

## **LMBC Meeting Minutes – Final**

January 17, 2023

Zoom Meeting

Attendance

Compiled by Anne Hogan

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

Tom Armstrong  
Jamie Doscher  
Kim Epling  
Margaret Evans  
Mark Gipson  
Casey Hettman  
Jeanette Hopson  
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***

Dave Benson  
Leslie Goodlow

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

Co-chair Rachel Whiteside called the meeting to order at 1:30 pm and requested committee members and observers introduce themselves to new member, Kim Epling. Kim is a Classification Compensation Analyst in BHR and will be taking Jamaal Anthony's place on the committee as a management representative.

## **2. Meeting Minutes Discussion**

Rachel asked committee members if there were any additions or deletions after their review of the December 13<sup>th</sup> meeting minutes. Nicole Powell noted her first name was spelled incorrectly; it will be corrected. Hearing no other objections or issues, Rachel declared the minutes approved by the committee.

## **3. 2022-2023 Plan Year Renewal (Aon)**

Aon's Megan Poppe began the presentation by highlighting the renewal planning calendar on slide 3. The PBM (pharmacy benefit manager) marketing finalist meetings are scheduled for February 15<sup>th</sup> & 16<sup>th</sup> while the FSA (flexible spending account) marketing finalist meetings will be held in mid-March. LMBC member voting will take place at the March 21<sup>st</sup> meeting and if necessary, additional meetings can be added to the schedule ahead of the vote.

Megan reminded members of the changes implemented for the current 2022-2023 plan year as shown on slide 5. Some highlights include converting the \$0 mental health cost share from a temporary change to a standard plan provision (both Moda/CityCore and Kaiser), revising the self-insured plan to include gender confirming facial surgery, maintaining diabetes coverage and treatment of inmates, enhancing Delta Dental plans by excluding preventive services from counting against benefit maximum, aligning basic life plan of 50K benefit to all benefits eligible employees and continuing the five additional EAP visits (13 visits for PFFA employees, 10 for all others).

Megan moved on to slide 6 and the 2023 renewal executive summary. 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) cost for the VSP Buy-Up plan and a \$.78 PEPM 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. She reiterated 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 expects a 2.5% cost increase with usage of some healthcare reserve money; 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.

Slide 10 listed the Moda administration fee breakdown. The 2022 PEPM fee total of \$43.47 will not change significantly as it's increasing 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.

Shelley moved on to slide 11, 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. Isaac McLennan wanted to know the reason behind the increase in the cost of stop loss coverage and Shelley responded it reflects the overall industry trend: 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 claims that could have a catastrophic effect on the plan.

Megan highlighted slide 12 and required federal changes. Committee members do not vote on these changes as they're presented for awareness. **Item F1**, 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.

Slide 13 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. Claire Houston asked if out-of-state or international emergencies would be covered under this change and Megan replied she would have to research if out-of-area emergencies or life flight would be covered.

Megan then moved on to slide 14, 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). Rachel Whiteside inquired how this app is different from the current telehealth coverage and Megan responded the current service is provided by OHSU primarily via an online platform, not an app. It would not impact this service. Aon is currently reviewing the utilization numbers to determine whether it would be worth the additional costs. Kaiser has contracted with an outside vendor to make a similar app available to its members.

Highlighted on slide 15, **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 better understand their benefits and the services/tools available to them. The cost is \$3.57 PEPM or \$160,000 per year. **Item R4** is another health support system for members who need behavioral health services. A behavioral health champion would help the member, using 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 has requested a demonstration of how these platforms would work. Rachel commented the bigger issue is a lack of mental health providers, so how would this service address this problem? Megan responded that with Behavioral Health 360, expanded networks would be available for certain types of services, and the burden is not on the member to find providers who are accepting new patients when utilizing the 360 services.

Starting on Slide 17, Megan moved on to both the Express Scripts (ESI) state and proposed plan changes. **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.

Megan shifted the discussion to the Delta Dental self-insured plans administered by Moda on slide 19. There is no change 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 20, 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.

**Item R1**, a proposed Moda recommended dental plan change is 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 determined the claims impact would be negligible.

Shelley discussed slide 23 and 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. This increase is based on their book of business.

**Items F1, F2, F3 and F4**, shown on slide 24, 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 25 listed the recommended changes that Kaiser is recommending to adopt for plan year 2023-2024:

- **Item R1** – 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** – 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** – 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 R4** – 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.

Rachel wanted confirmation that the 2.6% Kaiser renewal rate increase does not include the costs of these proposed riders. Megan affirmed this and added that Aon is exploring other potential options to offset these increases. Observer Paul Cone wanted more information about the CHP Group network and Megan explained it is compiled of outside, contracted providers not part of the Kaiser network. They've partnered with Kaiser for 10 years. Megan pointed out Item R3 (ART fertility rider) would only cover members with an infertility diagnosis and could potentially have some exclusions. Isaac asked whether this benefit would be similar to Carrot Fertility, and Michelle Taylor answered no, that Carrot offers resources to all benefits-eligible employees. This particular benefit would be specific to Kaiser members for coverage through their health plan. Michelle expressed concerns about this coverage not being equitable because of the exclusion of same sex couples or single employees who have not been diagnosed as infertile. The federal government's definition of infertility has not changed (the inability to get pregnant after one year or longer of unprotected sex).

Continuing to slide 27, Megan discussed the Kaiser dental plan and their decision to keep the same dental rates 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.

Wrapping up their presentation, Megan shared slide 31 and the proposed changes for the employee assistance program (EAP). The recommendation is to continue the expanded visits

through the next plan year ending June 30, 2024 (13 visits for PFFA members and 10 for all other groups). The cost impact of this is still pending because Kaiser will not renew the EAP funding. They previously made this funding available to address a lack of mental health provider accessibility within their network.

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

Megan asked committee members about their desire to have additional meetings to discuss the plan renewal changes. Rachel commented she didn't see any major changes for this upcoming year though she wondered if Michelle had any recommendations based on her expertise. Michelle responded she would like to have more information about Moda's 360 program and how it would enhance EAP or the current patient advocate position within Moda. Michelle also wanted to review the Kaiser alternative care riders in more detail as there are other plans available to employees who value these services. For those who really use alternative care, Moda offers additional visits and a large network of providers. Isaac mentioned paying for this additional care may be costly and redundant. Rachel added it would be beneficial to know how this potential increase in costs would affect premiums for both active employees and retirees who pay 100% of their premiums.

Rachel asked members if they would like to discuss any additional benefits to the plans and potential impacts/costs. Isaac mentioned he would like additional cancer screening coverage for his members. Claire asked about expanding fertility benefits or a "buy-up" type of plan. Megan replied for the Kaiser plan, a fertility plan change would have to apply to all members.

Michelle addressed RFP updates with the committee and explained that the pharmacy RFP had closed, with six vendors submitting materials to Aon for consideration. Flexible spending account (FSA) RFP results will be available in February or March.

Michelle also notified members there had been fewer than expected complaints or inquiries about the Kroger contract termination with Express Scripts, although we know many are impacted. Express Scripts will run additional reports to review the number of denials among members. Rachel added one employee she spoke to had issues navigating the Express Scripts website.

**5. Other Business:** none

**6. Public Comment:** none

**7. Next Meeting:** February 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 3:00 pm.**