

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

PROPOSED MINUTES

January 4, 2024 -- 9:00 A.M - 11:00 A.M.

Present:

Committee Member

Regular:

Chad Boggio - Building & Construction Trades Council
Marleen Fonseca - Engineers and Architects Association
Esteban Lizardo - LiUNA Local 777
Matthew Rudnick - Department of Recreation & Parks
Lisa Palombi - AFSCME 2626

Alternates:

Shauna Janeway - SEIU Local 721
Tyrone Spears - Personnel Department
Matthew Crawford - Department of Recreation & Parks
Paul Girard - Office of the City Administrative Officer
Petty Santos Office of the City Clerk

Office of the City Attorney

Shaun Swiger - Deputy City Attorney

Personnel Department Staff

Paul Makowski - Chief Benefits Analyst
Chuong Tran - Senior Benefits Analyst II
Ted Vasquez - Senior Benefits Analyst
Isela Jurado - Benefits Analyst
Karina Aguiar - Personnel Analyst
Benedict Paz - Management Assistant
Matthew Elmange - Management Assistant

1. Call to Order

Shauna Janeway called the meeting to order at 9:01 a.m.

2. Public Comments

None.

3. Committee Report 24-01: Election of Officers

Presentation Highlights:

Chuong Tran presented this report and highlighted:

- Staff recommends that the JLMBC conduct officer elections for the 2024 calendar year for the following positions: Chairperson, Vice-Chairperson, First Provisional Chairperson, and Second Provisional Chairperson.
- This is an even numbered year so a Management member will be Chair and a Labor Union member will be the Vice-Chairperson.
- A calendar for JLMBC agendas is enclosed.

Committee Member Comments, Questions, and Responses:

The committee discussed committee seat nominations.

Committee Action:

A motion was made by Esteban Lizardo and seconded by Shauna Janeway to nominate Dana Brown as the Chairperson; the Committee unanimously adopted this motion.

A motion was made by Chad Boggio and seconded by Marleen Fonseca to nominate Jenita Igwealor as Vice-Chairperson; the Committee unanimously adopted this motion.

A motion was made by Chad Boggio and seconded by Shauna Janeway to nominate Tony Royster as the First Provisional Chairperson; the Committee unanimously adopted this motion.

A motion was made by Shauna Janeway and seconded by Marleen Fonseca to nominate Marleen Fonseca as the Second Provisional Chairperson; the Committee unanimously adopted this motion.

4. Committee Report 24-02: Health and Dependent Care Spending Accounts RFP

Presentation Highlights:

Chuong Tran presented this report and highlighted:

- Health and Dependent Care Spending Account Services Request For Proposal (RFP) contain recent updates to streamline the process for both staff and prospective vendors as what was seen in past RFPs from 2023.
- The pre-proposal conference will remain scheduled as requested by JLMBC.
- Health and Dependent Care Spending Account benefits for both Civilian and Sworn allow members to set aside pre-tax funds for purchases or reimbursement for services.
- These accounts are “use it or lose it” but employees are allowed a grace period to submit claims.
- RFP is seeking to improve member education, customer service, and data exchanges between the City and health and the dependent care account administrator.
- Currently benefits provided are by HealthEquity, who also provides Commute options, which will have a separate RFP process.

Karina Aguiar continued to present:

- The RFP requests bidders to provide improvements in: the integration with our current and future system; a dedicated call center to improve the experience for members; and education and communication between the customer services representatives and members.
- Attachment B highlights the action done to extract the necessary information from bidders to allow raters to effectively evaluate their proposals with help from consultants, Keenan.
- Staff rearranged, removed, and added questions to better determine the capacities of the potential bidders.
- The workbook is arranged into separate tabs with four categories that aim to assess the services and qualities of the bidders, with the majority of question responses being rated.
- The RFP will continue to utilize a combination of qualitative and quantitative scoring to provide an efficient way of scoring.
- Staff recommends that the JLMBC adopt a Pledge Form Regarding Conflict of Interest for execution by all JLMBC and City Staff involved, which is required by staff and not required by JLMBC members.
- Section E displays a tentative timeline for this RFP, which will be finalized and released by this month, with the selection and adoption by May or June of 2024 and services beginning on January 1, 2025.
- While Transit and Parking Spending Accounts will have a separate RFP, bidders will have the ability to bid on both services requiring both RFP timelines to coincide with one another.
- Final selection will be made by May or June of 2024.

