Present:

Committee Members

Regular:
David Sanders - SEIU Local 721
Wendy Macy - Personnel Department
Paul Bechely - Laborers’ Local 777
Matthew Rudnick – Recreation & Parks Department
Chris Hannan – Building & Construction Trades Council
Tony Royster – General Services Department

Alternates:
Marleen Fonseca - Engineers and Architects Association
Dana Brown - Office of the City Administrative Officer

Office of the City Attorney
Charles Hong - City Attorney

Personnel Department Staff
Steven Montagna - Chief Personnel Analyst
Paul Makowski - Senior Personnel Analyst II
Jenny Yau - Senior Management Analyst II

1. Call to Order

Wendy G. Macy called the meeting to order at 9 a.m.

2. Public Comments

None.

3. Minutes

A motion was made by Tony Royster and seconded by Paul Bechely to approve the minutes of the December 5, 2019 meeting; the Committee voted unanimously to approve this motion.
4. Benefit Service Provider Presentation: WageWorks

Steven Murphy from Segal Consulting and David Hanley, Senior Relationship Manager from WageWorks, presented this report regarding the tax-advantaged spending accounts annual plan review. Mr. Hanley provided a brief overview of the 12-year relationship WageWorks has with the City as a third-party administrator for flexible spending accounts since 2008. He indicated that in 2019 WageWorks was acquired by HealthEquity with the commitment to invest $80-$100 million over the next several years to improve the customer experience.

Mr. Hanley provided data utilization highlights on the Health Care Flexible Spending Account (HCFSA) which allows employees to put aside pre-tax money for prescriptions, co-payments, deductibles, as well other eligible expenses. He added that since 2013, there was an overall 42% growth in HCFSA participation with a 1.4% decline between 2018 and 2019, and there was a total of $1.9 million in cumulative employer FICA savings and $7.4 million in cumulative employee tax savings. He also noted the annual tax savings per participant was $444 and the average election per participant increased 6.9% between 2013 and 2019, from $1,432 to $1,531.

Mr. Hanley indicated that all HCFSA participants receive a debit card to use on their pre-tax balances on health-related expenses. He stated that the top five debit card expense categories were dental, vision, physicians, health and medical equipment, and pharmacy. He also provided examples of the actual average spent per transaction in 2019 for dental being $254.43 and for vision $192.70.

Mr. Hanley stated that the top five categories have remained the same over the last five years with the only difference being an increase in the average spending amount. He stated dental has consistently been a top expense with the most debit card usage at a total of $910,607 in 2019 followed by vision at $540,536.

Mr. Hanley proceeded to present the Dependent Care Flexible Spending Account (DRCA), which has had 22% participation growth since 2013, with a 4.9% decline between 2018 and 2019. He stated cumulative employer FICA savings have been $1.4 million while cumulative employee tax savings have been $5.5 million. He added that annual tax savings per participant was $1,166, and the average election amount per participant increased 1.3% between 2013 and 2019, from $3,841 to $3,889.

Mr. Hanley indicated that the DRCA includes before/after school care, summer day camp, and elder day care. He indicated it does not include overnight camps, kindergarten or higher-grade tuition, and long-term elder care services.

Mr. Hanley proceeded to discuss the highlights of the Commuter Benefits Program, in which employees can put aside up to $270 for parking and transit expenses. He stated there has been 96% growth in participation since 2013 with a 4.4% increase between 2018 and 2019.
Mr. Hanley presented WageWorks’ solutions on user accessibility by highlighting how easy it is to submit and process claims on WageWorks.com or via the WageWorks EZ Receipts mobile application. He shared the total claims process can be completed in five business days or less and that 97% of total claims filed with WageWorks in 2019 were done electronically using their online tools. He stated that mobile application users can opt to receive text messages or email notifications whenever a claim is submitted and processed or when a direct deposit has been processed. He added WageWorks enhanced the customer service experience by adding a 24/7 customer service line and chat feature.

Dana Brown commended the presentation and commented that these services should be utilized more by employees. She asked if express lane payments were an eligible expense item. Mr. Hanley replied that he would check on that item and report back with more information.

