1. CALL TO ORDER

Cheryl Parisi called the meeting to order at 9:08 a.m.
2. PUBLIC COMMENTS

There were no public comments.

3. MINUTES

A motion was made by Tony Royster and seconded by Douglas Marian to approve the JLMBC minutes of the September 3, 2015 Regular Meeting; the Committee unanimously adopted this motion.

4. COMMITTEE REPORT 15-26: HEALTH AND DENTAL PLAN PROCUREMENTS

Steven Montagna presented an update on the health and dental plan procurements. He indicated that at the last meeting on September 3, 2015, the JLMBC voted to move forward with the procurements for the health and dental service providers in 2015/2016 with a target implementation date for new contracts to be in place by January 1, 2017. He added that the JLMBC further approved staff’s proposed calendar which reflected a development plan for the RFP’s. Mr. Montagna noted that the timeline related to the medical/dental procurements was updated to reflect the development of the RFPs over the remaining three meetings of this year. He added that staff will provide additional information and updates at each meeting so that the JLMBC can provide feedback as the procurements are being developed.

Mr. Montagna referred the JLMBC to page two of the staff report which included the timeline for the RFPs. He indicated that this was a very tight schedule, but it must be followed in order to complete the process before issuing the RFP, especially since a portion will include member outreach. He explained that final selections will need to be made well before the July deadline in order to report to Council before the July Open Enrollment programming deadline.

Mr. Montagna continued with an update on member communications. He noted that staff is conducting focus groups for the purpose of obtaining feedback regarding their medical and dental plans that can be incorporated into the development and design of a member survey and the RFP. Ms. Parisi asked how the selection is being made regarding the participants in each focus group. Mr. Montagna replied that staff issued a solicitation for members to volunteer to be part of a focus group pool, and that approximately 200 individuals responded. He added that the participants would be invited from that pool and grouped together by medical plan, with all groups discussing dental as well. He indicated that focus groups were scheduled for the following week to provide sufficient time to incorporate the feedback into the survey, report to the JLMBC at the next meeting, and then issue the survey at the beginning of December 2015.
Mr. Montagna then referred the JLMBC to the power point presentation portion of the staff report. He first discussed the procurement mission and the concept of how success should be measured. He explained that from staff’s perspective, members must be aware of and engaged with their benefits in order to successfully use them.

Mr. Montagna next summarized the Flex medical and dental design structure. He noted that for medical, the options include the staff model HMO, non-staff model HMO (Narrow Network), non-staff model (full network) and PPO (full network). He further noted that for dental, the options include the dental HMO, dental PPO and dental preventive only. He invited the JLMBC members to provide feedback on the menu of offerings.

Ramon Rubalcava thanked staff and Mercer for their efforts with respect to establishing the concepts in the presentation. Tony Royster asked what weights are being assigned to each category with respect to the RFP. Mr. Montagna responded that this would be addressed at the next JLMBC meeting.

Clay Levister of Mercer presented further information regarding the procurement objectives. He reviewed the plan sponsor’s objectives of ensuring costs are affordable and sustainable, supporting population health and wellness programs and activities, and ensuring adequate financial, clinical, and quality care reporting. He added that integrated care delivery and payment reform, quality care and service, quality provider network access, member engagement and customer service, and delivery model and design choice are also key points of analysis.

Mr. Levister continued with an update on medical landscape and trends involving consolidation of health plans and pharmacy benefit managers, as well as expansion of Accountable Care Organizations, (ACOs), Provider Medical Group (PMG) and ACO-Network based structures. He stated that added Rx (prescription drug) increases are occurring across the board, and that there is increased employer focus on wellness and incentives to manage cost.

Mr. Levister continued with dental landscape and trends. He stated that dental services are underutilized and that employers moving towards voluntary products. but this can lead to more expenses later in terms of over-all health.

Mr. Montagna indicated that next month staff would present the results of the focus groups, a draft survey, and concepts related to the RFP evaluation process. Following this discussion, a motion was made by Tony Royster, seconded by Matt Rudnick, to receive and file the staff report and related presentation regarding design of the 2015 Medical and Dental Requests for Proposal. The JLMBC unanimously adopted this motion.
5. COMMITTEE REPORT 15-27: EMPLOYEE BENEFITS TRUST FUND

Alexandra Castillo presented this report addressing three items: the status of an external audit review, employee refunds, and an accounting review for Fiscal Year 2014-2015. Ms. Castillo stated that at its August 6, 2015 meeting, the JLMBC reviewed a prior report from staff on these topics. She indicated that the purpose of the Trust Fund is for the receipt and retention of City and participant contributions for the Flex Plan. She stated amounts deposited into the Trust Fund are used to pay for Flex Plan premiums, cash-in-lieu benefits, and administrative costs as approved by the JLMBC.

