

CITY OF LOS ANGELES
JOINT LABOR-MANAGEMENT BENEFITS COMMITTEE

PROPOSED MINUTES

SPECIAL MEETING

May 31, 2018 – 9:00 A.M.

CITY HALL, 200 NORTH SPRING STREET, ROOM 1060
LOS ANGELES, CA 90012

Present:

Committee Members

Regular:

Wendy Macy – Personnel Department
Cheryl Parisi – AFSCME, Council 36
Paul Bechely – Laborers' Local 777
Tony Royster – General Services Department
David Sanders – SEIU Local 721
Matthew Rudnick – Recreation and Parks
Chris Hannan – Building & Construction Trades Council

Alternates:

Marleen Fonseca – Engineers and Architects Association
Dana Brown – Office of the City Administrative Officer

Personnel Department Staff

Jody Yoxsimer – Assistant General Manager
Steven Montagna – Chief Personnel Analyst
Paul Makowski – Senior Personnel Analyst I
Daisy Tam – Senior Personnel Analyst I
Leo Reyes – Senior Personnel Analyst I
Helen Georgeson – Personnel Analyst
Ted Vasquez – Personnel Analyst
Russell Escueta – Personnel Analyst

Office of the City Attorney

Curtis Kidder – Assistant City Attorney

The Segal Group

Stephen Murphy

Keenan & Associates

Laurie LoFranco
Steve Balentine
Robin Rager

1. Call to Order

Wendy Macy called the meeting to order at 8:10 a.m.

2. Public Comments

None.

3. Committee Report 18-30: Employee Assistance Program Request for Proposal Evaluation and Recommendation

Paul Makowski presented this report. He began by summarizing the discussion from the prior JLMBC meeting regarding the staff recommendation that Optum be selected as the LAwell Civilian Benefits Program Employee Assistance Program (EAP) provider. He next addressed the questions asked by Committee members from the previous meeting regarding the services provided through the Employee Assistance Program. He stated that there are four primary categories for services – 1) Clinical Services/Work & Life Services; 2) Critical Incident Stress Debriefings (CISDs); 3) Training/Group Education; and 4) Employer Consultations. He briefly described each service and who initiates it.

Steven Montagna asked if the Committee had any questions before moving on to the next part of the report. Cheryl Parisi expressed her concerns regarding Employer Consultations and whether referring employees to this program could become a condition of employment for the individual. She further stated that if employees feel that the EAP is not something personal to them, it will continue to be underutilized. Mr. Makowski replied that the current guidelines which govern the way Employer Consultations are utilized state that the employer cannot use the service for disciplinary action in any way. Mr. Montagna added that Optum has indicated that the employer has discretion on how they want EAP services to be utilized. He continued by stating that the City can include restrictions on how Employer Consultations are utilized in the contract. Ms. Parisi stated that it is appropriate for a supervisor to tell an employee about the resource if there is a family loss but expressed concerns regarding confidentiality and reports that may be provided back to the supervisor if the employee utilized the services. Mr. Makowski replied that Employer Consultations are not a mandatory requirement. David Sanders asked if the results from services initiated by the employee would be reported back to the employer without the employee's permission. Mr. Makowski replied that this is not permitted. He added that the only way that the EAP communicates to the employer is to indicate if the employee contacted the EAP, but only if the employee has provided consent for that follow-up communication.

Marleen Fonseca stated her concerns with how feedback is relayed to an employee when the employer has initiated an EAP evaluation and that it is difficult to get employees to agree with the supervisor/manager on a counseling session or plan. She added that another concern could be that the supervisor may use the employee referral improperly as retaliation against an employee. Tony Royster stated if there are concerns about how the employer referrals would be utilized by management, then

perhaps the best way to handle those issues would be to contact the personnel liaison to have a confidential discussion about the personnel matter. He added that if the personnel liaison feels it is appropriate, they could then refer that employee to the EAP and it is the employee's decision whether to utilize the services offered. Wendy Macy stated that these discussions center on training and communication on the part of the supervisor relaying the message and she would like to know how Optum would recommend communications strategies on how best to facilitate the referral process. Ms. Parisi stated that the EAP should work with the Domestic Violence Resource Team (DVRT) to support and provide assistance to employees who may have work performance issues and are victims of domestic violence.

