CITY OF LOS ANGELES
JOINT LABOR-MANAGEMENT BENEFITS COMMITTEE

PROPOSED MINUTES
SPECIAL MEETING
March 22, 2018 – 2:00 P.M.
CITY HALL, 200 NORTH SPRING STREET, ROOM 1060

Present:

Committee Members

Regular:
Wendy Macy – Personnel Department
Cheryl Parisi – AFSCME, Council 36
Paul Bechely – Laborers’ Local 777
Tony Royster – General Services Department
David Sanders – SEIU Local 721
Matthew Rudnick – Recreation and Parks
Richard Llewellyn – Office of the City Administrative Officer

Alternates:
Marleen Fonseca – Engineers and Architects Association

Personnel Department Staff
Jody Yoxsimer – Assistant General Manager
Steven Montagna – Chief Personnel Analyst
Jenny Yau – Senior Management Analyst II
Paul Makowski – Senior Personnel Analyst I
Leo Reyes – Senior Personnel Analyst I
Helen Georgeson – Personnel Analyst
Ted Vasquez – Personnel Analyst
Daisy Tam – Personnel Analyst
Russell Escueta – Personnel Analyst

Office of the City Attorney
Curtis Kidder – Assistant City Attorney
Charles Hong – Deputy City Attorney

The Segal Group
Stephen Murphy

1. Call to Order

Wendy Macy called the meeting to order at 2:04 p.m.
2. Public Comments

None.

3. Minutes

A motion was made by Paul Bechely and seconded by Tony Royster to approve the JLMBC minutes of the February 8, 2018 special meeting; the Committee unanimously adopted this motion.

4. Committee Report 18-11: LAwell Civilian Benefits Program Third-Party Administrator Transition Update

Steven Montagna presented this report and began by recapping the JLMBC committee's previous approval of Morneau Shepell (Morneau) as the new Third-Party Administrator (TPA) for the Civilian Benefits Program, an action taken in January 2018 resulting from a Request for Proposals released in May 2017. He stated that Morneau had provided an overview of the stages that will guide the development of the transition implementation plan, the roles and responsibilities of key Morneau staff, and the transition implementation delivery schedule. He then stated that Morneau representatives had come to Los Angeles to meet with staff for an initial transition meeting and individual user interviews to begin the process of documenting business and systems requirements. He indicated the meetings provided staff the opportunity to discuss service enhancements to be addressed as part of the implementation plan.

Mr. Montagna next discussed the implementation schedule. He stated that April 1, 2019 was the target implementation date and that this would provide sufficient time to ensure the benefits administration system and required processes are fully developed and tested. He stated the contract with the incumbent TPA, Mercer, ends December 31, 2018, and that staff was working to extend the term of that contract to cover the additional time needed to complete the transition. Tony Royster asked for the worst-case scenario for the transition process. Mr. Montagna replied that in a TPA transition the highest risks generally lie with the outgoing TPA and the accuracy and reliability of the data transfer. He stated that in extending the contract with Mercer the amendment would address data conversion and attempt to minimize any risks. David Sanders asked which City staff member lead the project. Mr. Montagna replied that Jenny Yau was the project lead but the TPA transition was a fully team effort.

A motion was made by David Sanders, seconded by Matthew Rudnick, to receive and file the staff update regarding the LAwell Civilian Benefits Program’s Third-Party Administrator transition; the Committee unanimously adopted this motion.


Steven Montagna presented this report. He discussed the prior JLMBC action to create an Ad Hoc Communications Subcommittee (Subcommittee) tasked with developing a
long-term benefits communications plan. He stated the first meeting of the Subcommittee was held August 24, 2017 at which staff proposed conducting a Citywide benefits communications survey as part of a long-term benefits communications plan. He stated that since the August 24 meeting staff had worked with Segal Consulting to develop the proposed benefits communications survey included in the report. He indicated that the purpose of this initial survey was to solicit member feedback in measuring the effectiveness of the City’s current communications materials and tactics and identify ways the City could improve upon its approach to communications. He indicated staff will administer the survey tool and work with Segal to review the data received and report on the findings. He stated the survey includes an invitation for members to participate in focus groups. He stated staff will review the responses and focus group feedback and report back with the goal of implementing any resulting communication plan changes for the 2019 Open Enrollment period.

