

Date: February 7, 2019  
To: JLMBC  
From: Staff  
Subject: **Benefits Third-Party Administrator (TPA) Transition Update**

**JLMBC MEMBERS**  
Employee Organizations  
**David Sanders, Chairperson**  
Paul Bechely  
Chris Hannan  
Steve Koffroth  
William Violante  
Management  
**Wendy G. Macy, Vice-Chairperson**  
Neil Guglielmo  
Rich Llewellyn  
Tony Royster  
Matthew Rudnick

**RECOMMENDATION**

That the JLMBC receive and file the LAwell Program benefits TPA transition update for December 2018 to January 2019.

**DISCUSSION**

**A. Benefits Third-Party Administrator Transition Background**

At its special meeting on January 4, 2018, the JLMBC recommended the selection of Morneau Shepell (Morneau) as the benefits TPA for the City of Los Angeles LAwell Program pursuant to a Request for Proposal (RFP) for benefits TPA services that was released on May 8, 2017. At that meeting, the JLMBC also requested that staff provide regular status updates to the JLMBC on the progress of the transition.

**B. TPA Transition – Current Status**

Based on an implementation effective (go-live) date of April 1, 2019, Morneau has developed a detailed implementation plan governing the transition. This plan includes five stages for successfully completing the transition. A brief description of the tasks involved in each of these stages is provided in **Attachment A**. These stages and the current status is as follows:

- Pre-Implementation – Completed
- Discovery – Completed
- Design, Configure, and Build – Completed
- System and Acceptance Testing – In Progress
- Transition to Ongoing Support – In Progress

The first two of the five stages, Pre-Implementation and Discovery, entailed holding a series of workshops to identify the full scope of business requirements needed for plan administration. Workshops were also used to identify areas of potential administrative improvements and service enhancements. The transition timeline of key milestones and current status for each stage of the implementation plan is provided in **Attachment A** and described in further detail below.

## **(1) Implementation Stages**

Formal discovery workshops have concluded and a requirements workbook has been drafted detailing the business and systems requirements of each benefits administration process. The workbook forms a comprehensive business process document that governs administration of the plan. This workbook was used to guide the Design, Configure, and Build phase of the project. This phase of the project was completed in January. The project has now transitioned into the fourth stage of the implementation plan – System and Acceptance Testing. The status of each chapter in the workbook is as follows:

- Plan Analysis – acceptance testing in progress
- Site Access & Security – acceptance testing in progress
- Site Navigation & Content – acceptance testing in progress
- Participant Tools – acceptance testing in progress
- Administrator Tools – acceptance testing in progress
- Human Resources Information System – acceptance testing in progress
- Payroll – acceptance testing in progress
- Reporting – acceptance testing in progress
- Business Processes – acceptance testing in progress
- Billing Processes & Reporting – accepting testing in progress
- Carrier Premium Payment Processes & Reporting – acceptance testing in progress

Acceptance testing is scheduled to continue through February 2019 before the project transitions to the fifth and final stage of the implementation plan – Transition to Ongoing Support.

## **(2) Benefits Member Portal User Experience Testing**

Morneau has developed the benefits member portal based on plan requirements outlined in the completed workbook chapters. Staff has completed initial acceptance testing of the member portal. Morneau also provided a demonstration of the member portal to the Committee at its November 1 meeting highlighting some of the portal's new features and enhancements including automatic generation of confirmation statements upon the completion of transactions, online storage of all member generated communications, and the ability for members to upload supporting documentation such as birth and marriage certificates online.

The final phase of acceptance testing for the member portal will involve end users who will be engaged for user experience testing. This testing is scheduled to begin the week of February 18, 2019. Staff has reached out to departmental human resources liaisons throughout the City to assist in gathering volunteers from a variety of different job classifications and age groups to engage in testing of the member portal. Volunteers will be provided with instructions on how to use the new member portal and be asked to complete a task. Volunteers will then complete a short survey regarding their experience with the member portal immediately afterwards. Morneau will use the feedback from the survey to further refine and enhance the member portal prior to its launch on April 1. Staff will provide a summary of the survey results from the user experience testing to the Committee at its March meeting.

