CITY OF LOS ANGELES
JOINT LABOR-MANAGEMENT BENEFITS COMMITTEE

PROPOSED MINUTES
SPECIAL MEETING
May 3, 2018 – 9:00 A.M.
CITY HALL, 200 NORTH SPRING STREET, ROOM 1060

Present:

Committee Members

Regular:
Wendy Macy – Personnel Department
Cheryl Parisi – AFSCME, Council 36
Tony Royster – General Services Department
David Sanders – SEIU Local 721
Matthew Rudnick – Recreation and Parks
Dana Brown – Office of the City Administrative Officer

Alternates:
Marleen Fonseca – Engineers and Architects Association
Jeremy Diaz – Laborers’ Local 777
Ramon Rubalcava – SEIU Local 721

Personnel Department Staff
Steven Montagna – Chief Personnel Analyst
Jody Yoxsimer – Personnel Department
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

The Segal Group
Steve Murphy

Keenan Associates
Laurie LoFranco
Steve Gedestad
1. Call to Order

Wendy Macy called the meeting to order at 9:10 a.m.

2. Public Comments

None.

3. Minutes

A motion was made by Marleen Fonseca and seconded by Matthew Rudnick to approve JLMBC minutes of the March 22, 2018 special meeting; the Committee unanimously adopted this motion.

4. Committee Report 18-23: LIVEll Wellness Program Services Request for Proposal

Shauna Cour, Sales Director, and Henry Albrecht, Chief Executive Officer, presented an overview of Wellness administrative services Limeade proposed in response to the LIVEll Wellness Program (LIVEll) Request for Proposal. Ms. Cour began by discussing the company’s founding and noted the working relationships Limeade has formed with labor unions. Mr. Albrecht then discussed Limeade’s wellness approach and how it would be applied to the LIVEll program. He stressed the role of involving both supervisors and managers in wellness engagement.

Ryan Shirah then demonstrated Limeade’s website and reviewed its abilities to integrate and engage with members. He emphasized that each member’s experience would be unique based on the software’s ability to customize individual events, activities, and other wellness options based on each member’s identified wellness objectives. He also discussed a social component of the platform called Limeade community, which enables users to engage in various group activities.

Wendy Macy asked how member trust can be gained when it comes to data collection and the sharing of that information. Mr. Albrecht replied that Limeade takes privacy seriously and adheres to state and federal regulations regarding data privacy. He added that communication is made through the platform to members to clarify what information is private and what information is subject to being shared. He stated that when someone is asked to complete a wellness assessment a disclosure notice is displayed stating how the information would be used. He stated that data is not used to earn advertisement revenue. Cheryl Parisi asked if Limeade shares information with the employer. Mr. Albrecht replied that Limeade shares aggregated data only and clarified that personally identifiable member data is not shared.
Ramon Rubalcava asked if on-site engagement and working with the LIVEwell’s wellness champions would be part of Limeade’s plan. Ms. Cour responded affirmatively. She indicated Limeade sends targeted and program-branded challenges, activities, and toolkits intended to help wellness champions learn how to best support the program.

Mr. Rubalcava asked how Limeade works with the medical plans to share information. Mr. Albrecht replied that Limeade may be able to gather summary information from the medical plans, such as the percentage of the population who have not seen a primary care physician in the prior three years, and work with the City on possible wellness campaigns. Cheryl Parisi asked if there was a way to target specific demographics of the population who may suffer from a condition such as diabetes. Mr. Albrecht replied that Limeade can promote clinical resources to individuals who may be at risk for a specific condition if they have been identified. Ms. Parisi asked about Limeade’s relationship with the State of Washington employee unions. Mr. Albrecht responded that Limeade works closely and successfully with ACFSE and SEIU to engage their members. Marleen Fonseca asked if there are any wellness activities for dependent children. Mr. Albrecht responded that there are family activities that dependent minor children can access. Ms. Fonseca asked for an example of what programs or resources an individual would be directed to if they have a condition like back pain. Mr. Shirah responded that it could be a stretch exercise or the program might identify a chiropractic benefit available through a health plan. Ms. Fonseca stated that there are races EAA promotes to its members and asked if there is a way to provide that information to EAA employees. Mr. Shirah replied that Limeade can help to promote specific activities.

