

# Joint Labor-Management Benefits Committee (JLMBC) COMMITTEE REPORT 19-13

Date: April 4, 2019  
 To: JLMBC  
 From: Staff  
 Subject: **2019 Open Enrollment Data Review**

**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 staff report regarding results of the LAwell Civilian Benefits Program (LAwell Program) Open Enrollment for Plan Year 2019.

**DISCUSSION**

The 2019 Open Enrollment debrief report (**Attachment A**) provided by the City’s LAwell Program benefits Third-Party Administrator (TPA), Mercer provides a detailed summary of the results of the LAwell Program Open Enrollment for Plan Year 2019. This staff report provides highlights of the 2019 Open Enrollment communications campaign and reviews key data and statistical information in the TPA debrief report including enrollment election trends, Anthem Blue Cross (Anthem) and Kaiser Permanente (Kaiser) enrollment, LAwell Plan group enrollment, health plan enrollment by Memorandum of Understanding (MOU), and optional benefits election results.

**A. 2019 Open Enrollment Communications Campaign**

A summary of the different elements of the Open Enrollment communications campaign starting in Plan Year 2017 through Plan Year 2019 is provided below.

Plan Year	Open Enrollment Communications Campaign Elements
2017	<ul style="list-style-type: none"> <li>• Open Enrollment materials focused on communicating major changes:                             <ul style="list-style-type: none"> <li>- Replacement of Blue Shield by Anthem</li> <li>- Introduction of new regional HMO health plan option, Vivity</li> <li>- Introduction of new stand-alone vision plan provided by EyeMed</li> <li>- Enhancements to several core dental and vision benefits</li> <li>- Introduction of new name and brand, LAwell to replace “my Flex Benefits”</li> </ul> </li> </ul>
2018	<ul style="list-style-type: none"> <li>• Open Enrollment materials focused on a “back to basics” approach to provide general level of information about benefits</li> <li>• Communication materials were streamlined and content simplified to assist members in more easily navigating through the different topics and benefits options available to them</li> <li>• Doubled the number of Citywide emails on various Open Enrollment activities</li> </ul>

2019	<ul style="list-style-type: none"> <li>• Continued the “back to basics” communications campaign</li> <li>• Significantly expanded outreach efforts by: <ul style="list-style-type: none"> <li>- Providing a departmental human resources liaison debrief/webinar for communicating Open Enrollment activities</li> <li>- Increasing the number of lunchtime webinars/seminars offered including two evening sessions and providing these sessions as a joint webinar/seminar with a repeat session immediately following the first session to accommodate varying employee lunch periods</li> <li>- Providing on-site consultation services from Benefits Division staff and health plan member advocates at various City locations</li> </ul> </li> </ul>
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While the communication campaign components did not substantially change from Plan Year 2018, staff increased the frequency of its outreach efforts. However, despite these efforts, attendance at the lunchtime webinars/seminars decreased about 44% from the prior year. A decrease in attendance from the prior year could be attributed to a number of factors, including increased employee awareness of their benefits options, employee payroll contributions remaining relatively the same from the prior year, the absence of any major benefit changes in Plan Year 2019, and the general reduction of healthcare-focused discussions through mainstream media or on the political stage. Additional detail on these communication efforts and the results of the 2018 Open Enrollment implementation for Plan Year 2019 were provided to the Committee at its August 2, 2018 and December 6, 2018 meetings, respectively.

## **B. Open Enrollment Election Trends**

During each Open Enrollment period, employees are only required to enroll online through the TPA member self-service website or by calling the Benefits Service Center if they want to make benefit changes or contribute to a healthcare and/or dependent care flexible spending account (i.e. active enrollment). They are otherwise not required to take action to continue existing benefit elections (also referred to as “passive enrollment”).

Overall, the percentage of active versus passive enrollment in 2019 was about 1% lower than in 2018. A total of 6,760 employees or 25.5% of employees made active benefit elections/changes for Plan Year 2019 compared to 6,936 employees or 26.5% of employees in Plan Year 2018. It is important to note that the active enrollment percentage excludes employees re-enrolling in the tax-advantaged spending accounts.

## **C. Anthem and Kaiser Enrollment**

One of the major changes in Plan Year 2017 was the replacement of health plan carrier, Blue Shield by Anthem and the introduction of a new regional HMO health plan option, Vivity. Initial enrollment in the Vivity HMO plan in 2017 (year 1) was 750 employees or 3% of total LAwell membership. Enrollment more than doubled from 750 in Year 1 to 1,520 in Year 3 to represent 5.8% of total LAwell membership. Staff completed an initial analysis of the employees enrolled in the Vivity plan in 2019 and determined that a majority of these employees were previously enrolled in the Anthem Narrow Network HMO. Health plan enrollment across all plans based on the Mercer TPA debrief report is provided below.

