

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

PROPOSED MINUTES
August 3, 2023 -- 9:00 A.M - 11:00 A.M.

Present:

Committee Member

Regular:

Chad Boggio - Building & Construction Trades Council
Marleen Fonseca - Engineers and Architects Association
Matthew Rudnick - Department of Recreation & Parks
Lisa Palombi - Library Department

Alternates:

Shauna Janeway - SEIU Local 721
Paul Girard - Office of the City Administrative Officer
John Trevgoda - General Services Department
Petty Santos - City Clerk

Office of the City Attorney

Charles Hong - City Attorney

Personnel Department Staff

Paul Makowski - Chief Benefits Analyst
Chuong Tran - Senior Benefits Analyst II
Theodore Vasquez – Senior Benefits Analyst I

1. Call to Order

Shauna Janeway called the meeting to order at 9:04 a.m.

2. Public Comments

None.

3. Committee Report 23-31: Consultant Contract Extension

Presentation Highlights:

Chuong Tran presented this report and highlighted:

- JLMBC recommended in the August 6, 2020 meeting that The Segal Company (Segal) and Keenan and Associates (Keenan) be selected to administer consulting services and a three year contract was executed, which is due to expire at the end of this calendar year.
- Staff has been satisfied with both consultants and is recommending extending the cognition for additional two years through December 31, 2025.

Committee Member Comments, Questions, and Responses:

None.

Committee Action:

A motion was made by Matthew Rudnick and seconded by Lisa Palombi that the JLMBC recommend to the General Manager Personnel Department the extension of the term of Contract No C-141761 with The Segal Company (Segal) and Contract No C-140397 with Keenan & Associates (Keenan), each for Employee Benefits Plan Administration and Communications Consulting Services for the City of Los Angeles' LAwell Benefits Program, for two additional years through December 31, 2025; the Committee unanimously adopted this motion.

4. Benefits Provider Presentation: HealthEquity/WageWorks

Presentation Highlights:

Megan Gardner (Keenan) provided a high level overview and highlighted:

- HealthEquity, formerly WageWorks, has been the City's partner for tax advantage spending accounts since 2018.
- HealthCare Flexible Spending Account (HCFSA) limit was set at \$2,850 for participants in 2023 and increased to \$3,050 in 2024 when IRS announced limits
- Dependent Care Reimbursement Account (DCRA) has not changed and remained at \$5,000.
- There were 2,782 participants in 2022, with a slight drop in 2021, and a dip in 2020 due to the COVID-19 pandemic.
- More children are returning to daycare so enrollment in DCRA has increased overtime.
- In March 2023 participants showed a positive increase from 2022 for both HCFSA and DCRA.
- Average participation election was \$1,663 for HCFSA and much higher for DCRA at \$4,740.

David Hanley (HealthEquity) continued the report and highlighted:

- 2013 to 2022 Health Care Flexible Spending Account (HCFSA) Highlights:
 - Participation growth since 2013 was 42.7%.
 - \$2.9 million (M) employer tax savings.
 - \$11.6 M annual tax saving was \$499 per participant.
 - Average election per participant increased 16.1% between 2014 and 2022, from \$1,432 to \$1,663.
- Top five expenses for debit card consisted of:
 - Pharmacy prescriptions
 - Medical equipment
 - Physicians
 - Dental
 - Vision
- There was a slight increase in the number of transactions for pharmacy and healthcare/medical equipment and slight decrease in dental, vision, and physician.
- Dependent Care Reimbursement Account (DCRA) had a 10% decrease since 2013 primarily due to COVID-19 pandemic, decreasing enrollment in 2020.
- HCFSA is going up slowly but has reduced due to the pandemic.
- DCRA going up due to child care expenses increasing
- 27% of adults living in households earning less than \$30,000 only use smartphones for benefits.
- Enhancements have been made to mobile phone experience to make it easier for members.

Committee Member Comments, Questions, and Responses:

Matthew Rudnick was curious about the participant numbers, what that looked like in terms of percentage of eligible members, and how they stack up compared to other employers. Paul Makowski stated that there were about 26,000 participants and 10% of members participated. Mr. Hanley stated that the City's participation was lower than average and other clients typically have higher participation rates. .

Lisa Palombi asked if members can make a change during a life event. Ms. Gardner stated it depended on the type of life event. E.g. Member gained a dependent then can add DCRA.

Chad Boggio asked for clarification if members who elect coverage can access benefits prior to creating an online account. Ms. Gardner stated that employees have HCFSA funds during day one of the plan year on January 1st. Mr. Makowski stated that DCRA functions the opposite way and are available as the employee makes contributions.