- Due to the complexity of the adoption process staff may request additional meetings in May and June of 2024.

Committee Member Comments, Questions, and Responses:

Shauna Janeway asked for clarification on the bundling process. Mr. Makowski stated that pricing would be the only aspect that would be bundled. Ms. Janeway asked how many proposals are expected to be submitted. Mr. Makowski stated that it is hard to estimate a number but that there are limited vendors known to provide the requested services.

Ms. Janeway pointed out some typos in the RFP, which were acknowledged by staff and will be amended.

Ms. Janeway suggested asking for extended call center hours to outside work hours to accommodate members in the RFP. Mr. Makowski noted that the call center hours item will be included in the RFP.

Committee Action:

A motion was made by Esteban Lizardo and seconded by Marleen Fonseca that the JLMBC approve: (a) the proposed Request for Proposal (RFP) for Health and Dependent Care Spending Account services, subject to final approval by the City Attorney; and (b) the proposed “Pledge Form Regarding Conflict-of-Interest, Confidentiality and Proposer Communications” for use by JLMBC members (voluntary) and City staff (mandatory) involved in the Health and Dependent Care Spending Account Services development and review process; the Committee unanimously adopted this motion.

5. Committee Report 24-03: Joint Request for Proposals for Life, Disability, and Accident Insurance Plans

Presentation Highlights:

Isela Jurado, Life Insurance Request for Proposal (RFP) Administrator, presented this report and highlighted:

- Life, Disability, and Voluntary AD&D insurance plans are currently provided by the incumbent provider, Standard Insurance, but are three separate contracts with three separate group policies administered separately.
- Employee Benefits intends to release one joint RFP that will cover all three benefits, but will provide prospective proposers with a wide array of flexibility in submitting a proposal for one, two, or all three services.

- Under the LAwell program, Civilian employees receive a Basic Life Insurance benefit that is at no cost to them.
- Full-time employees receive a \$10,000 (k) benefit while half-time employees receive a \$5k benefit.
- Employees may choose to purchase Supplemental Life Insurance at their own cost. They can elect coverage from 1 to 5 times their base annual pay, up to a maximum of \$1,000,000.
- Employees also have the option of purchasing dependent life insurance for their spouse/domestic partner and/or children.
- The Life Insurance RFP seeks to maintain all these services as its baseline level. With this RFP, we are asking proposers to provide quotes for both Term Life and Whole Life Insurance.
- Scoring of the RFP will have Life, Disability and AD&D Insurance services scored individually and will have both scored and unscored questions for each separate service.
- Both qualitative and quantitative scoring methods will be used to assign points to the rated questions.

Benedict Paz, Disability RFP Administrator, presented and highlighted the following:

- Current disability plan allows any qualifying city employee to receive Basic Disability Insurance that is paid for by the City.
- Employees have the option to purchase after tax dollars determined by the employee's age and salary.
- Additional improvements for this RFP include:
 - Modifying the current rules where Injury on Duty (IOD) and Disability overlap which affects disability coverage for employees on Workers Compensation
 - Enhancing/contributing to the City's Reasonable Accommodations process
 - Options for Benefit waiting period and definitions of "sick" time, and
 - Improving the timeliness and accuracy of reporting claim status back to the City to minimize any unwanted processing delays.

Matt Elmange, AD&D RFP Administrator, presented and highlighted the following:

- Civilian employees have the option to select AD&D insurance at their own cost.
- Coverage is available to members and to family members.
- AD&D insurance pays a percentage of the total coverage amount for injuries, depending on the type of injury, which results in a loss, such as the loss of a limb or permanent loss of ability (sight, hearing, speech, etc).
- This AD&D RFP seeks to maintain AD&D services at their current baseline level as well as enhancements or alternatives including:

- An enhanced benefit structure with separate plan levels
- An improved payout model which clarifies and improves what benefit is payable.
- Reduced non-payment clauses, which will improve when a claim is payable based on accident.
- Providing an option to remove the Age Reduction requirement (reduction in coverage beginning age 65 and 70)
- Reduce City/Employer paperwork associated with the claims process

Isela Jurado concluded the report with:

- Although a joint RFP is being made available for these three services, the plans for each service will be independent from one another and will be evaluated separately.
- Staff recommends that the JLMBC adopt a Pledge Form Regarding Conflict of Interest, which is optional for JLMBC members but mandatory for staff.
- The Joint RFP will be released later in January 2024, with a due date of no later than March 15, 2024.