### (3) Conversion Data and Transition Timeline

Staff and Morneau met with the City's current benefits TPA, Mercer in mid-January to discuss the transition timeline (overview provided in **Attachment A**) for the final conversion data to be provided by Mercer to Morneau prior to the April 1 go-live date. This data contains all member enrollment, dependent, and beneficiary information at the final point of transition. Initial conversion data is scheduled to be loaded by Morneau beginning March 20 and continuing through March 24. From mid-March to the end of the month, Mercer will provide a list of all coverage changes since the initial conversion data was loaded. Morneau will enter all coverage changes since the conversion data was loaded into the benefits administration system during the last week of March. This dual entry of elections during the data conversion process eliminates a system conversion "blackout" period and provides minimal disruption to members. Weekly status meetings with Mercer have been scheduled through the end of March to ensure final enrollment data is successfully transferred from Mercer to Morneau.

### (4) Communications

(a) Member Communications – Over the past month, staff and Morneau reviewed all member communications such as confirmation statements and event reminders and notifications to identify communication gaps and improve the quality and efficacy of material that is sent to members. Due to the functional limitations of the current administration system which does not provide many options to customize communications or send reminder notifications, staff has found that it is very common for members to not read the information contained in the confirmation statements that are mailed to them upon the completion of a transaction in the member portal. Often times, these confirmation statements contain instructions requiring the member to complete a follow-up action such as submitting supporting documentation (e.g. birth and marriage certificates to verify a newly added dependent). Failure to complete these follow-up actions will result in termination of coverage. To provide education and improve member outcomes, staff worked with Morneau to overhaul all member communications. Improvements that were made to member communications include:

- Reformatting the benefits enrollment worksheets and confirmation statements to include easy to read charts summarizing key information such as benefit options and costs;
- Simplifying and customizing the language in the confirmation statements to be specific to the event type to better assist members in understanding the complex rules and requirements of the LAWell Program;
- Including charts in the confirmation statements highlighting outstanding actions that are required by the employee to be successful. This is further supported by the "Call to Action" task bar, a new feature in the member portal which also reminds employees of any pending actions that are required to complete a transaction.

Additionally, staff worked with Morneau to create a variety of new notifications and event reminders to further improve member education. These new notifications and reminders are a much needed enhancement from the current administration system which cannot produce and send these targeted communications. A sample of the new notifications and reminders that will now be available and sent by the new benefits administration system, Ariel include:

- Reminder notification for new hires to enroll into benefits before their 60 day window closes or they will be defaulted into coverage;
- Notification to members with dependents aging out of coverage due to turning age 26;
- Medicare eligibility notification and information on Medicare and LAwell coverage;
- Reminder notifications for members to submit supporting documentation (e.g. birth and marriage certificates) before coverage is canceled;
- Reminder notification for members to complete life events that are started in the member portal but not completed

Members will begin receiving these new communications when services go-live on April 1.

Finally, as part of the suite of service enhancements provided by Morneau, communications will be automatically generated upon the completion of a transaction in the member portal providing a much quicker turnaround time for members to receive confirmation statements. Additionally, all communications generated will now be available in the member portal for members to reference and download at any time (this feature is not currently available). With this new feature, members will also have the ability to opt out of receiving paper communications. For those members who do not opt out, Morneau will be performing the mailing fulfillment function on behalf of the City effective April 1. Benefits staff currently performs this manual function and because communications are generated on a biweekly basis by the City's current benefits TPA, confirmation statements are typically mailed from one to three weeks after a transaction is completed in the member portal. Morneau has committed to mailing confirmation statements within three business days after the statement is generated in the administration system. Accordingly, staff anticipates the turnaround time for sending member communications to significantly decrease when services go live on April 1. For those members who choose to opt out of paper communications, statements will be available in the member portal immediately after the completion of a transaction. Efforts to continue to improve and further refine member communications as well as encourage members to elect paperless communications will be an ongoing focus for the LAwell Program and staff will continue to work with Morneau throughout the term of services on this important objective.

