Present:

**Committee Members:**
Paul Bechely – Laborers’ Local 777
Chris Hannan – Building & Construction Trades Council
Tony Royster – General Services Department

**Alternate Committee Members:**
Gregory Dion – Personnel Department
Marleen Fonseca – Engineers & Architects Association
Errol Griffin – City Administrative Officer
Norma Gutierrez – Fire Department
Ramon Rubalcava – SEIU Local 721

**Personnel Department Staff:**
Ana Chavez – Senior Personnel Analyst II
Russell Escueta – Management Assistant
Helen Georgeson – Personnel Analyst II
Samantha Hanzy – Senior Personnel Analyst I
Maria Koo – Senior Personnel Analyst I
Steven Montagna – Chief Personnel Analyst

**Office of the City Attorney:**
Curtis Kidder – Assistant City Attorney

**The Segal Group**
Robert Mitchell
Stephen Murphy

**Keenan Associates**
Steven Balentine
Steve Gedestad
Laurie LoFranco

1. **CALL TO ORDER**

   Gregory Dion called the meeting to order at 9:04 a.m.
2. PUBLIC COMMENTS

There were no public comments.

3. MINUTES

A motion was made by Paul Bechely and seconded by Tony Royster to approve the JLMBC minutes of the February 4, 2016 Special Meeting; the Committee unanimously adopted this motion.

4. COMMITTEE REPORT 16-07: HEALTH, DENTAL AND VISION SERVICES PROCUREMENTS

Steven Montagna provided an introduction to the RFP for Vision Services, which was then presented by Laurie LoFranco of Keenan Associates. Ms. LoFranco began with a review of the pricing models included within the RFP, noting that current benefits and various benefit level proposal models were outlined on page 14 of the RFP. She indicated that pricing was requested consistent with the four tiers for the medical plans. She indicated that a stand-alone vision RFP could potentially result in lower costs and reduction in Affordable Care Act (ACA) excise tax liability. She reported that the RFP for vision would be released on March 11, 2016.

Ms. LoFranco then followed with a review of member comments from the survey regarding vision services. She stated that many comments expressed concerns regarding how to obtain and understand the vision services offered under the plans, benefit level/coverage, and cost.

Committee members discussed the RFP and clarified certain elements of the proposal structure options and how those compared to the current design. Following this discussion, a motion was made by Paul Bechely, seconded by Ramon Rublacava, to adopt the proposed Request for Proposal for Vision Services; the Committee unanimously adopted this motion.

Mr. Montagna next reviewed the second part of staff’s recommendation with respect to the published due date for responses to the Request for Proposal for Health Services. He stated that Kaiser requested a delay of the RFP deadline from March 25, 2016 to April 8, 2016 so that the claims data from December 2015, that will not be available until April 1, 2016, can be included. He explained Kaiser’s position that any quotes arriving on or before April 1, 2016 would be based on less recent claims experience. He pointed out that Kaiser has made it clear that they have no issue with completing all RFP components outside of the rating component by March 25th. He noted that the JLMBC can elect to extend Kaiser’s due date, but that staff is recommending the JLMBC not change the due date.

Kate Kessler, Kaiser Area Vice President of Strategic Accounts, Public Sector, stated that Kaiser is willing to accommodate the City in every way possible but she confirmed Kaiser cannot produce the date prior to April 8th due date. Stephen Murphy and Robert Mitchell of
Segal explained the rating model and noted that tailoring around one vendor could result in cascading effects with other vendors. Errol Griffin asked if there was historical data for the month of December. Mr. Mitchell stated that twelve months of data would be used and include the data from December 2014 through November 2015. Chris Hannan asked about the impact of a delay in the response period. Mr. Montagna replied this could be accommodated but any delay could jeopardize the ability to conclude the selection process in May and report to Council in June. Mr. Dion asked City Attorney Curtis Kidder to comment and address whether this would be considered bid enhancement to submit new information after the due date. Marleen Fonseca also asked if other extensions would need to be granted as well. Mr. Kidder responded that the City has the authority to establish and revise its response due dates, and also to look at each individual RFP separately on a case-by-case basis, so just because an extension is granted in one circumstances does not obligate an extension for a different procurement. He added that this request is not necessarily exclusive to Kaiser, and that any vendor could come forward and ask for an extension from the City. Following discussion of various options, a motion was made by Tony Royster, seconded by Paul Bechely, to approve staff's recommendation to reaffirm the published due date for responses to the Request for Proposal for Health Services; the Committee unanimously adopted this motion.

5. COMMITTEE REPORT 16-08: PROPOSED WELLNESS PROGRAM STATUS REPORT AND POSITION FUNDING

Mr. Montagna began with an update regarding position funding, reporting that Blue Shield had unexpectedly provided a check representing its annual Wellness dedicated funding in the amount of $900,000, which had been deposited to the Employee Benefits Trust Fund. He stated that the cash payment of this funding provided additional flexibility for the Flex Program. He indicated that the Personnel Department had been pursuing two staff positions to support the program, including both a request for position authorities in Fiscal Year 16/17 as well as resolution authorities in Fiscal Year 15/16. He stated that the roadblock up to this point had been the source of funding, but with the additional flexibility provided by the Wellness Fund deposit, an apparent new resource was available to the City to resolve the funding issue. As a result, he indicated that the available Wellness funds be used to fund the staff positions from the present through the end of FY 16/17, and that the JLMBC reassess the funding source for any future time periods once more information is provided pursuant to the pending Health Services RFP responses.