Cheryl Parisi asked how long it takes to complete the survey. Paul Makowski replied 10 minutes or less. Ms. Parisi asked if there is a strategy to encourage participation in the focus groups. Mr. Montagna indicated focus groups are typically scheduled during the lunch hour. Ms. Parisi asked if lunch is being served during the focus groups. Mr. Makowski stated that staff was reviewing options for providing refreshments. Mr. Royster asked if the focus groups will be led by City employees or contractors. Mr. Montagna replied that Segal will be leading the focus groups. Marleen Fonseca asked where the focus groups would be held and Mr. Montagna replied that they would be at central locations easily accessible by large groups of employees.

A motion was made by Richard Llewellyn and seconded by Tony Royster to approve the proposed benefits communications survey of members of the LAwell Civilian Benefits Program; the Committee unanimously adopted this motion.

6. Committee Report 18-13: 2018 Open Enrollment Data Review

Steven Montagna presented this report and began by noting for Plan Year 2018 that most employees passively enrolled in their benefits with passive enrollment at 73.5% versus active enrollment at 26.5%. He indicated that while the active enrollment percentage is low it is an increase of 1.5% from plan year 2017. He discussed medical plan enrollment changes, and noted a net gain of 399 members, or about 1.6% percent, moving from Anthem to Kaiser in Plan Year 2018 compared to 212 members, or slightly less than one percent, in Plan Year 2017. He further noted that the Anthem Vivity HMO plan saw the largest growth compared to the prior year and further explained that a majority of the Anthem Vivity HOM plan growth came from employees that left the Anthem Narrow Network.

Mr. Montagna then stated that the LAwell civilian population is a little over 26,000, which represents an increase of amount three percent compared to Plan Year 2017. He reviewed the enrollment statistics for the supplemental life, spouse life, child life, disability, accidental death and dismemberment insurance, and health care and dependent care tax advantaged savings accounts noting that they all remained largely the same in participant enrollment as prior years.
Richard Llewellyn asked why adopted children are identified differently from biological children and if it is consistent with City policy. Mr. Makowski answered that the identification of dependents in the report is reflective of the labels used by the TPA for administrative purposes only. Mr. Montagna added that the identification labels used on the report can be changed.

Ms. Parisi asked if there were efforts to send text or email communications during the Open Enrollment Period to inform people to review their enrollments. Mr. Makowski replied that City-wide email communications were utilized for employees with a City email address. He further noted that the current TPA, Mercer, does not have a mechanism to send emails or text messages from their system. He further noted that Morneau, the incoming TPA, offers both text and email capabilities. Wendy Macy asked if there are any other suggestions that can be done to incentivize or encourage people to review their benefits at Open Enrollment. Mr. Makowski replied that attempts are being made to work with human resource liaisons to reach other members and increase engagement.

Ms. Fonseca asked about call center figures and why there is a discrepancy in total calls received and answered. Mr. Makowski stated many members called during the last few days of Open Enrollment creating longer wait times and higher abandonment rates. Mr. Royster asked if the TPA was not prepared for the call volume increase. Mr. Makowski stated that there an overflow call center is used if all of the City’s dedicated representatives are occupied. Mr. Montagna stated this is an area where staff is looking to see improvements from Morneau. He added that with Morneau members will have new online features, such as being able to upload documentation for adding dependents, which could drive more website utilization and reduce call volumes. David Sanders asked if unanswered calls are captured. Mr. Makowski replied that in the current system there is no feature for a member to leave a call back number. Ms. Parisi asked if there is a guarantee in the contract for vendor staffing. Mr. Makowski replied that Mercer provides three dedicated representatives throughout the year and six for Open Enrollment. Ms. Parisi asked if it is typical for large employers to hold Open Enrollments during October. Mr. Makowski replied affirmatively. Mr. Sanders asked if the new vendor will be operating for the next Open Enrollment. Mr. Makowski replied that the current TPA would still administer Open Enrollment for plan year 2019.

A motion was made by Marleen Fonseca and seconded by Tony Royster to receive and file the staff report regarding results of the LAwell Civilian Benefits Program Open Enrollment for Plan Year 2018; the Committee unanimously adopted this motion.

7. Committee Report 18-14: LIVEwell Wellness Program Update

Joan Centanno presented this report and began by discussing the Wellness Program engagement plan. She indicated that classes and webinars held in February were focused on managing diabetes and heart health. She stated staff had been working with department liaisons to send communication materials to employees for these events in an effort to increase participation. She then discussed employee
participation based on event location and mentioned the Garland building was the newest addition for wellness events.