(b) Transition Related Communications – As the go-live date of April 1 nears, staff is working with Morneau to prepare and finalize a variety of member communications. An overview of the communications plan is provided in **Attachment A** and described in further detail below.

- *Coming Soon Postcard* – Staff is working with Morneau to finalize a coming soon postcard that will be mailed to all LAwell Program members announcing the launch of the new benefits member portal in April. The target mail date for the post card is mid-March.
- *New Hire Enrollment Guide* – Staff is working with benefits communications consultant, Segal to update the new hire enrollment guide to include the new contact information of the Morneau Call Center effective April 1. For new hires receiving an offer of benefits coverage from the end of January through March whose 60 day window to enroll into benefits coverage overlaps TPA service providers, staff has prepared a one page summary insert to include with the new hire package instructing employees to contact the Mercer Call Center prior to April 1 and for all transactions after April 1, to contact the Morneau Call Center.

Employees can also enroll into benefits coverage online. However, no change to the website address for the member portal is required as the member portal is provided through a link posted on [www.keepingLAWell.com](http://www.keepingLAWell.com).

- *Instructional Flyer and Video* – Staff is working with Morneau to create an instructional flyer and video providing step by step instructions on logging into the new member portal for the first time and completing different types of transactions (e.g. enrolling into benefits, reporting a life event, changing/updating beneficiary information, etc.). The target release date for both the instructional flyer and video is April 1.
- *Citywide Email Announcement* – Staff plans to issue a Citywide email informing members of the launch of the new member portal and new Call Center resources/phone number. The target release date for the email is the last week of March.
- *Announcement Letter* – Staff is working with Morneau to draft an announcement letter providing members with information on the new member portal and highlights of the new services and features that members can expect on the member portal. The letter will also include contact information for the new Morneau Call Center and instructions for member portal registration. The target release date for the announcement letter is the last week in March. As most members do not typically have a need to engage with the benefits platform outside of Open Enrollment, this informational content will be repeated in this year’s upcoming Open Enrollment materials for Plan Year 2020. Staff will track the number of individuals who register themselves on the new member portal prior to and following this year’s Open Enrollment period.
- *Website Update* – Staff will update the [www.keepingLAWell.com](http://www.keepingLAWell.com) website to include the link to the new member portal effective April 1 and will also post the announcement letter, instructional flyer, and video on the [www.keepingLAWell.com](http://www.keepingLAWell.com) website for members to view/reference.
- *Enrollment Reminders* – Due to the length of time members are allowed to complete certain events (e.g. a new hire eligible for benefits is given 60 days from the date they are eligible for benefits to enroll into coverage), there will be a group of members that have an enrollment window open/outstanding on April 1 when services transition from Mercer to Morneau. These are members who may have reported a life event or began their new hire elections with Mercer prior to April 1 but whose window is still open to complete those events after services are transitioned to Morneau on April 1. To ensure these members are informed of how they can complete their elections after April 1, staff will send a reminder notification to all members who have an open/outstanding enrollment window as of April 1 providing them with the phone number of the new Morneau Call Center and reminding them that elections can also be made via the new member portal. Staff will also work with the Morneau Call Center to reach out to as many employees as possible who still have an enrollment window open after the initial reminder notification is sent.

## **(5) Call Center**

Morneau has confirmed that it will provide Call Center services for the City’s LAWell Program from its offices located in Pittsburg, PA. Staff met with Morneau in January to begin documenting the requirements for the Call Center. This requirements gathering process will continue through February. Staff also plans on scheduling a “Culture Training Day” with Morneau in early March. This training provides an opportunity for Morneau’s telephone customer service representatives to

interact directly with City staff to learn first-hand about unique aspects of the City's LAwell Program, common areas of inquiry from members, demographics of Program members, current administrative processes and member expectations relative to those processes, and other nuances of the City's Program and its members. Through this training, which will be conducted electronically in a virtual training environment using WebEx, staff and the Morneau Call Center staff will have opportunities to exchange information and establish a firm foundation for Morneau to provide informed and customized member services. Following the conversion, staff will regularly review Call Center feedback with the Morneau team so that communications and workflow processes can be refined in the period between conversion and the upcoming 2019 Open Enrollment period.

