

CITY OF LOS ANGELES
JOINT LABOR-MANAGEMENT BENEFITS COMMITTEE

PROPOSED MINUTES

SPECIAL MEETING

August 2, 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
Neil Guglielmo – Los Angeles City Employees' Retirement System
Paul Bechely – Laborers' Local 777
Richard Llewellyn – Office of the City Administrative Officer
Tony Royster – General Services Department
Matthew Rudnick – Recreation and Parks

Alternates:

Marleen Fonseca – Engineers and Architects Association
Ramon Rubalcava – SEIU Local 721
Alice Goff – AFSCME, Council 36

Personnel Department Staff

Jody Yoxsimer – Assistant General Manager
Steven Montagna – Chief Personnel Analyst
Isaias Cantu – Senior Management Analyst II
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

Keenan & Associates

Laurie LoFranco
Steve Balentine
Robin Rager

1. Call to Order

Wendy Macy called the meeting to order at 8:02 a.m.

2. Public Comments

None.

3. Minutes

A motion was made by Tony Royster and seconded by Ramon Rubalcava to approve the JLMBC minutes of the May 3, 2018 special meeting; the Committee unanimously adopted this motion.

4. Committee Report 18-39: Employee Benefits Trust Fund Member Refunds Update

Steven Montagna presented this report. He began by providing an update on the issuance of member refunds. He stated that member refunds for active employees will be issued on the August 29, 2018 paycheck for approximately 15,600 individuals. He added that a preliminary letter regarding the refunds is being mailed to members this week and a subsequent letter will be mailed the week before they receive the refund.

Mr. Montagna continued that an announcement to retired and terminated members who will be receiving refunds is scheduled to be mailed on September 5. He stated that an initial letter was mailed to these members to test the validity of the current addresses on file. He added that staff is currently looking at several options to find valid addresses for those members that do not have a valid address.

Tony Royster asked what information is contained in the letters that members are receiving. Mr. Montagna stated that the letter is explaining why the member is receiving the refund and what type of coverage they would have had to have to receive a refund(s). He added that the amount of the refund is not disclosed in the letters. Mr. Royster asked what happens if members dispute their refund amount. Paul Makowski replied that members who dispute their refund amount are being directed to the Mercer call center. He added that the Mercer representatives at the call center are able to look up the record of the employee and what that employee was enrolled into. He stated that the call center representative, however, would not be able to see the amount of the refund. Ramon Rubalcava stated that LACERS may be able to help with address validity for the employees that terminated from the City due to retirement.

A motion was made by Ramon Rubalcava and seconded by Neil Guglielmo for the JLMBC to receive and file the update regarding member refunds from the Employee Benefits Trust Fund; the Committee unanimously adopted this motion.

5. Committee Report: 18-40: 2018 Open Enrollment Communications Campaign Overview for Plan Year 2019

Paul Makowski presented this report and began by stating that August is the time to plan communication activities for the upcoming Open Enrollment period. He then provided an outline of the different communication materials that are planned for the upcoming Open Enrollment period. He stated that employees will receive a postcard announcing the upcoming Open Enrollment period and that Open Enrollment announcement posters will be posted at various City worksites in September.

Mr. Makowski next discussed the Open Enrollment package that will be mailed to employees. He stated that the packages will be mailed in the last week of September with the goal of employees receiving them by October 1, 2018. He explained that the Open Enrollment package will consist of the employee's Personal Enrollment Fact Sheet and CHOOSEwell Guide which is similar in style and format to that used in the prior year. He also added that a highlights pamphlet will be included in the package which will provide employees with key information and changes to be aware of to make their benefit elections during the upcoming Open Enrollment period. He further stated that the only changes from last year are the announcement of the new vendor for EAP services and the minor changes in benefits such as the increase in the flexible healthcare spending account maximum and increase in the disability insurance benefit allowance. He then mentioned that email reminders and a reminder postcard about the Open Enrollment deadline will be sent before October 31, 2018. He stated that after the close of Open Enrollment, confirmation statements will be mailed to employees summarizing their benefits elections and reminding them of additional actions that may be required such as submitting supporting documentation for adding spouses and/or dependents.