Ms. Centanno next reviewed LAwell’s collaboration with LA County to host wellness events. She stated the County has mentored the City by sharing successes and challenges in holding events. She stated that the County holds a Family Fitness Event each year and will allow the City to co-partner and share expenses. She further stated that the City’s co-partnership in the event would permit an employee to bring up to 15 guests. She indicate that the plan was for all benefit services providers to attend the event. She stated the costs to co-partner the Family Fitness Event will be approximately $20,000 but could decrease or increase depending on actual attendance. Mr. Royster asked where the money for the event will come from. Mr. Montagna replied that it will come from the City’s Wellness funds. Ms. Fonseca asked if the event will be free for employees to which Ms. Centanno confirmed. Ms. Fonseca asked if Ms. Centanno attended the event last year to which Ms. Centanno replied no but stated she had attended other events hosted by LA County. Ms. Fonseca asked how many participants attended the Family Fitness Event last year. Ms. Centanno indicated between 800 to 1,000. Mr. Sanders asked if the activities are held over multiple days. Ms. Centanno replied the event is held on one day.

Ms. Centanno next discussed the 2018 Annual Employee Wellness Survey. She stated that certain questions were repeated as part of measuring progress. She stated write-in options were added this year instead of all multiple choice. She an areas of focus included prevention and lifestyle/behaviors. She stated the approach and timeline were similar to last year and staff would reach out to the unions and departmental liaisons for support.

Following this discussion, a motion was made by Paul Bechely and seconded by Matthew Rudnick to (1) approve an expenditure of up to $25,000 from the Employee Benefits Trust Fund Wellness sub-account to participate in a Joint LA City/LA County Family Fitness Event in October 2018; (2) approve the proposed 2018 Annual Employee Wellness Survey; and (3) receive and file the staff report regarding LIVEwell Wellness Program (LIVEwell) developments, updates, and activities; the motion was unanimously adopted.


Mr. Makowski began by stating that Anthem successfully negotiated a multi-year contract with Huntington Memorial and that members can continue using Huntington Memorial without a break in service. He indicated Anthem informed the City that hospital services agreements with Prime Healthcare services would be not renewed and termination of the agreement would take effect March 25, 2018. He added the termination would only apply to non-emergency hospital services and medical groups referrals to those facilities for non-emergency services. Ms. Parisi asked what would happen if individuals were admitted to an emergency room and an overnight stay was required. Andrew Richards, Account Executive at Anthem, replied that if a
member is admitted to an out-of-network hospital as a result of an emergency visit, the hospital ensures the member is in stable condition before transferring to an in-network hospital and the services rendered in the out-of-network hospital prior to transfer are considered emergency services. Ms. Parisi stated the hospitals pending termination are similar geographically and asked for clarification on the ability for members to seek in-network care in that geographic location. Mr. Richards replied that Anthem negotiates with various medical groups to ensure adequate medical access and that they try to keep access cost-effective.

Following the completion of the report, Mr. Sanders asked if the Ad-Hoc Governance subcommittee for the bylaws was held yet. Mr. Montagna replied that a meeting had not yet been scheduled but staff was drafting the revised discussion document.

Following this discussion, a motion was made Richard Llewellyn and seconded by Marleen Fonseca to receive and file the projects and activities report regarding informational items, projects, updates, staffing summary, and completed projects/meeting calendar for February 1- March 15, 2018; the Committee unanimously adopted this motion.


Curtis Kidder opened discussion of this item by stating a potential closed session may arise for an unresolved item. Charles Hong from the City Attorney’s office stated that the tax reporting matter was first brought to the attention of the Committee approximately six months ago and that it related to disability claims and how the taxable portion of disability payments was collected. He stated that notification letters have been sent by the Standard Insurance Company to employees that were impacted. He further added tax filings documents were being corrected so employees could take action to address the change in tax reporting to the Internal Revenue Service. Mr. Llewellyn asked when the tax reporting matter would be fully resolved. Mr. Hong answered that at least 3 more months if not more would be required pending some developments to the administrative process.

10. REQUEST FOR FUTURE AGENDA ITEMS

No requests for future agenda items.

11. NEXT MEETING DATE

A meeting was noted for April 5, 2018 at 9:00 a.m.

12. ADJOURNMENT

The meeting was adjourned at 3:12 p.m.

Minutes prepared by staff member Russell Escueta.