Matthew Rudnick asked how the City compared to WageWorks’ book of business in terms of participation. Mr. Hanley stated the City was at about 10%, which is on par with other clients. Mr. Murphy added that members are still testing the flexible spending account systems and that he hopes Morneau Shepell can develop a feature showing how much members can save to encourage more participation.

Given that HSFSA and DCRA funds do not roll over to the next year, Tony Royster asked how much was unspent and where the money is redirected. Mr. Hanley answered that excess balances are used to offset expenses for the plan going forward and to communicate with members at the end of the year to notify them of the December 31st deadline with three months to file that expense. Mr. Royster asked if there were plans to roll over the amount and if other agencies did that or if this was a federal tax law. Mr. Murphy commented that the tax code has provisions for rollovers if allowed by the plan sponsor but that creates administration burdens for plan sponsors and so many of them do not make this feature available.

Wendy Macy asked what is done in terms of ensuring consistency in claims processing and overall customer service. Mr. Hanley provided several examples of areas of focus for WageWorks to improve the customer service experience, including card use verification and notifications for outstanding card transactions needing receipt uploads. He reiterated how easy it is to use the online portal and how members can upload pictures of checks using the camera on a mobile phone. He also added there is continued effort to educate members on the services. Ms. Macy asked about the type of training customer service representatives undergo when approving or denying a claim. Mr. Hanley answered that there is ongoing training for claims processing, and should an error occur, coaching will be provided by the claims manager. He indicated he could provide staff with the percentage of call resolutions made on the first call.

Mr. Royster had asked if there are any surveys sent out to employees to determine an objective response if services are satisfactory. Mr. Hanley responded that there is an optional brief survey after each call that members can participate in and that overall the responses have been satisfactory. He noted he can review the City’s responses. Chris Hannan requested that this customer data be provided to staff.
5. Committee Report 20-01: Fiscal Year 2019-20 LAwell Program Health and Wellness Strategic Initiatives Update

Steven Montagna reminded the Committee of the recommendation and adoption of these strategic initiatives from the September 5, 2019 committee meeting. He began with an update of the benefits menu review, stating that the Ad Hoc Plan Design Subcommittee (Subcommittee) had its first meeting on September 17, 2019 and would have its next meeting on February 12, 2020. He stated the Subcommittee plans to review and select which items to take action on first, one of which is to look at possible improvements for dental benefits, long-term care insurance, as well as opportunities to expand eligibility for cash-in-lieu benefits.

Mr. Montagna stated that improving member outcomes and metric data has been an ongoing project with Keenan and Associates (Keenan). He stated that staff is looking at new ways to make improvements on reports. He noted the next version will be available next month.

Mr. Montagna presented the current status on the Preventive Services Engagement Campaign. He indicated that staff has been working with Segal and Keenan as well as most of the LAwell service providers to create a prevention engagement resource campaign which is likely to evolve into an evergreen resource. He noted the targeted launch date is midyear 2020 to coincide with the new LIVEwell program year launch. He stated that the goal of the campaign is to assemble resources and provide information to help members understand how these services work and increase utilization. He indicated he hopes to make it easier for members to engage with providers with greater ease.

He indicated that with respect to the kiosk initiative staff had met with the General Services Department (GSD) and discussed options for housing these resources, which would require a locked room to protect the equipment. He stated the goal is to have this ready to launch with the Preventive Services Engagement Campaign. He indicated that staff was also exploring opportunities to develop separate space for an Employee Onsite Health and Wellness Center, both longer-term in new building construction and possibly in the more immediate future with temporary space.

Marleen Fonseca asked for clarification on what the kiosk offers to employees, to which Mr. Montagna responded that it would serve as a private worksite location to allow members to engage with health plan providers remotely. He added members will have access to doctors or can consult with a nurse.

Mr. Royster noted the importance of privacy between the members and the provider. He stated the first step is to find the appropriate location and then determine a plan on how best to install the equipment. Mr. Montagna added that staff would monitor utilization once the pilot begins and to gauge employee interest.

Ms. Macy asked if there would be a permanent location for the kiosk and Kaiser Mobile Trucks. Mr. Montagna indicated the kiosk would be at one location but the Mobile Trucks would be at
multiple facilities. Ms. Macy noted low utilization of the Kaiser facility on Hope St. and asked whether individuals would prefer kiosk or truck services near work versus near home. Mr. Montagna emphasized these were pilot initiatives at low risk for the City since Kaiser and Anthem were assuming the costs.