Mr. Makowski next explained the various Open Enrollment events that are planned. He stated that staff was implementing a service called Benefits On-site in which staff will visit employees at different City departments and various locations to provide information about benefits and answer questions. He added that employees will also be able to turn in dependent verification forms.

Mr. Rubalcava stated that it would be helpful to explain to employees how to obtain Evidence of Coverage forms under the plan design comparison page of the Open Enrollment guide. Mr. Makowski replied that staff is working with Anthem and Kaiser on this and added that the comparison is only a snapshot of the benefits covered under the plan.

Neil Guglielmo asked if web-enabled counseling sessions have been considered as an option for members with questions about their benefits. He added that LACERS is in the process of establishing a contract with JellyVision for a counseling benefit online tool. He stated that the software provides a walk-through of all the benefit selections and helps members make selections for all their benefits. He then asked if the lunchtime seminars and webinars are being videotaped and if they would be available online. Mr. Makowski confirmed that webinars will be recorded and made available for viewing at

www.keepingLAWell.com. Mr. Guglielmo asked if there is an option for members to test out a benefit and change if they do not like the plan. Mr. Montagna stated that discussion with the consultants and benefit providers would have to be held to determine if that would be a feasible option.

Mr. Rubalcava asked if the new TPA is following the Open Enrollment process. Mr. Makowski replied that Mercer is still conducting Open Enrollment for the 2019 plan year. Mr. Rubalcava asked if the new TPA is monitoring how the Open Enrollment period is being administered. Mr. Montagna replied that the new TPA, Morneau Shepell will be providing an update on its resources for Open Enrollment during the TPA transition update report.

Ms. Macy asked if there is any incentive for employees to get them engaged earlier in the Open Enrollment process. Mr. Montagna stated that other types of incentives have been offered for previous activities and that incentives can be looked into. Mr. Royster asked what advantage there is for enrolling early as opposed to enrolling late or if the City has lower costs by having more people enroll early. Mr. Montagna stated that the risk to the employee of delaying is a potentially longer wait time if enrolling over the phone. He further stated that there would not be a cost advantage for the program as a whole to get members to enroll early. He added that it is a challenge to provide incentives because they need to be reported by the Controller's Office for tax purposes and that this is a manual process that requires a substantial amount of time.

Richard Llewellyn stated that the LAWell branding is good but asked if there is a way to brand all of the other benefits options as well. Mr. Montagna stated that discussion with the new EAP provider has been held to rebrand the program and added that branding is also being considered for the other benefit providers.

A motion was made by Richard Llewellyn and seconded by Marleen Fonseca to receive and file the report regarding the 2018 Open Enrollment communications campaign for Plan Year 2019; the Committee unanimously adopted this motion.

6. Committee Report 18-41: Anthem PPO Member Survey Results

Steven Montagna presented this report. He stated that since the previous year, 2017, a number of strategies have been implemented to improve member outcomes and customer service for the PPO plan. He added that Anthem and staff have worked on several strategies towards this goal, including promoting certain services available for PPO members such as the mobile health app, the on-site concierge service, and the HEAL network which provides an in-house call visit for members.

Mr. Montagna next discussed the results of the Anthem PPO member survey that was released on March 23, 2018. He stated that a total of 268 responses were received. He stated that the complete set of responses is included in the report. He stated that over 80% of respondents indicated they believe the PPO plan provides a higher quality of care. He mentioned that over half of respondents reported they had always been

enrolled in a PPO plan and 43% indicated they had previously been enrolled in an HMO plan and switched over to PPO. He stated that PPO members are active users with approximately half indicating that they or one of their dependents has a chronic care condition. He added that 69% of respondents indicated they would stay in the plan if the cost of the plan for them went up by 10%. He added that the report includes a discussion of the focus groups that were held, with only 8 individuals attending out of the 90 that reported that they were interested in participating. He stated that staff would continue to work with Anthem as a long term initiative to be able to promote the PPO resources that were discussed.

Mr. Llewellyn stated that from his experience if the focus groups are too small, they are not statistically relevant. Mr. Montagna stated that 10% of the members responding to the survey can be considered statistically significant. He mentioned that the challenge with results is that members who have negative experiences with the plan might be more inclined to respond. Mr. Llewellyn stated since Anthem most likely has done surveys frequently, they should have a good idea of how significant the survey results are. Andrew Richards, Account Management Executive Consultant at Anthem, stated that Anthem does hold focus groups but did not sponsor the focus group that the City put together. He added that Anthem saw some encouraging signs from the survey held by the City. He stated that Anthem did not compare the results of the survey to survey focus groups conducted by Anthem.