Committee Member Comments, Questions, and Responses:

Lisa Palombi asked if there was any staff member assigned to reviewing denied claims by Standard. Mr. Makowski stated that Standard provided a dedicated member advocate to help with that. Employees speak directly with Standard, who reach out to the employee's Human Resources (HR) or payroll personnel. Employees who experience a denial can go through an appeals process.

Marleen Fonseca asked if there was consideration to enhance the supplemental life insurance coverage from 5 times to 7 times an employee's salary. Ms. Jurado stated that has not been considered since some employees' salaries can exceed the \$1 million (M) limit even with up to 5 times their salary. Ms. Fonseca stated that is something EAA members have requested up to 7x salary.

Ms. Fonseca asked if those employees who were denied due to mental health reasons were allowed to receive authorization by a psychologist or psychiatrist. Jennifer Queen (Standard) stated that documentation regarding mental health disability claims is expected to come from psychology, psychiatrist, therapist and other non-doctor health professionals. Darin Plotnick (Standard Member Advocate) has not reported any claims being denied due to wrong health care professional authorization and instead sees more confusion on short-term claims being denied due to work-related injuries.

Mr. Lizardo requested a report back on denial causes.

Mr. Lizardo cited concerns of mental health related disability issues especially as a result of work stress. He further noted a concern of hearing from employees that their current claims are being denied due to being work-related injuries.

Mr. Plotnick clarified that short-term disability (STD) is the first 180 days and the policy language states it is for non-occupational disabilities. If Workers' Compensation has not made a decision or denied the claim, then Standard will pay the disability claim. However, if the employee is receiving Injured on Duty (IOD) pay, then the employee is not eligible for STD benefits. If Workers Compensation does not approve, then Standard will pay the claim. If Workers Compensation later approves, then the employee will pay back the Standard after signing a repayment agreement.

Mr. Lizardo requested for statistical information on how quickly a claim is approved.

Ms. Palombi suggests that more education should be aimed towards employee supervisors to ensure follow through for disability claim filings.

Mr. Lizardo asked if there are companies that specialize in disability claims. Bordan Darm (Keenan) shared that there are companies that specialize in disability rather than life insurance, however, bundling coverage plays a huge factor in renewals in terms of finances. If there is a year in which life claim processing is high and disability filing is low, the vendor has the opportunity to change renewals based off of reserves.

Tyrone Spears asked how the RFP plans to improve situations in which IOD payments overlap with the benefit waiting period when employees file a Workers Compensation claim. Mr. Makowski stated the current disability policy recognizes sick time as deductible income and not IOD. When an employee goes on Workers Compensation, receives IOD and is also approved for disability, the Standard will offset the IOD income resulting in the employee receiving \$0 disability benefits. He stated that the RFP is asking for disability benefits to be delayed until after IOD pay ends and State Rate begins. Mr. Spears stated that there is big interest in resolving the issue when an employee is approved for disability as well as Workers Compensation and is double paid. Mr. Makowski stated that if the RFP prospers can agree for the disability start time to not begin until when IOD ends, then the employees should no longer experience the issue.

Matthew Rudnick asked if the RFP would provide a funeral reassignment process to help the surviving family pay for those costs. Mr. Makowski stated that is currently provided, however,

the RFP is also looking for an enhancement to speed up this process for families to receive benefits sooner.

Ms. Janeway pointed out typos on the RFP timeline, which were acknowledged by staff.

Ms. Janeway asked for clarification on what the numeral weight for scoring each part of the RFP would be in the final draft. Megan Gardner (Keenan) shared that the following categories had the following weights: Plan Administration Support - 20%, Member Services - 25%, Plan Design - 25%, and Financial Cost - 30%.

Mr. Lizardo expressed not being comfortable with Financial Cost as the highest priority.

Mr. Makowski proposed the following: Plan Administration Support - 30%, Member Services - 25%, Plan Design - 30%, and Financial Cost - 25%.

Ms. Janeway asked for clarification on why performance guarantees for short-term disability were higher than long-term disability in previous years. Ms. Gardner stated that there is an implementation year and subsequent contract years. During implementation, there are performance guarantees for the first year and then the following years do not have implementation. The reason STD is higher was that STD may take a bit more processing especially when transitioning to LTD, however, Ms. Gardner agreed that the figures should be closer.

