an equivalent benefit.** Assisted Reproductive Technology (ART) services would be covered at 50% with a \$20,000 lifetime medical benefit maximum and \$10,000 lifetime pharmacy benefit maximum. The cost impact is estimated to be \$50,000 per year. Currently, there is no coverage.
- **Item R5** – An increase to the vision hardware allowance so that there would be a \$250 allowance per 24 months for both the active employee plan and the Medicare Senior Advantage plan; currently the coverage is \$150 per 24 months for the active plan and \$100 per 24 months for the Medicare plan. The cost impact for the active plan is \$99,000 per year.

Erich Pacheco inquired whether members could choose generic medications over brand medications or vice versa and Megan confirmed this could be a choice, though primary care physicians are encouraged to prescribe generic medications. Medications may be labeled as a specialty drug when there is no generic equivalent. Michelle added the removal of Item R4 (ART fertility rider) is an unprecedented occurrence and expressed frustration over Kaiser not including this stipulation as part of the renewal response, so the late timing does not allow for Moda to price and quote comparable fertility benefit options. This benefit could have helped Kaiser distinguish themselves from the Moda plan. However, the infertility diagnosis or medical necessity requirement

would still exist, and it could create inequities. Megan noted some infertility medications are currently covered by Express Scripts formulary list.

Continuing to slide 27, Megan told members there were no updates to the Kaiser dental plan. The dental rates will not change for another plan year, a 0% increase. The total annual cost is \$3,188,717. Slide 29 featured the VSP (vision service plan; self-insured plan) administrative fee, which showed no rate change. The City is entering its final year of the five-year rate: \$.78 PEPM for VSP Basic and \$.89 PEPM for VSP Buy-Up.

Megan presented a new Vision Service Plan (VSP) recommended change, **Item R1**, to members. **LightCare, a benefit that includes a \$150 allowance (\$80 at Costco) every 24 months for non-prescription sunglasses or blue light filtering glasses instead of prescription glasses or contacts after a \$15 copay, could be added to the VSP Basic plan.** The impact to the city would be a \$.10 per employee per month (PEPM) increase to the VSP administrative fee and a potential 3% increase in claims. Overall, the total impact to the City would be approximately \$18,200.

Wrapping up their presentation, Megan shared slide 32 and the proposed changes for the employee assistance program (EAP). The recommendation is to continue the expanded visits through the next plan ending June 30, 2024 (13 visits for PFFA members and 10 for all other groups). The cost impact is neutral as it is already included in the 2023 projections. Dave asked whether there was any movement in the EAP industry to respond to the mental health crises among teenage girls and Megan replied there has been a shift from traditional EAP models to include onsite clinics and additional virtual services. Unfortunately, access to providers remains an issue. Dave emphasized providing supervisors and employees additional mental health trainings and services should remain a priority. Leslie Goodlow added that Multnomah County provides mental health consultants/counselors embedded within middle schools and high schools; these providers can serve both students with and without insurance. Kim Epling suggested mental health group therapy options could also be reviewed as a potential answer to a lack of provider availability. Michelle thanked members for their input regarding mental health services and added that mental health first aid trainings are currently being offered but additional funds may be needed to keep the program afloat and to provide these services to broader groups of employees.

#### **4. Additional LMBC meetings and RFP updates (5 minutes – Michelle Taylor)**

Michelle updated committee members with RFP updates and explained there was one pharmacy benefit manager (PBM) finalist presentation so far with two additional presentations scheduled for next week. The hope is to have a decision after the final committee meeting on March 8<sup>th</sup>. Flexible spending account (FSA) RFP is in process. A decision should be made in mid-April.

#### **5. Other Business:**

Erich Pacheco mentioned there is interest in benefits presentations being offered through affinity groups. Isaac McLennan asked how PFFA members could be involved in the deferred compensation RFP selection process. Michelle responded Christina Pham (deferred compensation coordinator) is heading the deferred compensation RFP committee and she would talk to him offline about involvement in these meetings. Deferred compensation benefits are not included under the LMBC umbrella—they're reviewed by a separate committee.

Rachel reminded voting members that if they aren't going to be present at the next meeting, they need to appoint a proxy to vote on their behalf. Michelle added the voting deck is being finalized and will be emailed out to members as soon as it's available.

#### **6. Public Comment: none**

7. **Next Meeting:** March 21st, 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 and details included upon request or via the meeting invite.
8. **The meeting was adjourned at 2:37 pm.**