Matthew Rudnick stated that the survey response is reflective of the actual member population in the PPO plan. He stated a worrying sign is that 25% of respondents indicated they would switch plans if the premium was to increase by 10%. He asked how the results of the survey would provide information as to how viable the PPO plan is moving forward. Mr. Montagna responded that to continue to make the plan viable the focus should be on improving experience and attracting new members. Ms. Goff stated that upon seeing the PPO plan have high employee-only enrollment, she asked if that is due to the City subsidy structure. Mr. Montagna stated the lopsided enrollment numbers for the employee-only coverage is due to no or minimal costs for that demographic. Mr. Royster stated the lopsided enrollment might also have to do with classification.

Mr. Bechely stated that a majority of members who responded to the survey have 10 or more years of service with the City. He asked if there is a way to know if the new hires are electing to enroll in the PPO plan. Mr. Montagna replied that it will be possible to see if there are shifts of enrollment into the PPO plan with new hires and in particular, after the Open Enrollment period. Mr. Rubalcava stated that he is interested in the utilization reports Anthem will bring forward and how the viability of the plan will be assessed to ensure that a PPO plan can continue to be offered in the future.

Marleen Fonseca asked if the respondents to the survey really understood all the questions being asked such as if they would stay in the plan if there was a 10% increase in the premium. Mr. Montagna stated that it is difficult to translate the subjectivity of the answers since members enrolled in employee-only coverage may not view a 10% increase in premium to be a large amount in dollars, but for a member with

dependent or spouse coverage, it may be an entirely different case since the dollar amount of a 10% increase in premium is significantly higher.

Following this discussion, **a motion was made by Matthew Rudnick and seconded by Marleen Fonseca to receive and file the staff report regarding the 2018 Anthem Preferred Provider Option (PPO) member survey; the Committee unanimously adopted this motion.**

7. Committee Report 18-42: Third-Party Administrator (TPA) Transition Update

Terri Arceneaux, Implementation Leader at Morneau Shepell, provided an update on the current transition process. She stated that in the month of July, business requirements were gathered from City staff and workshops were held to collect all the necessary information to analyze process improvements. She then explained that a daily file was introduced in order to more quickly update participant changes in the system such as employee address and contact information.

Kevin Kanoon, Vice President of Client Relationships with Morneau Shepell, stated that Morneau has a similar tool to JellyVision called Ava, a natural language tool that will be implemented during the 3rd quarter of 2019. He added that Ava can be accessed via text or voice. Mr. Guglielmo asked if Ava can be accessed by smart phone or tablet. Mr. Kanoon confirmed yes. Mr. Guglielmo asked if a link can be sent to view the Ava tool. Mr. Kanoon replied that Ava will be included as part of the demonstration of the member web portal that Morneau will provide to the Committee. Mr. Rubalcava asked when the demonstration will be scheduled before the Committee. Mr. Kanoon replied that the demonstration will be scheduled during the 4th quarter of 2018. He stated that Morneau will coordinate with City staff to find a suitable date and time to provide the demonstration.

Wendy Macy asked what the highlighted dates mean in the implementation schedule and if there is a cause for concern. Ms. Arceneaux replied that it is not a cause for concern because there was enough lead time in the timeline to move some of the milestones since benefits division staff was busy with Open Enrollment. The shift in timeline was able to be made without affecting the final delivery schedule.

Following this discussion, **a motion was made by Ramon Rubalcava and seconded by Neil Guglielmo to receive and file the LAwell Civilian Benefits Program TPA transition update for July 2018; the Committee unanimously adopted this motion.**

8. Committee Report 18-43: Employee Benefits Trust Fund Staffing Reimbursements – Fourth Quarter Fiscal Year 2017-18

Paul Makowski presented this report. He indicated that the Committee previously approved a total of five positions in the LIVEwell Wellness Program and Employee

Benefits Section to be reimbursed from funds in the Employee Benefits Trust Fund. He stated that the cost to be reimbursed for the benefits positions is \$108,834.04 and the cost for the LIVEwell Wellness Program positions is \$82,259.66 for a total of \$191,093.70 to be reimbursed from the Trust Fund.

