CITY OF LOS ANGELES
JOINT LABOR-MANAGEMENT BENEFITS COMMITTEE (JLMBC)

PROPOSED MINUTES
SPECIAL MEETING
August 1, 2019 – 9:00 – 11:00 A.M.
CITY HALL, 200 NORTH SPRING STREET, ROOM 1060
LOS ANGELES, CA 90012

Present:

Committee Members

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

Alternates:
Darryl Cherness – Engineers and Architects Association
Dana Brown – Office of the City Administrative Officer

Personnel Department Staff
Steven Montagna – Chief Personnel Analyst
Jenny Yau – Senior Management Analyst II
Paul Makowski – Senior Personnel Analyst I
Leo Reyes – Senior Personnel Analyst I

Office of the City Attorney
Curtis Kidder – Assistant City Attorney
1. Call to Order

Ramon Rubalcava called the meeting to order at 9:06 a.m.

2. Public Comments

None.

3. Benefit Service Provider Presentation: EyeMed

Lisa Asberry, City of LA Account Manager for EyeMed, presented the 2018 annual utilization review for the City. She stated that 2018 was EyeMed’s second year providing vision benefits for City employees. She then provided a summary of key activities and accomplishments in 2018. She stated that 31.7% of members received a vision exam in 2018 (combination of EyeMed and Kaiser vision exams), surpassing the targeted goal of 27% by 4.7%. Ms. Asberry stated EyeMed in collaboration with Employee Benefits Division (EBD) staff, delivered five weeks of pop-up vision clinics which helped members to receive a vision exam at a convenient time and location. Ms. Asberry also added that attendance at City wellness events increased by 10% in 2018. Finally, she stated that EyeMed participated in the carrier summits organized by Keenan and Associates and will continue to partner with the City on how best to promote member engagement and utilization of vision benefits.

Ms. Asberry explained that EyeMed vision exam utilization increased by 3% from 2017 to 2018. She explained this was due to an increase in targeted communications sent by EyeMed to specific members and the on-site vision pop-up clinics held at various City locations. Ms. Asberry indicated that due to the vision pop-up clinics, there was a 31% increase in high-risk condition capture compared to 2017. She added that high-risk patients are those with markers for diabetes, hypertension, or other conditions. Ms. Asberry stated that EyeMed sends a vision exam reminder mailer to members identified as having a high-risk condition and who do not receive a vision exam within 12-months from the previous exam. She indicated that the response rate for this targeted mailer was 18.9% and resulted in members calling to schedule appointments.

Ms. Asberry then discussed benchmarks of the City’s utilization rates compared against other comparable employers. She stated the vision exam utilization rate for public sector employers and employers from EyeMed’s book of business is 28.3% and 27%, respectively. She stated that the City’s vision exam utilization rate is above both of these benchmarks. Ms. Asberry then explained that the City’s materials utilization rate at 26.2% is below the utilization rate of 27.3% for public sector employers but above the utilization rate of 25.1% for EyeMed’s book of business employers.

Next, Ms. Asberry discussed EyeMed provider utilization in and out of network. She stated that 96% of members are using benefits in-network with 57% using independent providers and 40% using retail or other providers. She further explained that 4% of members are using services outside of the network and file claims for reimbursement.
Ms. Asberry stated that members within this category would include those that utilize services at Kaiser and other providers.

Ms. Asberry next provided an overview of the average cost of frames that members purchase. She stated that 40% of members purchased frames with the $150 dollar allowance under the plan. She further added that EyeMed providers are contracted to maintain and display a minimum of 100 frames at a cost of $130 or less. She added that anything after $150, members receive a 20% discount.

Mr. Ramon Rubalcava asked Ms. Asberry if EyeMed had any comments regarding the LA Times articles concerning a monopoly of vision insurers and materials. Ms. Asberry replied that EyeMed has not released an official statement as it does not respond to those types of articles.

Ms. Asberry next provided the results of the vision pop-up clinics in 2018. She stated that 324 exams were performed with a 96% member satisfaction rate. She added that clinics were held at City Hall, Public Works, Figueroa Plaza, and the Garland building. Ms. Asberry stated that 13% of patients were overdue for an eye exam before their vision pop-up clinic appointment. She stated that the vision pop-up clinics are very successful and bring value to members. She shared a circumstance where the optometrist at the vision pop-up clinic diagnosed that a member’s retina was detached and referred her immediately for emergency care. She added that EyeMed has committed to continue providing vision pop-up clinics to the City in plan years 2019, 2020, and 2021.