Next, Optum representatives Jennifer Schlecht, Account Manager; Margaret Kelly, Vice President of Government, Education, and Labor; and Steve Kruse, EAP product subject matter expert; provided a presentation to the JLMBC regarding the Optum EAP. Ms. Schlecht began by describing Optum's EAP offering and how they would work with the City to customize the program to meet the City's needs with the goal of driving utilization. She described the core service of the EAP that would be provided to members. She stated that consistent with the current level of service, members would have access to five EAP visits with an Optum network provider per problem per year. She added that these visits can be delivered in a variety of ways such as face-to-face, telephonic EAP, or virtual visits. She continued by stating that all of the services are 100% confidential. Additionally, Ms. Schlecht described the legal and financial services that are provided with the EAP. Lastly, she stated that the EAP also includes on-site training of 250 hours per year for City departments to access and also stated that Optum would provide unlimited hours for critical response services to City departments.

Steve Kruse next discussed the delivery mediums for how EAP services would be provided. He described the different methods with which members could access the service. He indicated that the first way is by calling the toll-free number. Additionally, he stated that members could access the EAP via the web and mobile app. He further added that Optum could continue to assist members by referring them to other benefit services within the LAwell Program.

Next, Mr. Kruse provided an overview of financial and legal services that are included with the EAP. He stated that members would be provided with two consultations per issue per year with a financial coach or specialist in proximity to the member. He added that members often use this service for a broad array of topics such as budgeting, retirement transition, or estate planning. He described the legal services that are included. He stated that members would be provided with a 30-minute no-cost consultation with an attorney and Optum can connect the member with that attorney afterward if they wish to continue using the service. He further stated that EAP also covers mediation services.

Mr. Kruse then discussed the training courses that are included as part of the EAP. He stated that there are more than 250 courses available covering a broad range of topics, including supervisory, management, and human resources. He also stated that the EAP

includes training courses on work-life topics such as effective communication, being a parent, and stress relief. He then explained the critical incident response services that are provided and stated that Optum has same day or next day availability for representatives to be dispatched to a site of a crisis. Lastly, he discussed the management consultations included in the EAP and stated that Optum can provide advice on how to handle an issue such as delivering a message to an employee. Ms. Schlecht added that promoting work-life services can make the EAP program more inviting to members and when a work-related issue arises in the future, the member will feel more comfortable utilizing the service and know how to access it based on their previous interactions.

Ms. Schlecht next demonstrated the live and work well Optum website. She stated that the webpage can be accessed anonymously or with a specific code that the City is able to choose. She described the benefits that can be accessed on the website and the layout of the website. She then explained the search function and its utilization by members to look for providers. Dana Brown asked if members can access services by visiting the website instead of calling the service line. Ms. Schlecht confirmed that services could be utilized by accessing the website. She continued to demonstrate the website and highlighted the page tabs and subheadings that could be customized. Ms. Kelly added that the website can also be accessed by a member's dependents to access services. Ms. Fonseca asked if there are videos on the website under the financial section or if only certain sections contain videos. Mr. Kruse replied that there are videos available for each topic. Ms. Schlecht noted that there is a Spanish language version of the website that is unique since it is built from scratch and not simply a translated website. She stated that there are surveys and videos with interactive polling on the monthly e-newsletter that will be given to the City each month. She added that Optum has various means of communication and their staff can work with the City to customize these different communication pieces throughout the year.

Mr. Rudnick noted that Optum's book of business illustrates that they are better able to reach spouses and dependents currently than the City has seen historically. He then asked how Optum was able to accomplish that and if those results could be replicated with the City's spouse and dependent population. Ms. Schlecht replied that Optum can engage spouses and dependents when engagement with employees is successful, which helps to establish trust and open up the resource on a broader scale.

Ms. Parisi asked if Optum is ready to commit a liaison to work specifically with the City and assist in the administration of the program. Ms. Schlecht replied that she is the account manager and is flexible to attend on-site meetings as appropriate and visit various departments to determine how employees like to receive information and what events can be held on-site to promote the EAP. She added that the account team's services do not count toward the 250 bank of hours. Ms. Parisi asked if Optum could commit to meet with each of the labor leaders and directly communicate to the members. Ms. Kelly responded that Optum would be pleased to meet with management and heads of labor unions upon request.

Ms. Parisi asked that the most experienced counselors and specialists in the field be provided for issues concerning domestic violence. Ms. Kelly responded that Optum has the personnel and expertise to help abuse victims.

Ms. Fonseca next asked if the 250 bank of hours for training is assigned on a first come first served basis or if the City facilitates the utilization of the bank of hours. Ms. Schlecht stated that Optum will work with the City's Employee Benefits Division to determine how these services will be utilized. She further added that Optum will provide the City with a training catalog which includes a description of each of the courses and what to expect from each course. Mr. Sanders asked who would have access to the administrative tools. Ms. Schlecht replied that Optum would work with the City to determine who will have access. Mr. Sanders asked how the 47% decrease in the number of days absent for members who used the EAP was calculated. Mr. Kruse replied that this statistic is based on self-reporting. He added that when Optum provides a service to someone, Optum will follow up with that individual afterwards. He indicated follow-up initially begins at 10-14 days and continues again at 30, 60, or 90 days. He further explained that Optum engages with the member to ask them how their service was and if it solved their member's problem.