Mr. Rudnick asked how many employees in the Washington’s plan are registered and use Limeade’s platform. Ms. Cour replied that approximately half of the employees are registered. Mr. Rudnick asked who the hardest to reach employees are and how they are reached. Ms. Cour provided the example of working with corrections officers and getting them involved with the platform. She stated that they met with the secretary of corrections to explain the program and highlight its benefits. Mr. Rudnick asked if Limeade has seen a change in health outcomes and how they measure success. Mr. Albrecht stated that they measure success by looking at self-reported data and service provider data. He provided Cincinnati Children’s Hospital as an example where Limeade was able to reduce the number of overall health claims.

Ms. Fonseca asked when the contract would go into effect and when Limeade would build the platform. Mr. Montagna responded that there are some issues to be worked out regarding data exchange during the contract development phase that would dictate when services could begin. He added that updates would be provided to the JLMBC once an implementation process had begun.

Following this discussion, a motion was made by Matthew Rudnick and seconded by Cheryl Parisi recommending the JLMBC recommend to the General Manager Personnel department that Limeade be selected as the Wellness Services Provider for the City of Los Angeles LIVEwell Wellness Program; the Committee unanimously adopted this motion.
5. Committee Report: 18-24: LAwell Program Data Review and Service Provider Rate Renewals for Plan Year 2019

Steven Montagna presented this report. He began by reviewing the LAwell Program’s demographic and statistical enrollment information collected and provided by its Third Party Administrator, Mercer. He then reviewed the benefit cost drivers and the 2019 proposed renewal changes.

Steve Murphy, Vice President and Benefits Consultant with Segal Consulting, indicated that member utilization experiences are driving the overall renewal. He stated that in the aggregate the City would be looking at a 3% increase for the next plan year. Mr. Rudnick noted the 8% increase to the Anthem PPO premiums and asked if it was based on claims experience. Mr. Murphy replied that experience was a starting point for the renewal proposal but other factors were involved as well. Mr. Rubalcava noted the drop in the Vivity premium rate and asked that the medical loss ratio along with the loss reason be provided in future reports.

Mr. Montagna next stated that, based on utilization, Kaiser proposed a premium reduction of 3.13%. He added that Kaiser proposed a second option of taking a rate pass in 2019 and a rate cap for 2020. Mr. Murphy presented Segal’s report and stated that suspension of the Affordable Care Act (ACA) health insurer fee in 2019 influenced the renewal rates of both Anthem and Kaiser. He added that if the ACA fees had not been suspended, the fees would have been added to the rate. He stated that the $1 million in discretionary funds for the LAwell Wellness Program were also embedded into the renewal. He then stated that the City’s average employee age and total cost per member is above Anthem’s national average and the cost of specialty medications is higher with the City than Anthem’s book of business. He stated that membership growth in Vivity was mostly members coming from the Anthem Narrow Network. He noted that the number of high cost claims had declined from 18 to nine when comparing this renewal vs. the prior renewal.

Mr. Montagna stated that a subsequent report with a formal recommendation would be presented at the May 17th JLMBC meeting. He noted that once the JLMBC completed its process, the recommended program for 2019 would go to the Los Angeles City Council for final adoption. Ms. Macy asked if there was data for enrollment on new hires since enrollments for Kaiser were trending younger. Mr. Montagna replied that staff could look at a period of time for the past six or 12 months and retrieve a report. Mr. Rubalcava added it would be important to see which enrollments for the Kaiser population were default auto enrollments verses actual selections.