Ms. Asberry stated that EyeMed also continues to support the City’s wellness initiatives with increased benefits that will be provided by EyeMed starting in 2020. She indicated that retinal imaging (a procedure that takes a 360 degree image inside the eye and assists with early detection of high-risk conditions) and the newly added diabetic benefits which will begin in plan year 2020 show EyeMed’s commitment to improving the wellness of the City’s members. She added that less than 10% of EyeMed’s book of business includes coverage for retinal imaging.

Finally, Ms. Asberry provided a summary of EyeMed’s performance metrics and highlighted those with direct impact on member satisfaction. She stated that EyeMed achieved the following in 2018: 100% claims processing accuracy, 99% of claims paid within 10 days, 96% member satisfaction, and the average speed of answer was 10 seconds.

Mr. Matthew Rudnick asked how the member feedback is collected. Ms. Asberry responded that after members complete the intake documentation at their vision pop-up exam appointment, they are contacted within 24 hours to complete the survey.
Jenny Yau presented this report. She stated that that staff is requesting approval of reimbursement of salary costs for five positions providing direct administrative support of the LAwell Civilian Benefits Program and LIVEwell Wellness Program. She explained that the total amount to be reimbursed from the Employee Benefits Trust Fund is about $163,588 which will cover the fourth quarter of fiscal year 2018-19 and bring reimbursements up to date.

Next, Steven Montagna stated that staff is also requesting approval for funding to be provided from the Employee Benefits Trust for one Management Analyst position to assist senior management staff in working with LAwell Program benefit consultants and service providers to expand cost containment, efficiency, and accountability strategies in benefit service provider administration, including procurements, contract execution, and contractor performance metrics. He indicated that a key duty of this position will be to work with benefit consultants to further develop goals, analyze metrics, and provide greater oversight of contracted performance guarantees.

Mr. Rubalcava asked how soon the position could be filled. Mr. Montagna replied that staff will move forward to fill the position immediately once funding is approved by the Committee. Mr. Rubalcava asked about the status of filling the Senior Personnel Analyst vacancy that is responsible for oversight of the benefits Third-Party Administrator. Ms. Yau responded that staff is currently working to fill the position. Mr. Rudnick asked if the Trust Fund had the resources for ongoing funding of positions supporting the Benefits Program. Mr. Montagna replied that the Trust Fund had those resources.

A motion was made by Chris Hannan and seconded by Paul Bechely to 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 $78,716.38 inclusive of the fourth quarter of fiscal year 2018-19, (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 $84,872.16 inclusive of the fourth quarter of fiscal year 2018-19, and (c) funding from the Employee Benefits Trust Fund for one Management Analyst position to expand cost-containment, efficiency, and accountability strategies in benefit service provider administration (including procurements, contract execution, and contractor performance metrics) and the coordination, administration, and support of services for the LAwell Program; the Committee unanimously adopted this motion.
Paul Makowski presented this report. He began by stating that the communication activities for the upcoming Open Enrollment (OE) period will differ from prior years. He explained that each year staff analyzes the prior year communications campaign and seeks to improve upon it. He stated that given the change to the new benefits Third-Party Administrator (TPA) in April 2019, the focus of this year's OE campaign will be to educate members on the new benefits member portal and its increased functionalities so that members can be successful in making their OE elections. As a preview of the upcoming OE campaign, he indicated that members were sent an announcement guide on July 17 highlighting the new service enhancements available on the member portal including the ability to upload documentation, review current benefits coverage and plan information, and review outstanding actions. He further explained that this communication piece set the stage for members to become familiar with the new layout and design of the new benefits member portal. He stated all OE communications will follow the same format and design of the announcement guide.

Next, Mr. Makowski discussed the OE communications that are planned to be provided to members. He explained that the former benefits member portal did not have the capability for members to opt out of receiving paper OE materials but the new benefits member portal now has this functionality. He stated that the second communications piece that is scheduled to be mailed in mid-August is a postcard that advertises the availability of this new feature and also encourages members to “go green” for OE. He then described several of the communications that will follow the OE postcard including OE worksite posters the OE packages. He then explained in further detail the revisions staff made to the OE package, and in particular changes made to the OE personalized benefit statement which now includes easy-to-read charts summarizing key information and additional text detail to highlight important information and outstanding actions required.