Submitted by: \_\_\_\_\_  
Jenny M. Yau

Approved by: \_\_\_\_\_  
Steven Montagna

# City of Los Angeles Benefits Administration Implementation Status



February 7, 2019

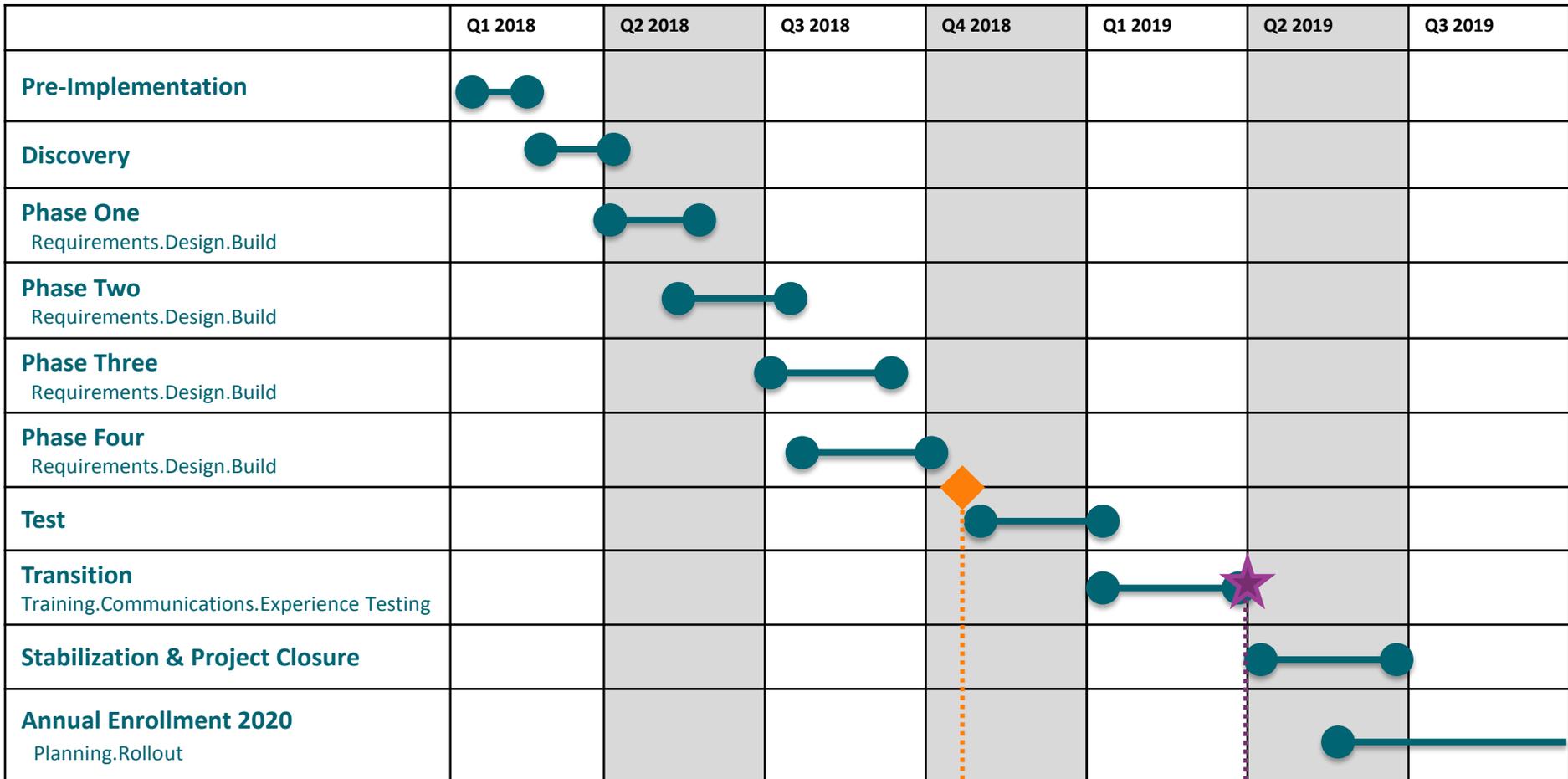


# Implementation Stages



January – February	March - April	April - December	October – February	February - March
<ul style="list-style-type: none"> <li>✓ Identify the Team</li> <li>✓ Establish Project Governance &amp; Cadence</li> <li>✓ Agree on Roles and Responsibilities</li> <li>✓ Discovery meeting preparation</li> <li>✓ Complete Information Request</li> <li>✓ Determine Project Milestones</li> </ul>	<ul style="list-style-type: none"> <li>✓ Team Kick-off</li> <li>✓ User interviews</li> <li>✓ Identify manual processes &amp; current pain points</li> <li>✓ Begin drafting requirements workbooks</li> <li>✓ Establish requirements sign-off procedures</li> <li>✓ Create and secure sign-off on implementation plan</li> <li>✓ Perform gap analysis</li> <li>✓ Submit Data Request</li> <li>✓ Start Contracting</li> </ul>	<ul style="list-style-type: none"> <li>✓ Segment all development in to 4 phases</li> <li>✓ Complete requirements workbooks and secure sign-off</li> <li>✓ Create Contract</li> <li>✓ Configure and perform data conversion</li> <li>✓ Address Gaps</li> <li>✓ Configure, function test then demonstrate each phase to the City upon completion</li> </ul>	<ul style="list-style-type: none"> <li>• Integration testing</li> <li>• Parallel payroll testing</li> <li>• Acceptance testing</li> <li>• Data conversion sign-off</li> <li>• Create user documentation</li> <li>• Perform user training</li> </ul>	<ul style="list-style-type: none"> <li>• Finalize contract</li> <li>• Wrap-up training for all stakeholders</li> <li>• Coordinate experience testing for member