Ms. Castillo continued by reporting that due to the size/scope of Trust Fund activity, the JLMBC approved a recommendation from staff to review options for identifying an external auditor to review and validate Trust Fund activity. She stated that staff contacted the City Controller’s Internal Audit Section and determined that the Controller maintains a list of external audit firms that have been contracted by the City to conduct audits for a variety of purposes, but a formal request had not yet been submitted.

Ms. Castillo next provided an update on Trust Fund refunds to Flex members. She stated there is a balance of approximately $6.6 million in pending refunds to employees from Prudential Life in the amount of $5,459,847; Anthem HMO and PPO employee contributions of $419,348; and Delta Dental PPO and Preventive Only refunds totaling $723,97. She indicated these refunds had not been previously implemented due to the administrative complexities involved, but that staff was now moving forward. She reported that staff was working with the Controller’s Office regarding several payroll projects, including this one.

There was discussion regarding whether interest was due to employees. Ms. Parisi requested that staff also report back regarding the original plan for refunding the contributions and the current proposed plan. Mr. Montagna indicated that staff would report back to the JLMBC.

A motion was made by Maritta Aspen, seconded by Douglas Marian, to receive and file the staff report regarding the Employee Benefits Trust Fund activity for Fiscal Year 2014-2015. the Committee unanimously adopted this motion.

6. COMMITTEE REPORT 15-28: STAFF REPORT

Samantha Hanzy presented this report. She began with an update on Open Enrollment, indicating there was a delay in the generation of Personal Enrollment Worksheets which delayed the mailing of Open Enrollment materials to City employees. She pointed out that all Open Enrollment materials were mailed as of October 5, 2015 and that the website and call center were operational as of October 1, 2015. Ms. Hanzy reported that four webinars were scheduled in October, every Wednesday from 11:30 a.m. to 12:30 p.m. on the topics of My Flex LA Enrollment Site Overview, Wageworks Tax-Advantaged Spending

Ms. Hanzy reported on the New Employee Orientation Sessions Flex Benefits Briefing, stating that staff attended four New Employee Orientation sessions for 132 new General Services Division employees. Ms. Hanzy stated that the briefing was an interactive training session aimed at providing new employees with an overview of the Flex program.

Ms. Hanzy indicated that a meeting of the Wellness Subcommittee was taking place on October 15, 2015 and the purpose of the meeting was to review a staff proposal for resource development, allocation, and implementation for a Wellness program. She added that subject to the Subcommittee’s adoption of final recommendations, a report to the full JLMBC was tentatively expected to be calendared for the JLMBC’s November 2015 meeting.

Ms. Hanzy reported on the status of the Employee Benefits Consulting and Communication Services RFP, stating that staff released the 2015 RFP on July 1, 2015 and that a total of five RFPs were received by the September 2, 2015 deadline. She added that Employee Benefits Division staff are in the process of reviewing/scoring the responses for the purpose of submitting recommendations with a tentative target for the JLMBC’s November 2015 meeting.

Ms. Hanzy proceeded with a report on the Affordable Care Act (ACA) Tax Reporting Update. She stated that the Personnel Department was proceeding to engage the services of an external provider to fulfill the City’s ACA tax-reporting needs under a one-year sole-source contract. She added that staff was working with the Personnel Department’s Administrative Services Division and City Attorney’s Office in negotiating and executing the contract.

Ms. Hanzy concluded her presentation with an update on the status of the ESR Tool. She stated that on September 30, 2015 Mercer TPA informed staff that an error was identified involving City employees who transfer to the Department of Water and Power (DWP). She explained that duplicate City and DWP employee records were causing the ESR Tool to overwrite DWP employment records for the affected employees. She stated that Mercer was currently working to identify the root cause of this error and resolve the issue. Ms. Hanzy stated the issue must be resolved in order to generate the annual reporting required for determining eligibility for the 2016 stability period.

Ms. Parisi asked if open enrollment should be extended by four or five days due to the delay of mailing the open enrollment materials to employees. Ana Chavez replied that the open enrollment materials were available on the Flex website and the Flex call center as early as October 1, 2015, that there was still ample time for employees to review their benefits and make their elections by October 31st, and that most elections are made at the end of the month. Mr. Montagna added
that because of the review period, employees are actually eligible to make changes well into the month of November as a normal course of business.

A motion was then made by Maritta Aspen, seconded by Tony Royster, to receive and file the staff report regarding Flex Benefits service announcements and pending projects. The Committee unanimously adopted this motion.

7. NEXT MEETING DATE

November 5, 2015 at 9:00 a.m.

8. ADJOURNMENT

The meeting adjourned at 10:21 a.m.

Minutes prepared by staff member Helen Georgeson