A motion was made by Richard Llewellyn and seconded by Paul Bechely to approve reimbursements from the (a) Employee Benefits Trust Fund for Personnel Department salary costs of staff providing direct administrative support of the LAwell Civilian Benefits Program in the total amount of \$108,834.04 inclusive of the fourth quarter of fiscal year 2017-18; and (b) Employee Benefits Trust Fund/Wellness sub-account for Personnel Department salary costs of staff providing direct administrative support of the LIVEwell Wellness Program in the total amount of \$82,259.66 inclusive of the fourth quarter of fiscal year 2017-18; the Committee unanimously adopted this motion.

9. Committee Report 18-44: LIVEwell Wellness Program Update

Joan Centanno, FUSE fellow and Executive Advisor for the LIVEwell Program, presented this report and began by stating that a dental webinar was launched for the first time in July. She stated that the LIVEwell program will continue to work with its benefits providers to plan joint events to engage the membership.

She continued by providing an update on the implementation of the vision pop-up clinics. She stated that the clinics have a 75% attendance rate and that EyeMed has provided a fifth week of clinics in the month of November.

Next, Ms. Centanno provided an update on cooking demonstration classes with Anthem. She stated that the classes have been scheduled and all classes were fully booked. She mentioned that an event with the Central Library was planned but there was a flood at the location, resulting in postponement of activities that were planned.

She then provided a brief update on the joint LA City and County family fitness event. She stated that preparations for the joint event are ongoing. She added that staff will continue to meet with the County to discuss setup for the event which is scheduled on October 13, 2018 from 8 a.m. to 12 p.m. She continued by stating that attendees can bring up to 12 guests.

Ms. Fonseca asked what the “Fitting in Fitness” class was about. Ms. Centanno replied that the class consisted of a demonstration of physical activities but also included a discussion of the principles of fitness and finding time to accommodate fitness into a working lifestyle.

A motion was made by Neil Guglielmo and seconded by Matthew Rudnick to receive and file the staff report regarding LIVEwell Wellness Program

(LIVEwell) developments, updates, and activities; the Committee unanimously adopted this motion.

10. Committee Report 18-45: LAwell Benefit Service Provider Summits

Robin Rager, Director of Health Management from Keenan & Associates, spoke about the provider summit in more detail. He stated that the summit was held to promote collaboration between the benefits providers in the areas of preventive, wellness communications, and condition management with the goal of integrating an evidence-based approach to help drive decisions and strategies moving forward. He continued by stating that one of the goals of the summit is to identify existing programs available from the benefits providers to address the health issues of City employees and their dependents. He also added that an evidence-based approach involved determining the appropriate metrics to track key indicators in utilization and cost drivers. He continued by stating that the second goal was to determine how the data elements could be coordinated and shared between all of the providers. He added that the wellness Third-Party Administrator would play a vital role in coordinating the sharing of data between the providers.

Mr. Rager stated that 15 benefit service providers attended the first provider summit meeting on March 30, 2018, including Kaiser, Anthem, Managed Health Network (MHN), Delta Dental, EyeMed, The Standard, Personnel staff, Segal, Keenan, and LACERS staff. He stated that the discussion during this first summit centered on different approaches to integration and sharing of information between the providers.

Mr. Rager stated the second summit meeting was held on July 10, 2018 and most of the providers from the first meeting attended. He stated that because MHN would be concluding services at the end of 2018, Optum would be invited to the summits moving forward. He briefly discussed the diabetes prevention programs that are currently available by Anthem and Kaiser. He mentioned that a strategy to better communicate these programs was discussed in the summit. He continued by discussing the role that Limeade would play. He added that next steps following the summit were to operationalize the strategies and goals that were discussed in the July 10 meeting and schedule follow-up meetings to determine which strategies could be implemented during the remainder of 2018 and the upcoming year.