A motion was made by Tony Royster, seconded by Cheryl Parisi, that the JLMBC recommend to the General Manager Personnel Department that Optum be selected as the service provider for EAP services for an initial three-year contract term, with the option to renew for up to two additional years; the Committee unanimously adopted this motion.

4. Committee Report: 18-31: Adoption of LAwell Civilian Benefits Program Plan Year 2019

Steven Montagna presented this report. He began by stating that Kaiser had modified their original proposal of a rate cap of 3.5% to 2.5% in 2020. He stated that the rates for all plans are listed in the staff report and that there would be no other rate changes for any of the other service providers relative to 2018 rates, except for a slight fee reduction with Optum for the EAP benefit.

Mr. Montagna next indicated that the 2019 plan design updates were outlined on page five of the staff report. He stated that staff recommended an increase in the maximum benefit amount in the basic disability program, from \$3,201 to \$3,268 per month, and also an increase in the maximum contribution to the Healthcare Flexible Spending Account, from \$2,600 to \$2,650 per month, to bring the City up to the maximum level allowed under federal law. He stated that the remaining information in the report relates to the cost breakdown for each of the benefits that are part of the LAwell Program.

Ms. Parisi commented on the excellent negotiation with the providers provided by Segal Consulting, including the negotiations with both Kaiser and Anthem. Mr. Sanders asked for clarification of staff's recommendation of option A and B with respect to Kaiser's renewal. Mr. Montagna clarified that the recommendation is option A, and that would be for no rate change in 2019 coupled with a rate cap of 2.5% in 2020.

Following this discussion, a motion was made by Tony Royster, seconded by David Sanders, that the JLMBC recommend to the General Manager Personnel Department approval of 2019 service provider renewals for LAwell Civilian Benefits Program service providers including:

1. Kaiser Permanente for a 0.0% renewal in 2019 and accompanying 2.5% rate cap in 2020 for the Staff Model Health Maintenance Organization (HMO) plan.
2. Anthem Blue Cross for renewals of the Preferred Provider Option (PPO) (+7.28%), Narrow Network HMO (+2.44%), Full Network HMO (+2.44%), and Vivity HMO (-9.79%) plans.
3. Delta Dental for a 0% renewal of LAwell Dental PPO, HMO, and Preventive plans.
4. EyeMed for a 0% renewal of the LAwell Vision plan.
5. Optum for a -1.68% rate change as the proposed new provider for the Employee Assistance Program (EAP).
6. WageWorks for a 0% renewal of LAwell Tax-Advantaged Spending Accounts services.

The Committee unanimously adopted this motion.

A motion was then made by Tony Royster, seconded by David Sanders, that the JLMBC approve recommended plan design changes for Plan Year including:

1. Basic Disability Insurance – Increase the monthly basic disability maximum benefit amount by \$67 from \$3,201 to \$3,268.
2. Healthcare Flexible Spending Account (HFSA) – Increase the annual maximum contribution for the HFSA by \$50 from \$2,600 to \$2,650.

The Committee unanimously adopted this motion.

A motion was then made by Tony Royster, seconded by David Sanders, that the JLMBC receive and file information regarding projected LAwell Civilian Benefits Program expenditures for Plan Year 2019; the Committee unanimously adopted this motion.

5. Committee Report 18-32: Mercer Human Resources LLC Contract Extension

Steven Montagna presented this report. He began by stating that the target implementation date for transition to Morneau Shepell as the new benefits Third-Party Administrator is April 1, 2019. He added that the last action taken by the JLMBC was to recommend extension of the contract with the current TPA, Mercer until the end of December 2018.

A motion was made by Cheryl Parisi, seconded by Chris Hannan, that the JLMBC recommend to the General Manager Personnel Department extension

of the term of Contract No. C-116636 with Mercer Human Resources Services, LLC (Mercer) for recordkeeping, enrollment, and benefits administration of the City's LAwell Civilian Benefits Program through March 31, 2019; the Committee unanimously adopted this motion.

6. REQUEST FOR FUTURE AGENDA ITEMS

There were no requests for future agenda items.

7. NEXT MEETING DATE

A meeting was noted for July 5, 2018 at 9:00 a.m.

8. ADJOURNMENT

The meeting was adjourned at 10:27 a.m.

Minutes prepared by staff member Russell Escueta.