A motion was made by Matthew Rudnick and seconded by Marleen Fonseca to receive and file the staff report providing an LAwell Benefits Program data review and service provider rate renewal update for Plan Year 2019; the Committee unanimously adopted this motion.
6. Committee Report 18-25: LAwell Civilian Benefits Program Third-Party Administrator Transition Update: March and April 2018

Paul Makowski presented this report. He stated the target go-live date for the Third Party Administrator transition to Morneau Shepell (Morneau) was April 1, 2019. He indicated Morneau identified a five stage implementation process and that the transition effort has progressed to stage two, the Discovery Stage. He added that staff met with Morneau to complete two workshop sessions with the purpose of discovering LAwell Program requirements, with more workshops scheduled to take place and detail all necessary requirements.

A motion was made by Ramon Rubalcava and seconded by Marleen Fonseca to receive and file the LAwell Civilian Benefits Program Third-Party Administrator transition update for March and April 2018; the Committee unanimously adopted this motion.

7. Committee Report 18-18: Benefits Provider Information Exchange (continued from April 5, 12018 meeting)

Laurie LoFranco, Benefits Consultant with Keenan Consulting (Keenan), and Mr. Murphy presented this report. Ms. LoFranco indicated that the JLMBC had asked Keenan to look into the possibility of transferring data from EyeMed and Delta to Anthem and Kaiser regarding vision and dental exams. She added that she and Mr. Murphy spoke with each benefit provider and a major issue concerned regulations under the Health Insurance Portability and Accountability Act (HIPAA). She indicated privacy regulations apply to the transfer of information, permitting medical data to be electronically transferred only when a HIPAA authorization form has been signed by a patient. She stated that if vision or dental information was authorized for transfer to the health plans, the second barrier to implementation is the current inability of the vision and dental providers to identify an employee's medical plan enrollment. She then added that Kaiser does not have the capability to accept the data. She stated that Anthem could accept the data but only for PPO plan members and under the condition that the patient has already been diagnosed for a related condition by an Anthem physician. She mentioned that for dental and vision it may be a possible solution to pass files from Delta and EyeMed to the wellness administrator. Mr. Rudnick asked if the data would be on an aggregate basis or if identifying information is included. Ms. LoFranco stated EyeMed has the ability to provide identifying information but Delta's data is aggregate only. She stated Delta has contracting dentists trained to alert patients when something is noticed during an exam but the information is not reported back to Delta.

Following this discussion, a motion was made by Ramon Rubalcava and seconded by Marleen Fonseca to receive and file the staff report including the joint memorandum from Keenan & Associates and Segal Consulting regarding the exchange of patient information with the LAwell Civilian Benefits Program’s health plan carriers; the Committee unanimously adopted this motion.

Helen Georgeson presented this report. She began by stating that the 2018 annual conference for IFEBP was scheduled for Sunday, October 14, through Wednesday, October 17, in New Orleans, Louisiana. She stated the conference would cover all aspects of employee benefit programs including best practices on plan design and workplace wellness. She stated that staff recommended approval for two Employee Benefits Division staff members and two JLMBC members to attend the conference and approve all necessary funding.

Following this discussion, a motion was made by Marleen Fonseca and seconded by Ramon Rubalcava to approve the necessary funding for any JLMBC members and two Personnel Department Employee Benefits Division staff to attend the October 2018 International Foundation of Employee Benefit Plans (IFEBP) conference in New Orleans Louisiana; the Committee unanimously adopted this motion.


Paul Makowski presented this report. He provided an update to Anthem’s network agreements noting that Prime Healthcare had rescinded its termination notice. He noted the California Department of Managed Healthcare directive to terminate services with Employee Health System Medical Groups affected a total of 48 members. He stated that staff completed an Anthem PPO member survey and focus groups were scheduled for the following week. He added that a Benefits Communication Survey was also completed and that survey results would be prepared. Finally, he mentioned that the wellness survey was currently underway and had already collected over 2,000 responses.

A motion was made by Marleen Fonseca, seconded by Ramon Rubalcava, to receive and file the projects and activities report regarding informational items, projects updates, staffing summary, and completed projects/meeting calendar for March-April, 2018; the Committee unanimously adopted this motion.

10. NEXT MEETING DATE

A meeting was noted for May 17, 2018 at 9:00 a.m.

11. ADJOURNMENT

The meeting was adjourned at 10:49 a.m.

Minutes prepared by staff member Russell Escueta.