portal</li> <li>• Completion of all participant and staff communications</li> <li>• Finalize administration manual/procedures</li> <li>• Finalize call-center training</li> <li>• Incorporate feedback from experience testing</li> <li>• Confirm readiness for all system users, operations staff and call center staff</li> <li>• Finalize procedures and communications on the transition conversion period</li> <li>• Confirm production systems readiness</li> </ul>

# Delivery Schedule



2019 Annual Enrollment

Live Date

# Proposed Milestone Dates

Milestone	Project Phase	Target Date	Status
Identify the team, roles and responsibilities	Pre-implementation	2/27/2018	Complete
Complete information Request	Pre-implementation	2/27/2018	Complete
Outline delivery schedule	Pre-implementation	2/27/2018	Complete
User Interviews	Discovery	2/28/2018	Complete
Outline requirements plan and sign-off procedures	Discovery	3/12/2018	Complete
Project Work Plan complete	Discovery	4/17/2018	Complete
Requirements Workshops 1 complete and client sign-off received	Discovery	5/4/2018	Complete
Requirements Workshop 2 complete and client sign-off received	Discovery	5/18/2018	Complete
Requirements Workshop 3 complete and client sign-off received	Discovery	6/7/2018	Complete
Requirements Workshop 4 complete and client sign-off received	Discovery	7/31/2018	Complete
Initial Data from Mercer to Morneau complete	Design, Configure, & Build	9/7/2018	Complete
Phase 1 Design, Configure and Build Complete (Member Portal)	Design, Configure, & Build	9/12/2018	Complete
Phase 1 Training Complete (Member Portal)	Acceptance Testing	9/18/2018 - 9/21/2018	Complete
Phase 1 Client Sign-off (Member Portal)	Acceptance Testing	10/12/2018	Complete
Begin Testing Interfaces with Carriers	Design, Configure, & Build	12/17/2018	Complete

