1. CALL TO ORDER

Cheryl Parisi called the meeting to order at 10:11 a.m.
2. PUBLIC COMMENTS

There were no public comments.

3. MINUTES (Action Item)

A motion was made by Paul Bechely and seconded by Tony Royster to approve the minutes of the February 11, 2013 special meeting and the March 7, 2013 regular meeting. The Committee unanimously adopted this motion.


Alex Basquez presented the 2014 Flex plan design options. Ms. Basquez provided an overview of Flex plan design costs, a review of prior plan design changes, benchmarking data and a breakdown of cost drivers including factors such as, number of employees and dependents covered by tier level and premium rates (carrier contracting and pricing). Ms. Basquez also provided an overview of Plan Year (PY) 2013 Flex premium costs and a breakdown of plans by medical and dental plans, tier levels, and a breakdown of Flex cost per employee.

Ms. Basquez stated that the planned Dependent Audit may need to be delayed until 2014, as the timeline may need to be pushed back. Ms. Basquez explained that the reason is because there is not sufficient time currently, as it is already very close to open enrollment. Ms. Basquez explained how a project of this caliber requires a substantial amount of time. Paul Bechely suggested waiting until CalPERS completes their Dependent Audit, as it is currently in progress. Ms. Basquez agreed and added that even though the Employee Benefits Division presently gained an additional analyst, there still would not be enough time to conduct the Dependent Audit prior to open enrollment due to the lead time required to prepare this type of project. Ms. Basquez pointed out that the project should commence immediately in August or September of 2013 for next year (2014).

Ms. Basquez reviewed the benchmarking data with respect to the Kaiser family rate and the Anthem HMO Select family rate. Cheryl Parisi asked why the sworn employees were not included and Ms. Basquez stated that they can be added.

Ms. Basquez reported that every year Mercer does a summary on employer-sponsored health plans and they have submitted a report for the City of Los Angeles. Clay Levister stated that the report is broken down by demographics, health benefit costs and types of health plans and it includes other government agencies, such as counties and states. The Committee discussed the possibility of obtaining more information on government agencies and Ms. Basquez stated that other agencies such as, San Diego and San Francisco can be contacted and their statistics can be obtained.

Ms. Basquez concluded by providing a timeline of upcoming activities, such as the Medical RFP will be presented at the June 6, 2013 regular JLMBC meeting and noted that additionally, there will be Special JLMBC meetings on June 11, 2013 and June 13, 2013 to discuss the Medical RFP and plan design changes for 2014. Ms. Basquez added that in
June, recommendations on the upcoming plan year (PY 2014) will be made to the City Council.

Ms. Basquez continued the timeline, reporting that in September 2013, open enrollment packages will be sent to employees, followed by the 2014 open enrollment period in October 2013. David Luther expressed the importance of all JLMBC members attending the June 11th and June 13th JLMBC Special meetings because quorums are necessary in making final decisions for PY 2014.

Mr. Bechely asked if all the upcoming special meetings would be at 9:00 a.m. and Ms. Basquez confirmed that they are scheduled at 9:00 a.m. Ms. Basquez added that the next few subsequent JLMBC meetings will involve the selection of medical carrier, the Employee Benefits Trust Fund and plan design changes.

A motion was made by David Sanders and seconded by Miguel Santana to receive and file the staff overview on the 2014 Flex Benefits Plan – Status of Flex Plan Expenditures, 2014 Plan Design Options, and Flex Contract RFP & Renewals. The Committee unanimously adopted this motion.

5. HEALTH CARE REFORM / ACCOUNTABLE CARE ACT IMPACT ON FLEX BENEFITS (Action Item)

Ms. Basquez reported on the Affordable Health Care Act in which employers (including the City of Los Angeles) must offer full-time employees and their dependents affordable health care coverage with a minimum value, or encounter penalties. Ms. Basquez stated that Employee Benefits staff will work closely with departments with respect to those employees that qualify and those that do not. Ms. Basquez reported that 500 employees would potentially qualify for insurance coverage under the Affordable Health Care Act. Ms. Basquez explained that approximately half of these employees are Hiring Hall employees and although they have special provisions regarding benefits, Health Care Reform (HCR) stipulates that these employees must have health care as they are considered City employees under the new law, so they will need to have coverage. Ms. Basquez stated that under HCR, in addition to providing coverage, there is a stability period that must be covered. Ms. Basquez explained that City Council set aside $2 million to cover these costs and they will be updated on any new developments.

A motion was made by Chris Hannan and seconded by Matthew Rudnick to receive and file the staff report to City Council regarding the impact of Accountable Care Act on the Flex Benefits program. The Committee unanimously adopted this motion.
6. DISCUSSION OF BENEFITS PROVIDED TO ACTIVE CITY EMPLOYEES  
(Non-Action Item)

There was nothing new to report.

7. NEXT MEETING DATE  
(Non-Action Item)

The next meeting is a Regular JLMBC meeting on Thursday, June 6, 2013 at 9:00 a.m. Additionally, Special JLMBC meetings are scheduled on Tuesday, June 11, 2013 at 9:00 a.m. and Thursday, June 13, 2013 at 9:00 a.m.

8. ADJOURNMENT

A motion was made by Maggie Whelan and seconded by Matthew Rudnick to adjourn the meeting. The Committee unanimously adopted this motion and the meeting was adjourned at 11:27 a.m.

Minutes were prepared by staff member Helen Georgeson