Marleen Fonseca asked what happened to balances that are not claimed. Mr. Makowski stated that the amount forfeited from employees is returned to the City. He further stated that employees are notified at the end of the year if there is a balance leftover.

Committee Action:

None.

5. Committee Report 23-32: Open Enrollment

Presentation Highlights:

Ted Vasquez presented this report and stated:

- Staff was busy preparing with TELUS to program and update the employee benefit portal system, which was currently in the development stage and will be ready for release at the end of September.
- Change in vision services provider from EyeMed to Anthem Blue View Vision.
- Main message conveyed was that members can still access the same services from the same vision providers and was essentially a change in name only.
- Staff continued to work with Anthem to ensure members were informed about change.
- In an effort to reduce confusion between medical and vision benefits, the Blue View Vision name will be promoted and not mention Anthem except in instances where necessary.
- Communication methods included: postcards, work-site posters, City-wide emails and open enrollment package.
- Additional educational resources included focus on materials being accessible on-line, on-demand, and by-phone. In-person activities were also included.
- KeepingLAwell.com will include a dedicated resource for OE related materials.
- Also, available on the website is to schedule an in-person or on-phone appointment with a staff member.
- Four LAwell provider informational sessions will invite medical, dental, vision, and life insurance representatives to be available to answer benefit related questions
- In addition, a TELUS representative will be available to help members enroll
- Vision pop-up clinics will be held in two weeks during the month of October and allow employees to obtain eye exams and use educational tools to use vision benefits before the calendar year.

Committee Member Comments, Questions, and Responses:

John Trevgoda asked if the change from EyeMed to Blue View vision would have any affect towards medical vision services. Mr. Makowski stated that ophthalmology services are covered

by medical carriers Anthem and Kaiser and that there will be no change to those services. Mr. Trevgoda asked if a member were to visit a vision provider, should they identify they have the Blue View Vision network. Mr. Makowski stated that yes they should.

Committee Action:

None.

6. Committee Report 23-33: Activities and Projects

Presentation Highlights:

Chuong Tran presented this report and highlighted:

- Anthem advised status of agreement with Antelope Valley Medical Center was still ongoing; however, it may plan to be terminated on August 15th, which impacts 18 employees.
- Orrick, Herrington & Sutcliffe, LLP (Orrick), Delta Dental partner suffered from a data breach excluding social security number (SSN) or date of birth (DOB). 44 City employees were affected and will be offered two years of data protection by Kroll, a risk and financial services provider, and have set up a call center for the City and impacted employees.
- Two Ad Hoc subcommittees were created following the July 6, 2023 JLMBC meeting:
 - Ad Hoc Medical Plan Subcommittee - Shauna Janeway and Paul Girard
 - Ad Hoc Governance Bylaws Subcommittee - Paul Girard, Chad Boggio, and Marleen Fonseca
- Human Resources and Payroll (HRP) Update
 - Since the last update, staff has continued to encounter instances where employees received incomplete eligibility information but more so where employees have not completed their onboarding actions. When not completed, it can impact their benefits eligibility.
 - Looking for measures to identify employees and refer them to their Human Resource (HR) division to resolve issues quickly to provide them with a benefits offer.

Committee Member Comments, Questions, and Responses:

Ms. Palombi asked if participants impacted by the Antelope Valley contract termination will be offered alternative sites. Nicole Harber (Anthem), stated that yes, another facility in Palmdale Regional is another in-network area. Ms. Janeway asked how large of a facility that was. Ms. Harber was not sure but will follow up. Ms. Janeway asked how far Palmdale was. Ms. Harber stated that it was within reasonable limits but will follow up on mileage.

Marleen Fonseca made a comment in regards to issues experienced by employees in HRP and onboarding and stated that this will not improve until the City improves the onboarding process. Ms. Fonseca asked how participants will be able to complete the onboarding process if it is not uniform across the City. Mr. Tran stated that their HR division should be able to assist them on their end, but staff are trying to notify HR when they identify incomplete or missing records. Ms. Fonseca stated that they should; however, custodians work at night and HR is not there, which can turn into a snowball effect. Ms. Fonseca asked if there was a mobile application employees could utilize. Mr. Makowski stated that a mobile application is available but it was not clear if employees could complete onboarding through that mobile application.

Committee Action:

None.

7. Request for Future Agenda Items

None.

8. Next Meeting Date

A meeting was noted for:

- September 7, 2023 – Regular Meeting (In-Person with live broadcast/teleconference option for participation from the public)
- October 5, 2023 – Regular Meeting (In-Person with live broadcast/teleconference option for participation from the public)

9. Adjournment

The meeting was adjourned at 9:44 a.m.