Mr. Makowski then discussed the various types of on-site events and webinars that Benefits Division staff will host at various City departments during the month of October. He added that staff will provide a webinar for Human Resources (HR) representatives to inform HR staff of benefit program options, plan year changes, and general benefit rules so that this information can be correctly disseminated to employees. He also stated that Benefits Division staff will provide table service at various City locations in October for employees to ask staff specific benefits questions. He stated that new benefits TPA, Morneau Shepell will also provide tablets at these table service events to assist employees with registering their account on the new benefits member portal and completing their OE elections.

Mr. Rubalcava commended staff on all of the improvements that were made on the OE personalized benefit statement and for a well-organized communications plan. Mr. Rubalcava asked why members are being requested to re-enroll dependents into life insurance. Mr. Makowski replied that with the prior benefits TPA, members were not
able to assign their life insurance to a dependent and that the new benefits member portal now allows members to assign a designated dependent to their life insurance plan that meets the plan rules.

Following this discussion, a motion was made by Chris Hannan and seconded by Paul Bechely to receive and file the report regarding the 2019 Open Enrollment communications campaign for the Plan Year 2020; the Committee unanimously adopted this motion.


Helen Georgeson presented this report. She stated that the 2019 IFEBP annual conference is scheduled from Sunday, October 20, through Wednesday, October 23, in San Diego, California. She indicated the conference agenda includes topics covering all aspects of employee benefit programs including best practices in plan design and administration, health and welfare, and regulations and compliance. She stated that staff recommends that the Committee approve necessary funding for any JLMBC members and Employee Benefits Division staff members to attend the 2019 IFEBP conference in San Diego.

A motion was made by Paul Bechely and seconded by Chris Hannan to approve the necessary funding from the Employee Benefits Trust Fund for any interested JLMBC members and staff to attend the October 2019 IFEBP conference in San Diego, California; the Committee unanimously adopted this motion.

7. Committee Report 19-31: LIVEwell Program Update

Leo Reyes presented this report. He began by providing a summary of LIVEwell Program education classes, clinics, and webinars that took place from May to July 2019.

He then provided an update on the LIVEwell Program engagement results for fiscal year 2018-19. He stated that for fiscal year 2018-19, total member engagements reached 10,971, surpassing the established goal of 6,000.

Next, Mr. Reyes provided a summary review of the 2nd annual LIVEwell Wellness festival that took place on June 11 at City Hall South. He stated that the event consisted of 26 booths with 19 vendors, partners, City departments, and activities and that 800 City employees attended the event. He stated that the featured booths at the festival included live demonstrations on various health topics, biometric screenings, and chair massages. He stated that staff received very positive feedback on the event, with many participants expressing appreciation for the support, information, and activities provided by the LIVEwell Program throughout the year.

Mr. Reyes then provided an update on planning for the 2nd annual Joint LA City/LA County Family Fitness Event (Rock N’ Stroll) which will take place on September 21,
2019 in Griffith Park. He stated that staff partnered with LA County last year to coordinate and support this event and will do so again in 2019. He explained that the event is open to City and County employees and their families and is free of charge. He further stated that the four-hour event provides a full schedule of activities and booths, including activities and games and prizes for kids.

Finally, Mr. Reyes provided an update on the implementation of the new online wellness member portal, LIVEwell.la. He stated that LIVEwell.la was initially launched to a limited group of City employee volunteers in mid-July to test and that the official launch of the LIVEwell.la portal for about 26,500 City employees covered under the LAwell Program is scheduled to go live on or around the week of August 5. He indicated that as part of the communications plan to promote the launch of LIVEwell.la, an introductory brochure providing an overview and highlights of its various features is anticipated to be mailed to City employees during the week of August 5 and that a Citywide email will be accompanied shortly thereafter.

A motion was made by Chris Hannan and second by Matthew Rudnick to receive and file the report regarding LIVEwell Program activities and updates; the Committee unanimously adopted this motion.


Ms. Yau presented this report. She began by providing an overview of Anthem network agreement updates. She stated that Anthem was previously in negotiations with Children’s Hospital Los Angeles and Adventist Health to renew their contracts which were scheduled to end on July 31. She stated that Anthem has reached agreement with Children’s Hospital and Adventist Health to extend their contracts through 2022.

