1. CALL TO ORDER

Wendy Macy called the meeting to order at 9:07 a.m.
2. PUBLIC COMMENTS

There were no public comments.

3. MINUTES

A motion was made by Ramon Rubalcava and seconded by Tony Royster to approve the JLMBC minutes of the May 12, 2016 Special Meeting; the Committee unanimously adopted this motion.

4. COMMITTEE REPORT 16-20: 2017 FLEX BENEFITS PROGRAM
ADOPTION AND RELATED UPDATES

Steven Montagna presented updates regarding the adoption of the 2017 Flex Benefits Program and the implementation strategy for 2017. He stated that the JLMBC’s recommendations were heard by City Council last week and the program was adopted on July 1, 2016. He added that the item previously went to the Personnel and Animal Welfare (PAW) Committee and the feedback received from PAW was positive. He noted that JLMBC members Wendy Macy and Cheryl Parisi were present at the PAW meeting.

Mr. Montagna then reported on the status of the Kaiser contract and turned the presentation over to Personnel Department Assistant General Manager, Greg Dion. Mr. Dion reported that staff along with consultants Stephen Murphy of Segal Consulting and Steve Gedestad of Keenan Associates met with Kaiser representatives Ken Reiff and Kate Kessler on June 21, 2016. He noted an agreement was not yet reached and that negotiations continue, but that Kaiser has increased the amount of money they will be contributing towards the Wellness Program from $250,000 to $350,000. He pointed out that this funding is not at the level that Anthem will provide. Mr. Dion stated that Kaiser has also agreed to onsite member advocacy three days per week, and noted that Anthem had agreed to provide advocacy five days per week. Ms. Macy stated that further negotiations should involve the level of discretion Kaiser would be offering to the City to utilize resources for funding the City’s Wellness Program infrastructure.

Mr. Dion replied that Anthem has allocated one million dollars and it is at the discretion of the City what Wellness Programs to utilize and where to direct those funds. He added that, in Kaiser’s situation, there is a list of contractors and consultants that can be considered with the $350,000 that they are contributing. Mr. Montagna added that a portion of the Blue Shield money is going to pay for the internal staffing costs of the Wellness Program and that is a very important part of building the infrastructure and viability of the program going forward. He added that one of the items being discussed is working with a contracted vendor to package all of the components of the envisioned Wellness Program. He concluded that what is being looked at from both of the health plans is the
discretion of where to apply funds in order to establish the infrastructure of the Wellness Program.

June Gibson pointed out that when Kaiser made the presentation to the JLMBC, they indicated that wellness services were part of the package that they were proposing to the City. She added that it appeared that the proposed services were for programs that were already incorporated, therefore nothing additional would be available to the City. She asked if the concept is still the same if they are providing a list of contractors for which the wellness funding could be used. Mr. Montagna confirmed there is a difference from Kaiser’s initial response to the RFP and that the resources Kaiser is now offering, and it is clear that they will be available to all Flex Program members, not just Kaiser members. He added that this shows movement and progress on Kaiser’s part and a higher level of discretion for the City.

Ms. Gibson then asked for examples of Wellness Program resources and Mr. Montagna noted they can be educational items such as classes or communications. He added that there could be on-site testing and health screenings as well. There was some discussion about the timeline and Mr. Dion confirmed that negotiations are expected to be completed by the next JLMBC meeting and that there is sufficient time to include any changes in the 2017 Kaiser contract. Mr. Montagna added that the JLMBC chose Kaiser as the Staff Model option and there is nothing in the negotiations that will affect Open Enrollment.

Mr. Montagna continued with disruption analysis for the Full and Narrow Network plans. He indicated that on the Full Network there is no disruption. He stated that for the Narrow Network the level of disruption is significantly less than when the transition to Blue Shield was made in 2014. Tony Royster asked what approach would be utilized to ensure there are no issues with respect to disruption. Mr. Montagna stated that member advocacy resources would be utilized immediately to prevent any issues from becoming escalated, and staff would work with Anthem to reach out to these individuals in a personal way. He added that since the disruption numbers are low, it was much more manageable to be able to execute this with support from Employee Benefits Division staff.

