Present:

Committee Members:
Cheryl Parisi – AFSCME, Council 36
Wendy Macy – Personnel Department
Tony Royster – General Services Department
Matthew Rudnick – Cultural Affairs Department
David Sanders – SEIU Local 721

Alternate Committee Members:
Gregory Dion – Personnel Department
Marleen Fonseca – Engineers & Architects Association
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:
Teresa Lujan – Deputy City Attorney IV

The Segal Group
Robert Mitchell
Stephen Murphy

Keenan Associates
Steven Balentine
Steve Gedestad
Laurie Lofranco

1. CALL TO ORDER

Wendy Macy called the meeting to order at 2:07 p.m.
2. PUBLIC COMMENTS

There were no public comments.

3. MINUTES

A motion was made by David Sanders and seconded by Matthew Rudnick to approve the JLMBC minutes of the December 2, 2015 Special Meeting and the December 3, 2015 Regular Meeting; the Committee unanimously adopted this motion.

4. COMMITTEE REPORT 16-01: HEALTH AND DENTAL SURVEY RESULTS

Steven Montagna presented the health and dental survey results. He indicated that Mercer Communications Consulting had conducted the survey but not completed its report; however, given the relationship of the results to the RFP development, staff had requested and was sharing the raw data results at this meeting. He indicated that the survey generated approximately 2,266 responses and approximately twenty additional written responses which would be added to the final official results. He stated the responses represented 9.4% of the eligible population. He stated that on page two of the report, the broad demographic information has been broken down by age, years of service, labor organization, and health and dental plan type/coverage levels. He added that the ratio of female to male responses was 59%/41% respectively, and the responses included a broad range of the City’s employment categories.

Mr. Montagna explained that the first set of questions asked how employees feel about their medical and dental benefits overall. He stated the numbers were generally positive, indicating that close to 90% of the respondents indicated that their benefits met their needs and a somewhat lower number of individuals stating that their dental benefits met their needs. He indicated that within the survey there were two sets of questions concerning health benefits. He pointed out very favorable responses to questions as to whether primary care physicians take the time to respond to patient questions and whether members trust their health plan to provide them quality care when they need it.

Mr. Montagna then referred to page four of the report which provided samples of how people generally feel about services and features of the plans. He stated that in general, all of the responses were favorable, but there were some that were lower favorable and some that generated more neutral responses. He stated as an example that vision benefits generated some of the lowest favorable responses and highest unfavorable. He stated that neutral responses could indicate members not being aware of information, for example, in response to a question about how members feel about the wellness program, 35% provided neutral responses suggesting members were not aware of the benefit. He concluded that therefore this is an area were there may not necessarily be a problem with the benefit or that people are unhappy with it, it only indicates they may not know enough about the resource.
Tony Royster asked if the survey was offered to members by email. Mr. Montagna replied that members completed the survey via a website and had the option to call and request a paper survey. He stated that staff had worked closely with employee labor organizations to promote the survey, and had extended it an additional week, which added several hundred additional respondents.

Matthew Rudnick commented that when the survey draft was brought to JLMBC, there was a geographic question added regarding the region of where the medical services were provided and he asked if there was any difference in responses with respect to region, and whether this data was available yet. Mr. Montagna stated that the data was not yet available but data was broken down by health plan type.

Mr. Montagna proceeded to the dental portion of the survey. He reported that the trends were similar with respect to the medical and the dental, and that the members expressed they were generally satisfied with their doctor or dentist. He noted that there were lower favorable responses on questions as to benefit levels. Mr. Royster asked if there were any options or anything that could be considered in order to address this issue prior to the release of the RFP. Mr. Montagna indicated that the RFP would ask for information regarding the cost of different benefit levels. Ramon Rubalcava stated that with respect to the dental, since it is less favorable than the medical in terms of satisfaction, he noted that the JLMBC has brought in the medical carriers several times to present utilization reviews, but he does not recall a presentation by the dental carrier. He suggested a presentation from the dental carrier. Mr. Montagna agreed and stated that staff was working to calendar all of the Flex Benefits service providers for regular presentations.

David Sanders asked if there was any narrative included in the survey responses. Mr. Montagna replied that there were approximately 1,600 employee comments. Marleen Fonseca asked if there was a general section for comments or if there were questions at the end of each section. Mr. Montagna stated there was a drop down under each section in which members could add their comments and the members were not limited to just one comment. Mr. Sanders asked how the information was going to be communicated back to members. Mr. Montagna replied that this was important and staff was developing a proposal for this.

There was more discussion about how to reach all employees without access to a computer on the job. Ana Chavez pointed out that post cards are sent in advance to employees without access to voice mail and that post cards were sent prior to the survey so that those groups are not neglected. Mr. Royster suggested that based on his experience with employees working off-site, the best way to reach people without computers is at their job site.

There was discussion with respect to the success of the survey. Following this, a motion was made by Matthew Rudnick and seconded by David Sanders to receive and file the staff report regarding results of the Flex Benefits Health and Dental Benefits Survey; the Committee unanimously adopted this motion.
5. COMMITTEE REPORT 16-02: REQUEST FOR PROPOSAL FOR MEDICAL AND DENTAL

Mr. Montagna began his report by asking the new benefit administration consultants to introduce themselves: Robert Mitchell and Stephen Murphy of The Segal Group; and Steven Balentine, Steve Gedestad, and Laurie Lofranco of Keenan Associates. Mr. Montagna presented a preliminary draft of the medical RFP and pointed out that it was being presented to obtain input from the JLMBC. He added that staff would revise and present a final version to the JLMBC at its February 4, 2016 JLMBC meeting.