# Proposed Milestone Dates Continued

Milestone	Project Phase	Target Date	Status
Phase 2 Design, Configure and Build Complete (Administrator Portal, Demographic Interface)	Design, Configure, & Build	10/26/2018	Complete
Phase 2 Training Complete (Administrator Portal, Demographic Interface)	Acceptance Testing	11/01/2018 – 11/02/2018	Complete
Phase 3 Design, Configure and Build Complete (Payroll, Finalize Member Portal)	Design, Configure, & Build	12/5/2018	Complete
Phase 3 Training Complete (Payroll, Finalize Member Portal)	Acceptance Testing	12/11/2018 – 12/13/2018	Complete
Phase 2 & 3 Client Sign-off (Payroll, Finalize Member Portal)	Acceptance Testing	1/14/2019	Complete
Phase 4 Training Complete (Billing, Reporting)	Acceptance Testing	2/4/2019 – 2/7/2019	Complete
Phase 4 Client Sign-off (Billing, Reporting)	Acceptance Testing	2/15/2019	In progress
Parallel Testing	Acceptance Testing	1/28/2019 - 3/18/2019	In progress
Experience Testing for Member Portal	Acceptance Testing	2/18/2019 - 2/22/2019	In progress
Sign-off on Knowledge Base for the Call Center	Transition	2/22/2019	
Call Center Acceptance Testing Complete	Transition	3/21/2019	
Sign-off on Transition Plan Execution	Transition	3/22/2019	
Production Data Conversion Begins	Transition	3/23/2019	
Production Validation	Transition	3/28/2019	
Ariel Benefits System Live Date	Transition	4/1/2019	

# Communications Plan and Timeline

Task	Target Release Date	Status	Notes
Coming Soon Postcard	Mid-March 2019	Draft in progress	Postcard to announce launch of new member portal effective April 1. Mail to employee homes.
New Hire Enrollment Guide	End of January through mid-March	Completed	For new hires whose 60 day window to enroll into benefits overlaps TPAs, the new hire enrollment guide will include an insert instructing employees to call the current TPA, Mercer prior to April 1 and to contact the new Morneau Call Center after April 1 to make elections.
Instructional Flyer	4/1/2019	Draft in progress	Flyer to be available through multiple channels – printed handouts, insert with new hire enrollment guide, download on <a href="http://www.keepingLAWell.com">www.keepingLAWell.com</a> website.
Instructional Video	4/1/2019	Upcoming	Video to be posted on the member portal and <a href="http://www.keepingLAWell.com">www.keepingLAWell.com</a> with instructions for portal registration and how to use the site.
Citywide Email Announcement	Late March 2019	Upcoming	Issue Citywide email informing members of launch of new member portal and Call Center resources/phone number.
Announcement Letter	Late March 2019	Draft in progress	Letter will highlight new services and features of member portal and Call Center resources and provide instructions on member portal registration. Mail to employee homes.
Update <a href="http://www.keepingLAWell.com">www.keepingLAWell.com</a>	4/1/2019	Upcoming	Update website with link to the new member portal and post all communications including announcement letter and instructional flyer and video for members to view/reference at any time.
Enrollment reminders for members in transition	4/2/2019	Upcoming	Reminder letter will be sent to any members with an enrollment window that was still outstanding at the time of transition.

# Conversion Data and Transition Timeline

Task	Target Date	Status	Notes
Conversion data provided from current benefits TPA, Mercer	3/19/2019	Upcoming	
Morneau loads conversion data	3/20/2019 – 3/24/2019	Upcoming	
City staff and Morneau validate data	3/25/2019 – 3/26/2019	Upcoming	
Current administration system reports coverage changes since conversion data loaded	3/14/2019 – 3/29/2019	Upcoming	This will be a daily report providing by current benefits TPA, Mercer
City staff and Morneau enter all coverage changes since conversion	3/25/2019 – 3/31/2019	Upcoming	This dual entry of elections during the data conversion process eliminates the need for a blackout period.
Current administration system is decommissioned	Close of business 3/29/2019	Upcoming	
Ariel Benefits System goes live	4/1/2019	Upcoming	