Health Plan	Number of 2019 Members	Membership as % of Total	Percent Change from 2018
Anthem Narrow Network HMO	5,552	21.0%	-12.8%
Anthem Full Network HMO	102	0.4%	2%
Anthem Vivity HMO	1,520	5.8%	17.7%
Anthem PPO	2,483	9.4%	-1.6%
Kaiser HMO	15,436	58.1%	6.8%
Cash-in-Lieu	1,391	5.3%	-0.2%
<b>Total</b>	<b>26,484</b>	<b>100.0%</b>	<b>-</b>

Regarding the migration of members among plans, there was a net gain of 220 members or 0.89% moving from Anthem to Kaiser in Plan Year 2019 compared to 399 members or 1.6% in Plan Year 2018. Overall, total enrollment in all Anthem plans in Plan Year 2019 is 36.6% compared to 39.4% in Plan Year 2018. Total enrollment in Kaiser in Plan Year 2019 is 58.1% compared to 55.3% in Plan Year 2018. It should be noted that all enrollment data comparisons of 2019 versus 2018 data include both Open Enrollment changes in October 2018 as well as new hire elections which occurred throughout 2018.

#### D. LAwell Plan Group Enrollment

In Plan Year 2018, the LAwell civilian population was 26,131 as of January 30, 2018. In Plan Year 2019, the LAwell civilian population continues to grow comprising a total of 26,484 employees as of February 11, 2019. This represents an increase of 1.35% compared to Plan Year 2018. Enrollment in the two LAwell Plan groups is as follows:

- **LAwell Plan – 18,429 (70%):** includes LAwell eligible employees in MOUs 02,03,04, 06, 07, 08, 09, 10, 11, 12, 13, 14, 15, 16, 17, 18, 34, 36, 37
- **LAwell Pay Plan – 8,055 (30%):** includes LAwell eligible employees in MOUs 00, 01, 05, 19, 20,21, 26, 27, 28, 29, 30, 31,32, 38, 39, 40, 61, 63

#### E. Health Plan Enrollment by Memorandum of Understanding (MOU)

Plan Year 2019 represents the third year of a three-year contract with health plan carriers, Anthem and Kaiser. Health plan enrollment (excluding Cash-in-Lieu) by MOU compared to Plan Year 2018 based on the Mercer TPA debrief report is provided below. Enrollment in the Anthem Vivity HMO plan showed the most significant increase amongst all of the plans.

#### American Federation of State, County, & Municipal Employees (AFSCME) – MOUs 03, 06, 07, 10, 11, 16, 37

Health Plan	Number of 2019 Members	Membership as % of Total	Percent Change from 2018
Anthem Narrow Network HMO	1,344	22.3%	-15.4%
Anthem Full Network HMO	17	0.2%	0.0%
Anthem Vivity HMO	344	5.7%	14.3%
Anthem PPO	441	7.3%	-0.5%

Kaiser HMO	3,892	64.5%	10.0%
<b>Total</b>	<b>6,038</b>	<b>100.0%</b>	<b>-</b>

**Engineers & Architects Association (EAA) – MOUs 01, 19, 20, 21**

Health Plan	Number of 2019 Members	Membership as % of Total	Percent Change from 2018
Anthem Narrow Network HMO	1,033	23.2%	-11.2%
Anthem Full Network HMO	18	0.4%	20.0%
Anthem Vivity HMO	368	8.3%	19.1%
Anthem PPO	557	12.5%	-2.5%
Kaiser HMO	2,474	55.6%	3.8%
<b>Total</b>	<b>4,450</b>	<b>100.0%</b>	<b>-</b>

**LA County Building & Construction Trades Council – MOUs 02, 13**

Health Plan	Number of 2019 Members	Membership as % of Total	Percent Change from 2018
Anthem Narrow Network HMO	294	27.6%	-11.4%
Anthem Full Network HMO	3	0.3%	200%
Anthem Vivity HMO	59	5.5%	22.9%
Anthem PPO	88	8.3%	-10.2%
Kaiser HMO	622	58.3%	6.5%
<b>Total</b>	<b>1,066</b>	<b>100.0%</b>	<b>-</b>

**Laborer’s International Union of North America (LIUNA) – MOU 12**

Health Plan	Number of 2019 Members	Membership as % of Total	Percent Change from 2018
Anthem Narrow Network HMO	202	24.9%	-1.9%
Anthem Full Network HMO	1	0.1%	-50.0%
Anthem Vivity HMO	30	3.7%	36.4%
Anthem PPO	45	5.6%	2.3%
Kaiser HMO	532	65.7%	3.5%
<b>Total</b>	<b>810</b>	<b>100.0%</b>	<b>-</b>

**Service Employees International Union (SEIU) – MOUs 04, 08, 14, 15, 17, 18**

Health Plan	Number of 2019 Members	Membership as % of Total	Percent Change from 2018
Anthem Narrow Network HMO	1,830	21.0%	-13.4%
Anthem Full Network HMO	19	0.2%	-9.5%
Anthem Vivity HMO	415	4.8%	17.6%
Anthem PPO	612	7.0%	-1.3%
Kaiser HMO	5,830	67.0%	7.5%