Mr. Montagna stated that staff was proposing to issue this procurement as one RFP for the core menu of Flex medical plans that are currently offered, as well the option of a supplementary model. He stated that the options include the staff model HMO (Kaiser), the network model (the current Blue Shield Narrow and Full Networks), and the PPO Plan. Rubalcava asked for clarification regarding why the PPO was identified as national, while the HMO is identified as statewide. Robert Mitchell of Segal explained that HMO contracts are state contracts, while PPOs are national networks, so it is important to differentiate between national, statewide and alternative provider care networks, such as regional/local networks.

With respect to the optional model, Mr. Montagna asked the consultants to provide details on what type of responses that might invite. Mr. Mitchell explained that some models could include Patient Centered Medical Home (PCMH), Accountable Care Organizations (ACO)s which became very popular with the Affordable Care Act (ACA), and other regional/local arrangements that some carriers may have. He added the PCMH concept is more of an overall member based approach to care as opposed to just a regular HMO in which the provider receives a capitation to provide services. He further added that an ACO takes it a step further and there are financial arrangements that vary in a ACO that are involved in an HMO or patient centered network. He concluded that these are some of the concepts that will be looked at in this RFP, and if they are not requested, typically providers do not come forward with these plans.

Mr. Montagna reviewed the questionnaire portion noting that the scope of services and the flow of the questionnaire along with the evaluation categories were all built to be consistent with one another. He stated that the goal was to provide as much information as possible to be helpful to the vendors in understanding the City’s interests. He and the consultants and JLMBC members reviewed groups of questions about claims processing, plan sponsor services, record keeping and security, wellness, and financial cost. He indicated that there will be performance exams required of the bidders as well.

Following this discussion, a motion was then made by David Sanders and seconded by Marleen Fonseca to (a) review and provide feedback on the preliminary draft Medical Services RFP and (b) receive and file update regarding development and issuance of the Medical and Dental Plan procurements. The Committee unanimously adopted this motion.
COMMITTEE REPORT 16-03: ACA TAX REPORTING & ANNUAL ELIGIBILITY REPORT

Samantha Hanzy presented this report regarding the impact of the ACA on the Flex Benefits Program including a review of 2015 tax reporting, annual eligibility review for the ACA, and the excise tax on high-cost employer sponsored medical plans which has been delayed to 2020. She stated that as previously reported, there are two new tax forms due in early 2016 for the 2015 tax year, the 1095-B and the 1095-C. She reported that on December 28, 2016, the Internal Revenue Service (IRS) extended the due dates for the 2015 ACA tax-reporting deadlines for employers and insurance carriers to March 31, 2016 for the individual employee statements and May 31, 2016 for the transmittals to the IRS. She added that even though the IRS issued an extension, they are encouraging employers to provide the returns as soon as possible. She further added that staff is on track to produce the forms by February 5, 2016. She added that in order to prevent delays for individuals filing for their 2015 taxes, the IRS has indicated that the forms are not required to be attached or submitted along with the individual tax filing, they are just to be kept for record keeping purposes.

Ms. Hanzy reported that Kaiser began mailing the 1095-B forms and Blue Shield will begin mailing starting on January 31, 2016. She stated that staff has been working with Mercer Communications Consulting to develop a communication plan to inform employees regarding these new tax forms during the week of January 25, 2016. She noted that a draft of the Frequently Asked Questions would be posted on the Personnel Department website.

Ms. Hanzy proceeded with the Employer Shared Responsibility (ESR) tracking tool and the look-back period results. She stated that staff worked with Mercer TPA to implement a systems-based ESR tracking tool which tracks hours worked and health benefit eligibility. She added that an annual look-back period review was done and Mercer provided the results in December 2015. She further added that the results identified that there are 19 ACA qualified employees that are currently not being offered health insurance by the City. She stated that staff will be working with the effected labor organizations and departments for these individuals to identify the circumstances involved and resolve any issues. Last, Ms. Hanzy reported on the delay in the Excise tax on certain medical plans until 2020.

A motion was made by Cheryl Parisi and seconded by Matthew Rudnick to receive and file the report regarding 2016 tax reporting and annual eligibility reporting for the Affordable Care Act; the Committee unanimously adopted this motion.

6. COMMITTEE REPORT 16-04: STAFF REPORT

Samantha Hanzy presented this report. She reported that effective January 1, 2016, Blue Shield upgraded its administrative claims system and as a result, Blue Shield sent all members new identification cards during the first week in January.
Ms. Hanzy continued with information on the new Kaiser facility in downtown Los Angeles which opened on January 8, 2016. She added that the new downtown Los Angeles medical office is located in the Bank of America Building on Hope Street. Norma Gutierrez pointed out that the new Kaiser facility in Downtown LA was not listed on the Kaiser directory. Ms. Hanzy stated she would contact Kaiser and have the matter resolved.

A motion was made by Cheryl Parisi and seconded by David Sanders to approve the staff report regarding Flex Benefits service announcements and pending projects; the Committee unanimously adopted this motion.

7. REQUESTS FOR FUTURE AGENDA ITEMS

Ms. Parisi suggested setting up a strategic planning retreat for JLMBC members on general health care subjects in order to keep current on health care trends. Mr. Montagna indicated staff would work on scheduling this.

8. NEXT MEETING DATE

February 4, 2016 at 9:00 a.m.

9. ADJOURNMENT

The meeting adjourned at 3:51 p.m.

Minutes prepared by staff member Helen Georgeson