Ms. Yau then invited the City’s Anthem Account Manager, Andrew Richards, to speak to the Committee regarding Anthem network updates, Anthem’s acquisition of Beacon Health Options, and Anthem’s report of 2018 top drugs utilization for City members. Mr. Richards began by providing additional clarification regarding the University of California Irvine Health Medical Group (UCI Health) network update. He stated that UCI Health is not a Vivity HMO provider partner, but UCI primary care physicians at specific locations were accessible to Vivity HMO members. He explained that UCI Health terminated its contractual affiliation with MemorialCare Medical Foundation and as a result of this termination, Vivity HMO members utilizing UCI Health for primary care services will be transitioned to another MemorialCare Medical Foundation affiliated physician group effective August 1, 2019. He added that MemorialCare opened a new facility August 1 and members can seek services there.

Mr. Richards next discussed the Verity Medical Group Anthem update. He clarified that All Care Medical Group will actually remain in the Anthem Network. He stated that affected members in the Anthem Narrow Network HMO were informed that All Care would remain in the network and that there would be no change or disruption of services.
Mr. Richards then provided a Vivity HMO network update. He stated that PIH has acquired Pioneer Medical Group which has 46 physicians throughout Bellflower, Cerritos, Downey, Long Beach, Los Alamitos, South Gate, and other locations. He explained that this acquisition will provide members with more options for accessing services and also expands the network in an area that was previously lacking a variety of options in choosing physicians.

Next, Mr. Richards commented on the Anthem acquisition of Beacon Health Options (Beacon). He stated that Beacon is the largest independently held behavioral health organization in the country and that the acquisition will deliver a more integrated and comprehensive care delivery model that supports the needs of members with complex and chronic conditions.

Mr. Richards then presented the Anthem report of 2018 top drugs utilization for City members. He indicated that the first chart shows the 2018 results by volume (prescription count) and the second chart shows 2018 results by plan cost. He stated that the first chart provides information about diagnosis indication, number of unique members, prescription count, and top three prescriptions. He explained that the top five diagnosis indications by volume were infections, pain/inflammation, high blood pressure/heart disease, asthma, and high blood cholesterol.

Mr. Richards then provided the top diagnosis indications by plan cost – diabetes, inflammatory conditions, HIV, cancer, and asthma. He explained that this chart is very helpful to understanding how prescriptions affect the City’s overall plan costs. He stated that Anthem expects that it will be better able to manage prescription costs with the launch of Anthem’s Pharmacy Benefit Manager, Ingenio Rx on July 1.

Mr. Rubalcava invited Stephen Murphy from Segal Consulting (Segal) to speak to the Committee and asked that he provide his analysis of Anthem’s report on prescription drugs. Mr. Murphy responded that Segal had analyzed Anthem’s prescription drugs report and found that a major cost driver is due to prescriptions for rare conditions which are highly expensive. He added that some prescriptions require extensive transportation care which can also drive up prescription costs. Mr. Rubalcava asked that Segal be informed of any formulary changes. Mr. Richards confirmed that Anthem will keep Segal updated of any formulary changes.

Ms. Yau continued with the staff report. She stated that the City’s health care, dependent care, and transit spending accounts administrator, WageWorks has entered into an agreement to be acquired by HealthEquity. She explained that WageWorks has informed the City it will continue to operate as a standalone company and there will be no service impact to the City or its participants. She added that staff will report on any new updates regarding this transaction.

Ms. Yau then provided an update on the outreach efforts of the Employee and Family Assistance Program (EFAP). She stated that staff worked with Optum to develop an ongoing lunchtime seminar series for members for the remainder of the 2019 calendar
year and that one seminar will be held once per month leading up to Open Enrollment in October.

Ms. Yau next indicated that the 2020 LAwell Civilian Benefits Provider Program renewal was considered and approved by the Personnel and Animal Welfare Committee on June 19 and subsequently adopted by the City Council on June 28.

Ms. Yau then stated that staff, working with LACERS, completed the 2019 US Medical Expenditure Panel Survey and submitted responses to the US Census Bureau online through its website in mid-July.

Finally, Ms. Yau indicated that benefits consultant, Keenan and Associates is working on compiling data for the LAwell Program benefit service providers for the first data-populated report that will be presented to the Committee at its next meeting in September.

A motion was made by Tony Royster and seconded by Chris Hannan to receive and file the projects and activities report regarding informational items, project updates, staffing summary, and completed projects/meeting calendar for May to July 2019; the Committee unanimously adopted this motion.

9. REQUEST FOR FUTURE AGENDA ITEMS

None.

10. NEXT MEETING DATE

A meeting was noted for September 5, 2019 at 9:00 a.m.

11. ADJOURNMENT

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

Minutes prepared by staff member Gabriela Cortes.