

# Joint Labor-Management Benefits Committee (JLMBC) COMMITTEE REPORT 19-08

Date: March 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 February 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 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/concluding in early March
- Transition to Ongoing Support – In progress through the end of March

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 is now in the fourth stage of the implementation plan – System and Acceptance Testing which is expected to be completed in early March before transitioning to the fifth and final stage of the implementation plan – Transition to Ongoing Support in early to mid-March.

The final stage of the implementation plan – Transition to Ongoing Support stage encompasses the following key elements:

- Incorporating feedback from user experience testing
- Completing training for all stakeholders
- Finalizing all participant communications
- Finalizing administration manual/procedures
- Finalizing Call Center training
- Finalizing procedures and communications on the transition conversion period

These processes are scheduled to be completed by the end of March to confirm production systems readiness for all system users and operations and Call Center staff prior to the go-live start date of April 1.

## (2) Benefits Member Portal User Experience Testing

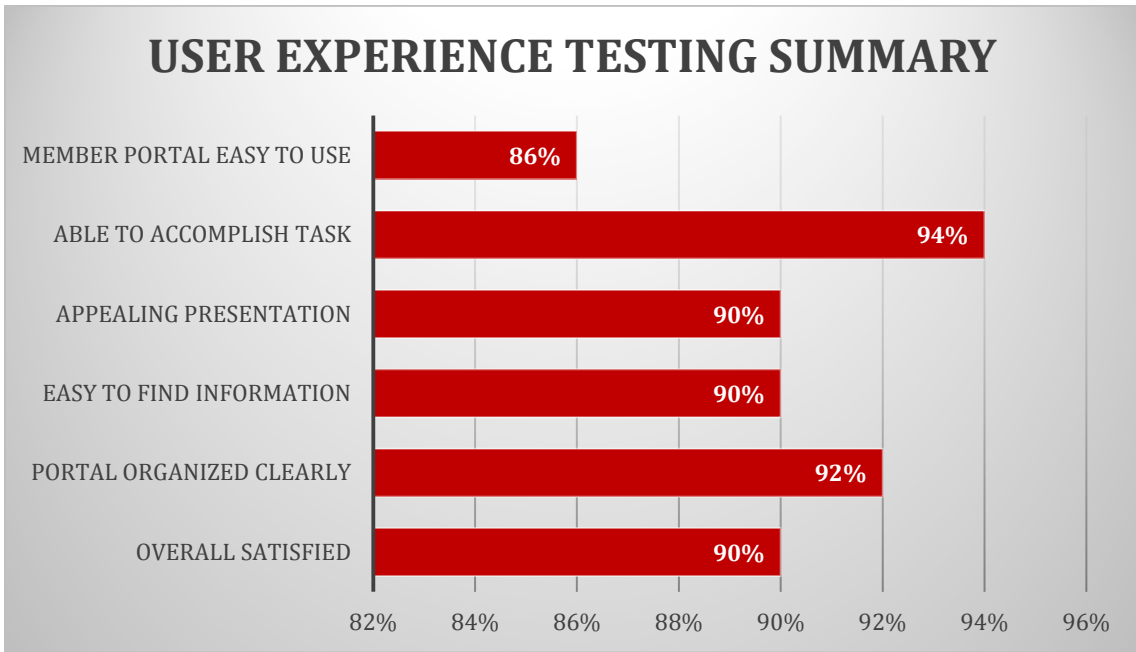
User acceptance testing of the benefits member portal began on February 18 and concluded on February 21. Staff reached out to departmental human resources liaisons throughout the City to assist in gathering volunteers from a variety of different MOUs and City service to engage in testing of the new member portal. Volunteers were provided with instructions on how to use the member portal and asked to complete a task. Volunteers then completed a short survey regarding their experience with the member portal immediately afterwards. The survey provided them an opportunity to identify areas of confusion or suggest improvements.

A total of 52 volunteers participated in the user experience testing. A breakdown of the users by years of City service, age group, and MOU is provided below:

- City Service
  - Five years or less: 35%
  - Six to 19 years: 39%
  - 20 years or more: 26%
- Age Group
  - 30 years or less: 25%
  - 31 to 54 years: 56%

- 55 years or more: 19%
- MOU
  - Non-represented: 8%
  - AFSCME: 37%
  - EAA: 38%
  - SEIU: 13%
  - All Others: 4%

Overall, staff received very positive feedback from users regarding the ease of use, presentation, and overall satisfaction of the member portal. A summary of the survey results is provided as follows:



- Ease of member portal – 86% of users indicated the member portal was very easy or easy to use; only 14% found the portal to be average to use while 0% found the portal not easy to use.
- Ability to accomplish task/objective – 94% of users indicated that they strongly agreed or agreed that they were able to accomplish the task/objective assigned to them; only 6% indicated neutral ability or strong disagreement regarding their ability to accomplish the task/objective assigned to them.
- Presentation of the member portal – 90% of users indicated the presentation of the member portal was very appealing or appealing; only 10% indicated the presentation of the portal was neutral.
- Ease of finding benefits coverage information – 90% of users indicated it was very easy or easy to find this information; only 10% indicated average ease of finding benefits coverage information.
- Organization of member portal – 92% of users indicated that the member portal was organized in a clear and logical way; 8% of users indicated the member portal was not organized in a clear and logical way.