Committee Action:

A motion was made by Esteban Lizardo and seconded by Shauna Janeway that the JLMBC amend the RFP to include changes discussed and approve: (a) the proposed joint Request for Proposal for: (i) Basic and Supplemental Employee, and Dependent Life Insurance, (ii) Short/Long-Term Disability Insurance, and (iii) Accidental Death & Dismemberment Insurance Plans, to be called the Joint Life, Disability, and Accident Insurance Request for Proposal, subject to final approval by the City Attorney; and (b) execution of the “Pledge Form Regarding Conflict-of-Interest, Confidentiality and Proposer Communications” for use by JLMBC members (voluntary) and City staff (mandatory) involved in the Joint Life, Disability, and Accident Insurance Request for Proposal development and review process; the Committee unanimously adopted this motion.

**6. Committee Report 24-04: Staffing Reimbursements for First Quarter of Fiscal Year
2023-24**

Presentation Highlights:

Ted Vasquez presented this report and highlighted:

- The proposed fourth quarter staffing reimbursements of fiscal year (FY) 2023-24 totaled \$138,707.32 for the LAwell Program and \$102,905.81 for the LIVEwell Wellness Program.

Committee Member Comments, Questions, and Responses:

Petty Santos pointed out a typo in the report, which was confirmed by staff.

Committee Action:

A motion was made by Esteban Lizardo and seconded by Paul Girard? that the JLMBC approve (a) reimbursements from the Employee Benefits Trust Fund for Personnel Department salary costs of staff providing administrative support of the LAwell Program in the total amount of \$138,707.32, inclusive of the first quarter of fiscal year 2023-24; and (b) reimbursements from the Employee Benefits Trust Fund/Wellness sub-account for Personnel Department salary costs of staff providing administrative support of the LIVEwell Wellness Program in the total amount of \$102,905.81, inclusive of the first quarter of fiscal year 2023-24; the Committee unanimously adopted this motion.

7. BENEFITS PROVIDERS PRESENTATION OVERVIEW

Presentation Highlights:

Melissa King (Keenan) presented this report and highlighted:

- Anthem Blue Cross/Blue View Vision provided PPO and HMO as well as Vision plans
- Kaiser Permanente provided HMO insurance for 65% of LAwell population
- Delta Dental provided PPO, Preventative, and HMO services
- The Standard provided basic life, short/long term disability insurance, supplemental life, and accidental death & dismemberment, and buy-up disability insurances.
- Optum is the Support Plus: Employee & Family Assistance Program (EFAP) provider.
- WageWorks provided the tax advantage spending accounts
- TELUS Health providing benefit administration.
- Virgin Pulse new health and wellbeing administrative services providers.

Nicole Harber (Anthem) presented on Anthem HMO and PPO plans:

- Lorena Gomez is the onsite concierge for medical and vision.
- Vivity HMO enrollment increased by 6.4%
- Strong commitment to wellness and offered about \$705,488 for the City's wellness initiatives.
- 9.9% renewal offer for 2024 and strong network discounts for over \$196 million in savings

- Sydney App had a 5.5% increase in member registration rate and added a nutrition tracker and meal plan feature.
- 2nd Opinion Resource available for PPO members
- 2024 enhancements include a new virtual care center, virtual resources for urgent care, virtual mental health resources, maternity management program extending to the whole family and the whole journey.

Michelle Garay DuBois (Kaiser Permanente) presented on Kaiser HMO plan:

- Hybrid open enrollments took place virtually and in person in 2023
- A new partnership with headspace care was established in 2023 previously known as Ginger app.
- Expanding Technology - API Technology (Application Programming Interface)
- In 2024, Kaiser is focusing on:
 - Achieving goal of high quality and more affordable and customer first organization,
 - Scale virtual care, mental health care and diversity, affordability through high quality care and grow sustainability
 - Using predictive modeling tools for patients without access to healthy foods or transportation to doctor appoint to give care

Kristen Warren (Delta Dental) presented on Dental HMO, PPO, and Preventative plans:

- Network utilization remains steady at 94%
- Savings from discount year to date was \$12.7M
- LifePerks program provides services for members such as:
 - Discount on oral products
 - Meal deliveries and groceries
 - Health and wellness like fitness center equipment
 - chiropractic and lifestyle discounts on pet insurance and movie tickets
- BrushSmart savings on home oral health care products
- Virtual dentistry offered not to replace going to dentist but members can schedule face to face video chats with Delta dentists for urgent needs and second opinions, which is only available for PPO plan at this point
- Online wellness resources members have easy access to oral health care videos, articles and recipes.
- Self-assessment quizzes and risk assessment tools to determine overall oral health score
- Library of topics from kids to teens from healthy aging and medical conditions