A motioned was made by Chris Hannan and seconded by Matthew Rudnick that the JLMBC receive and file the fiscal year (FY) 2019-20 LAwell Program Health and Wellness Strategic Initiatives Update for February 2020; the Committee unanimously adopted this motion.


Paul Makowski stated there are a total of four positions supporting the LAwell program and that for the second quarter of fiscal year 2019-2020 their total cost came out to $100,244.11. He stated there are two positions supporting the LIVEwell program and those costs came to $65,725.89. He pointed out that LAwell program costs were lower than normal because several positions were not filled until November of 2019, with a month and a half of vacancy.

A motion was made by Matthew Rudnick and seconded by David Sanders that the JLMC approve: (a) reimbursements from the Employee Benefits Trust Fund for Personnel department salary costs of staff providing direct administrative support of the LAwell Program in the total amount of $100,244.11 inclusive of the second quarter of fiscal year 2019-20; and (b) reimbursements from the Employee Benefits Trust Fund/Wellness sub-account for Personnel Department salary costs of staff providing direct administrative support of the LIVEwell Wellness Program in the total amount of $65,725.89 inclusive of the second quarter of fiscal year 2019-20; the Committee unanimously adopted this motion.

7. Committee Report 20-03: LIVEwell Program Update - December 2019 to January 2020

Leo Reyes highlighted the December 2019 and January 2020 newsletters which included themed activities. He noted the December 2019 newsletter included activities to reduce stress and obtain work-life balance for the holidays while the January 2020 newsletter introduced the New Year by building positive habits through activities and competition.

Mr. Reyes shared that newsletters now include yoga classes for each month and the LIVEwell staff will feature more physical activity classes in 2020 in response to 2019 feedback. He stated that in January there were a total of 15 mindful and yoga classes with a total of 337 attendees. He added that in May 2020 Zumba classes will be available.

Mr. Reyes shared that enrollment continued to increase on the new LIVEwell.la online wellness platform. He stated that on December 18, 2019 staff presented information on LIVEwell for the first time to employees at the Cabrillo Marine Aquarium, registering 12 employees on LIVEwell.la.
He stated on January 9, 2020 staff met with 14 Principal Librarians to provide an overview of the LIVEwell program and that staff was establishing a working relationship with Library Managers to coordinate future LIVEwell Program classes and clinics in the Valley region. He further shared on January 16, 2020, staff was invited by the Office of the City Administrative Officer (CAO) to share information about the LIVEwell program and interacted with 150 employees, registering 50. He concluded by stating in December and January, staff participated in four new employee orientations at the Police Department and Department of Public Works – Engineering.

Steven Montagna provided an update regarding a Mayor’s Cabinet presentation provided by Ms. Macy to the City’s General Managers to review the City’s health and wellness resources. He noted this was a great way to inform department heads about resources and invite them to meet with Employee Benefits to better serve their needs. Ms. Macy added that afterwards several requests were received from departments wanting more presentations, including a request from Richard Llewellyn, City Administrative Officer (CAO), for his department, and Claire Bartels from the Office of Finance. She added that the Mayor will soon release a video that will highlight these programs.

David Sanders and Ms. Fonseca asked about obtaining a link to the newsletters in order to distribute this information to their departments. Jenny Yau volunteered to forward that information and added that this topic would be discussed with the Wellness Subcommittee to further develop strategic initiatives and collaborate with the unions to better advertise the programs.

Ms. Fonseca also asked about the duration of the yoga classes and if members came back to take another class. Mr. Reyes responded that each activity is structured to be around 30 minutes in order to accommodate the lunchtime schedule, adding that classes are aimed towards beginners. Molly Trucano, LIVEwell staff and yoga class instructor, shared that she has received positive feedback from members who were curious about future classes. Mr. Reyes added that those who attended really enjoyed the program and made up a diverse group.