- Satisfaction with member portal – 90% of users indicated they were very satisfied or satisfied with the member portal; only 6% indicated neutral satisfaction while 4% indicated dissatisfaction with the member portal.

Staff also received positive comments from users regarding the member portal including the following:

- “Easy to use site”
- “Very user friendly”
- “Great job thanks for making it easier for us to access our benefits!”
- “I think that it was very well organized”
- “I like the layout of the website, it’s easy to read and accessible”

Additionally, users provided the following recommendations for improvement of the member portal:

- Color code the various tabs to denote the different benefits
- Add a few more instructions to explain next steps
- Make error messages more prominent

These recommendations were also the same suggestions noted as part of the initial user acceptance testing completed by staff. Work to include additional instructions and make error messages more prominent is already in progress and these enhancements to the member portal are expected to be in place prior to its launch on April 1.

Members using the member portal after April 1 will also be given the opportunity to provide their feedback through the online survey that will be available for users to complete at the end of each session. Cosmetic enhancements such as color coding the various tabs to denote different benefits and other user feedback and recommendations received through the online survey will be reviewed continuously by staff on a go-forward basis and considered in future enhancements to the member portal after the go-live date.

### (3) Conversion Data and Transition Timeline

As previously reported to the Committee, staff and Morneau met with the City’s current benefits TPA, Mercer to finalize procedures for providing the final conversion data (contains all member enrollment, dependent, and beneficiary information at the final point of transition) from Mercer to Morneau and a list of all coverage changes from the date the initial conversion data is loaded (this list of daily changes eliminates a system conversion “blackout” period). A conversion data and transition timeline outlining the key dates for the delivery of this conversion data and list of all coverage changes is provided in **Attachment A**. Key tasks and targeted dates for completion include:

- Initial conversion data provided by Mercer to Morneau – March 19
- Initial conversion data to be loaded by Morneau – March 20 to 24
- Daily reporting of all coverage changes by Mercer to Morneau – March 14 to 29
- Data entry of all coverage changes since initial conversion data loaded – March 25 to 31
- Current benefits administration system is decommissioned – March 29

- New Ariel benefits administration system is live – April 1

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 – Staff and Morneau have finalized the content and format of all member communications such as new hire benefit enrollment worksheets, event and notification reminders, and confirmation statements. An overview of the improvements and enhancements made to the various types of communications, including new event and notification reminders that members will receive when the new system goes live on April 1, was provided to the Committee at its February 7 meeting.
- (b) Transition Related Communications – As the go-live date of April 1 nears, staff continues to work with Morneau to prepare and finalize a variety of member communications. An overview of the communications plan is provided in **Attachment A** and the status of each task is described in further detail below.
- *Announcement Postcard* – A postcard that will be mailed to all LAwell Program members announcing the new provider, services, Call Center phone number and launch of the benefits member portal in April has been completed will be released on or around March 22 and is provided in **Attachment B**.
  - *New Hire Enrollment Guide* – A new hire enrollment guide which includes the new Call Center phone number has been completed and will be sent to new hires after 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* – In progress. Staff has approved the video script and shooting of the video is anticipated to begin in mid-March.
  - *Citywide Email Announcement* – In progress. The target release date for the email is the last week of March.
  - *Announcement Letter* – In progress. The target release date for the announcement letter is early April. 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.
  - *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 postcard, announcement letter, and instructional flyer and video on the [www.keepingLAwell.com](http://www.keepingLAwell.com) website for members to view/reference.
  - *Enrollment Reminders* – Staff will monitor the number of members who have an open/outstanding enrollment window as of April 1 and will send a reminder notification via

mail providing them with the new phone number of the 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**

Training for the Call Center staff on the LAwell Program, handling member inquiries, and processing member transactions began on March 4 and will continue through mid-March. Additionally, a “Culture Training Day” session with the Morneau Call Center is scheduled in mid-March. Culture 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. 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.

**(6) On-Site Benefits Administration Member Advocate**

As part of its bid proposal, Morneau offered to provide a locally based, full-time on-site benefits administration member advocate trained in its benefits administration and recordkeeping system and client-specific products to assist members and City staff in navigating the TPA’s resources, resolve issues that may arise in administration of the TPA’s website and recordkeeping system, and/or address issues relating to employee status, eligibility, benefits coverage, and other related issues. Morneau has selected its local benefits administration member advocate, Sharon Thomas, who will be assigned full-time and be dedicated to the City’s account on a go-forward basis effective April 1. Ms. Thomas has considerable experience as a member advocate. She has over seven years of experience with the last four focused on benefits administration and member services support for similar public sector accounts. Ms. Thomas has already begun working on the City’s account assisting with the user experience testing that concluded in mid-February and has started to join the City’s weekly status meetings with Morneau and Mercer. Staff will work closely with Ms. Thomas on the full range of benefits administration system activities to ensure a seamless transition post-implementation.

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

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