Jennifer Queen (The Standard) presented on Life, AD&D, and Disability insurances:

- Reviewed general claim trends which remained steady
- Running as expected with life claims up.
- Finalized Connected Evidence of Insurability (EOI) implementation
- In 2024:
 - New employer portal
 - Continued expansion of Onsite Account Specialist role
 - Program analysis and recommendations

Maryam Miller (Optum) presented on the Support Plus: Employee & Family Assistance Program:

- High overall engagement through Quarter 3, which is up 13.7% from this time last year
- Increased utilization on Live and Workwell website showing a 10.4% increase
- Top three presenting issues for EFAP are legal, anxiety and relationship support
- Top three issues for Support Plus are housing, childcare and convenience services
- Coming in 2024:
 - Developing comprehensive marketing strategy with the City to build more awareness of EFAP benefits
 - Q1 redesign of the Live and Workwell website

David Hanley (WageWorks/Health Equity) presented on Tax-Advantaged Spending Accounts:

- FSA participation increased from 3,314 participants in 2022 to 3,608 participants in 2023.
- For taxable years beginning in 2024, the Healthcare Flexible Spending Account pre-tax limit has increased from \$3,050 to \$3,200.
- Expedited Claims Pilot – Leveraging artificial intelligence (AI) to quickly sort and identify eligible claims expenses and accelerate claims filing and processing time.
- New Mobile App – Re-building our mobile app to improve navigation, stability, and simplicity.

Kevin Kanoon (TELUS Health) presented on Benefits Third-Party Administrative Services:

- Further reduced processing time on member communication
- Implemented Connected EOI process with The Standard
- Completion of 2024 Open Enrollment (on time and with accurate results)
- >97% Member satisfaction of call center contacts
- 2024 plans include WorkDay implementation and expanded services with extension

Rachel Grossman (Virgin Pulse) presented on the Wellness Third-Party Administrative Services:

- Virgin Pulse will provide the City's civilian employees a single destination from which to access all their health and wellbeing benefits

- The solution is designed to guide your employees to close gaps in care, take action to improve their health and wellbeing, and connect them to resources that can make a difference.
- Soft launch will take place between March to April and the Full launch is scheduled for April to May 2024

Committee Member Comments, Questions, and Responses:

Ms. Santos asked about the Sydney app and what marketing has been done. Ms. Harber stated an effort has been made to allow all members to use the Sydney app. Ms. Santos asked if Ms. Lorena Gomez would be available on-site to help assist Anthem members. Ms. Harber confirmed that Ms. Gomez is ready when the City is ready to have her on site.

Committee Action:

None.

8. Committee Report 24-05: Medical Plans Survey

Presentation Highlights:

Paul Makowski presented this report and highlighted:

- Focus group held by Keenan and positive feedback was received
- The survey was developed by the Ad Hoc subcommittee and focused on what level of change was desired by members.
- The survey is open until the 17th and results and next steps for the medical RFP will be brought back to the JLMBC at the February meeting.

Committee Member Comments, Questions, and Responses:

Ms. Janeway noted some feedback she had heard back from members who had taken the survey and shared that members did not like the direction the surveying was heading and did not complete it. Ms. Santos stated that the survey was drafted in a way to not lead members in a certain direction and would be open to suggestions from the unions to make it more clear for members.

Committee Action:

None.

9. Request for Future Agenda Items

Mr. Lizardo requested information on disability claim data. Ms. Santos requested that Delta Dental provide a presentation that includes outreach strategies about new services offerings like virtual appointments.

10. Next Meeting Date

A meeting was noted for:

- **February 1, 2024** – Regular Meeting (In-Person with live broadcast/teleconference option for participation from the public)
- **March 7, 2024** – Regular Meeting (In-Person with live broadcast/teleconference option for participation from the public)
- **April 4, 2024** – Regular Meeting (In-Person with live broadcast/teleconference option for participation from the public)
- **May 2, 2024** – Regular Meeting (In-Person with live broadcast/teleconference option for participation from the public)

11. Adjournment

The meeting was adjourned at 11:05 a.m.