Mr. Royster asked if there was a larger demand for evening classes as a way to prevent feeling rushed with only 30 minutes. Mr. Reyes indicated he did not find a significant discrepancy and that evening classes were meant to accommodate custodial staff and other evening staff. He noted the main goal for LIVEwell is to determine a time that works best with the member’s schedule and provided an example for Recreation & Parks, whose activities are scheduled after lunch at 2:00 PM to allow members time to come back from the yard and participate in programming. He added this is the reason why staff will travel off-site to speak with supervisors and managers to better understand and meet their specific needs.

Mr. Hannan asked if feedback has ever been received in the form of a survey. Ms. Yau replied that there is no current formal survey but this suggestion could be looked at for future classes. Mr. Hannan also asked how attendance was being tracked. Mr. Reyes indicated a sign-in sheet keeps track of all actual attendees. Ms. Yau also mentioned that they keep track of engagement for the entire program for each class and clinic. She noted the goal this year is to hit 10,000 and that the number is currently at 4,200. She shared that the wellness festival, scheduled to take place in June as well as other activities planned in the spring, will help hit that goal number. Ms.
Fonseca asked if walk-ins were welcome. Mr. Reyes replied that all walk-ins are welcome if space allows. He stated two classes were offered each month for one building in order to resolve space concerns.

A motion was made by Chris Hannan and seconded by Marleen Fonseca that the JLMBC receive and file the report regarding LIVEwell Program activities and updates for December 2019 to January 2020; the Committee unanimously adopted this motion.


Mr. Makowski began by stating this report covers two months since the last JLMBC meeting was cancelled. He indicated EyeMed ended its relationship with businesses that filed or are near filing Chapter 11, including Sears, JC Penny, and Stanton. He noted that all 576 City households that have used one of these network providers within the past three years were given notices that they are no longer in network and were offered closer, alternative providers to seek services.

Mr. Makowski then stated that Open Enrollment is now closed, all data has been accurately transmitted in the system, and staff is validating all data. He shared Morneau Shepell will assist staff in developing a full report on Open Enrollment for the April JLMBC meeting.

Mr. Makowski indicated a Request for Proposal (RFP) was submitted for the Benefits Plan Administration and Benefits Plan Communications Consulting Services, and a mandatory pre-proposal conference was held and was well attended. He noted that proposals were due Thursday, February 6, 2020, and a recommendation will be prepared within the second quarter of 2020. He also mentioned that staff has been continuing to attend new hire presentations, many of which took place in December and January, and that there has been an increase in this request from other departments. He followed by stating the Affordable Care Act reporting has been a huge undertaking, and the IRS has provided an extension until March 2020 for final reporting. He stated members will be given their 1095-C tax form by the March 3rd deadline.

Mr. Makowski provided an update on JLMBC membership status and shared that Lita Payne will replace Neil Guglielmo as the LACERS member. He noted Steve Koffroth had also removed himself from the JLMBC and that position was now vacant. He stated he will update the Committee once a replacement has been confirmed.

Mr. Makowski shared the next JLMBC meeting agenda topics will include a benefits service provider presentation by Kaiser and a quarterly LAwell Program data and metrics review by Keenan & Associates. He stated a Benefits Service Provider Presentation will be given by Anthem and the 2020 Open Enrollment Data Review will be presented by Morneau Shepell in April 2020.

Mr. Hannan noticed that only two departments participated in the New Hire benefits presentation and wondered why other departments do not request this support. Mr. Makowski responded that departments with more than five new hires can be provided a training. He stated most departments often do not request presentations for smaller, intermittent hiring of new employees.
Mr. Hannan asked if staff has the capacity to attend more orientations. Mr. Makowski indicated staff has capacity to support the departments. Mr. Royster recommended sending a letter or email to General Managers and possibly plan an entire year with pre-scheduled orientations.

Mr. Sanders asked how many bidders in total were interested in the RFP for Benefits Plan Administration and Communication Consulting. Mr. Makowski responded that approximately ten attended the pre-bid conference.

A motion was then made by David Sanders and seconded by Chris Hannan that the JLMBC receive and file the projects and activities report regarding informational items, project updates, staffing summary, and completed projects/meeting calendar for December 2019 to January 2020; the Committee unanimously adopted this motion.

9. Request for Future Agenda Items

None.

10. Next Meeting Date

A meeting was noted for March 5, 2020, at 9:00 a.m.

11. Adjournment

The meeting was adjourned at 9:56 a.m.