Mr. Montagna indicated that a focus at the previous meeting was the idea of developing communications around particular needs to identify each of the carriers' resources, instead of stating what each vendor does and what they have to offer. He continued by stating that from the member perspective this could be a more useful way to organize information. Mr. Guglielmo asked if there is a best in practice or example of an organization that has integrated carriers and wellness objectives and secondly, if there could be an annualized campaign to address a health condition or issue affecting members. Mr. Rager stated that the City has collected information on other City wellness programs and the components and success they have had. He mentioned that his experience of working with other cities is that they have not

integrated preventive services among their carriers. Mr. Montagna added that if members learn of a program or resource available to them then they are aware of the resources available and possible solutions, should they develop a condition or disease later on.

Following this discussion, **a motion was made by Richard Llewellyn and seconded by Neil Guglielmo to receive and file the staff report including the report from Keenan & Associates regarding the LAwell Benefit Service Provider Summits; the Committee unanimously adopted this motion.**

11. Committee Report 18-46: Projects & Activities Report

Daisy Tam presented this report and began by providing updates to Anthem's network agreements. She stated that at the July 5, 2018 meeting, Anthem had notified the City that they were in negotiations with Dignity Health to extend their contract. She added that since the last update provided to the JLMBC on July 5, Anthem has reached an agreement to extend the termination date with Dignity Health to August 13, 2018, to provide more time for negotiations. She then stated that at the same July 5, 2018 JLMBC meeting, Anthem was asked if the official termination notices that are sent to members could be mailed sooner. She stated that because the notices are regulated by the California Department of Managed Healthcare, Anthem is unable to send notices earlier than their current practice which is within five calendar days of the termination date.

Ms. Tam next discussed the monthly lunchtime seminars. She stated that on July 26, 2018, the fifth monthly lunchtime seminar for the year was held and the topic was preventive care. She continued by stating that the seminar/webinar was held at City Hall and there was a total of 48 participants, with 19 attending in person, and 29 attending via webinar. She added that there are two remaining lunchtime seminars left with the next one to be held in August on the topic of Medicare and LAwell benefits. She stated that the final seminar/webinar would be held in September with the topic being the Tax-Advantaged Spending Accounts.

She next presented the Employee Assistance Program transition update. She stated that there was a kick-off meeting held in the month of June with new provider, Optum and that weekly meetings have been held to establish requirements and finalize timelines for the transition from the current provider, Managed Health Network (MHN). She stated that Optum is working with staff to investigate the option of porting the LAwell Program's current toll-free number over from MHN. She stated that Optum is also working to develop a communication plan to inform employees, their dependents, and all City departments of the change in the EAP provider.

Ms. Tam then presented the 2019 Open Enrollment planning update. She stated that staff met at the end of June with the current Third-Party Administrator, Mercer, and communications consultant, Segal, to discuss 2019 Open Enrollment planning. She stated that team roles and responsibilities as well as improvements to ensure a

smooth Open Enrollment process, were discussed. She added that during the month of July, staff worked with Mercer and Segal to address potential administrative processing changes that will occur for the upcoming Open Enrollment period and stated that staff will provide additional information at the next Open Enrollment update.

She next provided an update on The Standard Insurance Company microsite revision. She stated that as part of the renewed service proposal, The Standard agreed to develop a customized microsite for the City with more educational content such as benefit calculators to assist employees with their disability and life insurance benefits. She mentioned that staff reviewed the microsite in July and provided The Standard feedback on improving the site. She continued by stating that the microsite is anticipated to be launched in time for the current year's Open Enrollment period.

Lastly, Ms. Tam provided an update on Affordable Care Act tax reporting. She stated that staff began working with Mercer on the employer shared responsibility tracking tool necessary for ACA eligibility and tax reporting. She also mentioned that staff is in the midst of contract negotiations with the new tax reporting vendor, Ernst & Young, and that the anticipated contract execution date for commencement of services is September 1, 2018.

Following this discussion, **a motion was made by Richard Llewellyn and seconded by Neil Guglielmo to receive and file the projects and activities report regarding informational items, projects updates, staffing summary, and completed projects/meeting calendar for July 2018; the Committee unanimously adopted this motion.**

12. REQUEST FOR FUTURE AGENDA ITEMS

Ramon Rubalcava requested that the Wellness TPA provider be scheduled in September or November to present an update on the status of the transition.

13. NEXT MEETING DATE

A meeting was noted for September 6, 2018 at 9:00 a.m.

14. ADJOURNMENT

The meeting was adjourned at 10:35 a.m.

Minutes prepared by staff member Russell Escueta.