Mr. Montagna then discussed Vivity, the new regional network focused on the Los Angeles and Orange County regions. He explained that staff recently clarified that the ability for members to enroll in Vivity is not limited to the proximity of their residence, but can also include the proximity of their worksite. He noted that since all City employees work within the proximity of Los Angeles, in theory, virtually all employees would be able to enroll in Vivity if they chose to participate. He added that staff would be working with the Flex Program’s Third Party Administrator (TPA) to establish health plan enrollment eligibility; or explore the option to remove any recordkeeping restrictions that would limit a member’s ability to enroll in a plan based only on their residential proximity to a service
provider. Mr. Montagna concluded that staff and the TPA are working out a resolution and this would affect approximately 2,000 individuals.

Mr. Montagna presented on the last item of the report, an update on the Flex Program projected expenditures for FY 16-17. He pointed out that the projected expenditures are in line with the adopted budget amount. He added that this does not take into account any assumption about what the utilization of the Vivity option might be and how that membership might impact the expenditures. He further added that the other unknown factor involves enrollment net of hiring and retirement trends.

A motion was made by Maritta Aspen and seconded by Paul Bechely to receive and file information regarding the 2017 Flex Benefits Program Adoption and related updates, including the Kaiser contract, Full/Narrow disruption analysis, health plan access by residential/worksite proximity, and projected Flex Benefits Fiscal Year 16/17 expenditures; the Committee unanimously adopted this motion.

5. COMMITTEE REPORT 16-21: BENEFITS PROGRAM REBRANDING AND COMMUNICATION STRATEGY FOR PLAN YEAR 2017

Mr. Montagna stated that earlier this year staff worked with the JLMBC's consultants on providing assistance in two key areas: 1) conducting a communications audit of existing Flex Benefits communication materials and 2) rebranding the benefits program in a way that would incorporate benefit services and the City's developing Wellness program. He noted that the original branding of the program as "My Flex LA" and the concept of "Flex", have been in place since 1998. He added that the messaging emphasized member choice but now needs updating to incorporate the Wellness concept into the FLEX Program. He further added that it is important to align the messaging to support members wherever they are in their health journey, and to inform them of their resources. Mr. Montagna then discussed the rebranding and logo of the program, "Keeping LA Well." He further noted that as part of the development process, staff worked closely with focus groups which offered extremely valuable feedback that resulted in creating a modular program allowing for branding to be built around current and new benefits and programs administered by the Employee Benefits Division.

Mr. Montagna then provided an update of the 2017 communications plan. He pointed out that the goal of the communications campaign is to reach out directly to the membership and share with them that the members spoke, were heard, and changes were made in response. Mr. Montagna concluded that the objective of the initial communication piece is to introduce the new brand. He stated that staff is planning to present the draft communication at the next JLMBC meeting so that the JLMBC can review it before it is finalized.
A motion was made by Alice Goff and seconded by Marleen Fonseca to approve the proposed Benefits Program Rebranding and Communications Strategy for Plan Year 2017; the Committee unanimously adopted this motion.

6. COMMITTEE REPORT 16-22: MEMBER REFUNDS, WELLNESS PROGRAM DEVELOPMENT, AND OTHER UPDATES

Mr. Montagna provided a Wellness Program update noting that staff has completed selection processes for two positions fully dedicated to the City’s new Wellness Program. He added that the new staff would begin their assignments in mid to late July. He then provided an update on Flex Member Refunds, noting that the refunds are scheduled to be issued on August 7, 2016 and that a total of 24,057 employees would receive refunds.

A motion was then made by Tony Royster, seconded by Paul Bechely, to receive and file the report; the Committee unanimously adopted this motion.

7. REQUEST FOR FUTURE AGENDA ITEMS

None.

8. NEXT MEETING DATE

A Regular meeting was noted for August 4, 2016 at 9:00 a.m.

9. ADJOURNMENT

The meeting adjourned at 9:55 a.m.

Minutes prepared by staff member Helen Georgeson