Mr. Hannan stated the importance of moving ahead with the Wellness program as expeditiously as possible. A motion was then made by Chris Hannan, seconded by Paul Bechely, to approve funding from the Employee Benefits Trust Fund for staffing costs for two positions supporting the Wellness Program through the conclusion of FY 16/17; the Committee unanimously adopted this motion.

Mr. Montagna then indicated that the Personnel Department had received a welcome resource from the Coro Fellow Program, a non-profit educational institute that accepts a
select number of individuals into its program to act as research agents for certain institutions. He indicated the Department had applied for a Coro Fellow and been accepted and that the individual, Ross Green, was present for the meeting. Mr. Dion asked if Mr. Green would like to share some of his background. Mr. Green reviewed some of his prior assignments and that he was looking forward to working on the City’s Wellness Program.

Mr. Montagna concluded by indicating that on February 9th Benefits staff held a Wellness strategic planning kickoff meeting with Keenan and Segal, and had narrowed down a tentative list of strategic priorities that would be built out as part of a draft strategic plan. Following this discussion, a motion was made by Paul Bechely, seconded by Tony Royster, to receive and file the status report regarding development/implementation of a Wellness Program for the City’s Flex Benefits Program; the Committee unanimously adopted this motion.

6. COMMITTEE REPORT 16-09: REQUEST FOR PROPOSAL FOR THIRD-PARTY-ADMINISTRATIVE SERVICES

Ana Chavez reported on this item. She stated the present contract with Mercer Third Party Administrator (TPA) has been in place since June 2009 and expires in June 2017. She provided background on the role of the TPA noting that it administers Flex program recordkeeping, the call center, website, invoice production, and other functions. She indicated that the TPA also administers ACA eligibility evaluation, although staff was presently evaluating the option of carving this out as a separate administrative function. She referred to the RFP calendar, noting that the plan is to release the TPA RFP in October 2016. She concluded her presentation by noting the recommendation to execute Conflict-of-Interest & Ex-Party Communication Pledge forms for all JLMBC members and City staff involved in the development process of this procurement.

A motion was then made by Marleen Fonseca, seconded by Ramon Rubalcava, to move forward with the proposed calendar for development of a Request for Proposal for Third Party Administration of the City’s Flex Benefits Program; the Committee unanimously adopted this motion.

A second motion was made by Tony Royster, seconded by Paul Bechely, for execution of Conflict-of-Interest & Ex-Party Communication Pledge forms for all JLMBC members and City staff involved in the development process of this procurement; the Committee unanimously adopted this motion.

7. COMMITTEE REPORT 16-10: SURVEY ANALYSIS & MEMBER COMMUNICATIONS

Maria Koo presented the Health and Dental Survey results. She stated that the survey results with the inclusion of the paper surveys accounted for an increase in the total number of responses to 2,279. She pointed out that the survey generated 1,654 open ended comments. Ms. Koo also pointed out that staff has requested the assistance of
Keenan and Segal to work with staff in reviewing and conducting an analysis of the comments.

Ms. Koo concluded by stating that at the January 21, 2016 meeting, the JLMBC requested that staff develop a proposal for communicating the results back to the membership. She explained that staff proposes developing a special communication sent via direct mail to employees with the purpose of providing the results of the survey as well as delivering details regarding the objectives and status of the health, dental, and vision procurements. She further explained that this communication aligns with staff’s and the JLMBC’s objective to conduct a transparent procurement process. She stated that staff will present its proposed communication to the JLMBC at the next meeting.

The Committee members agreed that staff’s recommendations on this item can be joined in one motion. A motion was then made by Errol Griffin and seconded by Ramon Rubalcava to adopt the following staff recommendations: (a) receive and file the update regarding Flex Benefits Health and Dental Survey results; (b) review the timetable for review and analysis of member survey comments; (c) approve the proposed member communication plan regarding the survey results and update of the health/dental procurement processes. The Committee unanimously adopted this motion.

8. COMMITTEE REPORT 16-11: STAFF REPORT

Samantha Hanzy presented this report. She reported that the City completed Affordable Care Act (ACA) tax reporting and mailed 1095-C forms on February 12, 2016. She stated that Kaiser and Blue Shield informed the City that due to production delays in generating the 1095-B forms, Kaiser would be mailing 1095-B forms during the first two weeks of March and Blue Shield would be mailing by March 31st. Ms. Hanzy noted that the IRS extended the tax reporting deadline to March 31st. She stated that communications in the form of emails had been sent to employees informing them the forms would be delivered to their mailing addresses. Mr. Dion added that the forms are not required to be filed with taxes this year, but should be kept by employees for their records.

A motion was made by Paul Bechely, seconded by Marleen Fonseca, to receive and file the report from staff regarding upcoming meetings/projects, staffing/subcommittee assignments, and the ACA Tax Reporting Update; the Committee unanimously adopted this motion.

9. REQUESTS FOR FUTURE AGENDA ITEMS

None.

10. NEXT MEETING DATE

April 7, 2016 at 9:00 a.m.
11. ADJOURNMENT

The meeting adjourned at 9:37 a.m.

Minutes prepared by staff member Helen Georgeson