

CITY OF LOS ANGELES  
JOINT LABOR-MANAGEMENT BENEFITS COMMITTEE

*PROPOSED MINUTES*  
**REGULAR MEETING SEPTEMBER 3, 2015 – 9:00 A.M.**  
200 N. MAIN STREET, ROOM 1200

**Present:**

**Committee Members:**

Chris Hannan – Building & Construction Trades Council  
Wendy G. Macy – Personnel Department  
Cheryl Parisi – AFSCME, Council 36  
Tony Royster – General Services Department  
Matthew Rudnick – Cultural Affairs Department  
Gregory West – Engineers & Architects Association

**Alternate Committee Members:**

Maritta Aspen – Office of the City Administrative Officer (CAO)  
Norma Gutierrez – Fire Department  
Ramon Rubalcava – SEIU Local 721

**Personnel Department Staff:**

Ana Chavez – Senior Personnel Analyst II  
Samantha Hanzy – Senior Personnel Analyst I  
Maria Koo – Senior Management Analyst I  
Steven Montagna – Chief Personnel Analyst  
Helen Georgeson – Personnel Analyst II

**Office of the City Attorney:**

Curtis Kidder – Assistant City Attorney

**Mercer Human Resource Consulting, Inc.**

Clay Levister  
Bryan Kakita  
Jessica Nabavi

**Aon Consulting**

Brent Crane

**1. CALL TO ORDER**

Cheryl Parisi called the meeting to order at 9:05 a.m.

## 2. PUBLIC COMMENTS

There were no public comments.

Wendy Macy asked about the employee issue that was presented during the public comments section at the August 6, 2015 JLMBC meeting. Ana Chavez reported that the issue was resolved as retroactive family coverage was granted and the employee was notified. Ramon Rubalcava asked for an update with respect to the employee dental and life insurance refunds. Steven Montagna stated that staff would report on this at the next JLMBC meeting.

## 3. MINUTES

**A motion was made by Chris Hannan and seconded by Maritta Aspen to approve the JLMBC minutes of the August 6, 2015 Regular Meeting; the Committee unanimously adopted this motion.**

## 4. COMMITTEE REPORT 15-23: REQUESTS FOR PROPOSAL FOR HEALTH & DENTAL INSURANCE PROVIDERS

Steven Montagna indicated that the staff report contained a series of recommendations which represents the formal launch of procurements for medical and dental service providers. He stated that in January of 2015, the JLMBC adopted a master procurements and contracting schedule, and that the concept for this was to structure all of the service contracts for the plan for five-year terms. Mr. Montagna reported that the City Council recently approved JLMBC requests to extend certain incumbent contracts to conform to the master schedule and granted an exemption within the City of Los Angeles Administrative Code to allow ongoing execution of five-year Flex Benefits service provider contracts. Mr. Montagna reported that as of September 2, 2015, Council adopted an ordinance providing this authority and once the ordinance was published the change would become official.

Mr. Montagna referred the JLMBC to page two of the staff report. He stated that with respect to the first item on health and dental procurement search initiation, the JLMBC and the Personnel Department have the option, for any contract, to go to Council and request an extension of the contract or make any necessary modifications if they reach a finding that this would be in the best interest of the membership. He added that staff recommended the JLMBC move forward on this without any deviations from its previously adopted master schedule. He then reported that the second item was a recommendation to adopt staff's proposed procurement plan, which included a best practice review, a review of current benefits, and determining if there are there any modifications that would be worth exploring as part of the RFP. He further stated the RFP would also be informed

by benchmarking the City's Plan against other agencies. He stated these are the primary areas that would be reviewed with the JLMBC in the RFP design process.

Mr. Montagna stated that another important part of the development process included member communications and soliciting member feedback. He stated that Council had provided feedback during its recent review of the proposed 2016 Flex Benefits program regarding reaching out to Flex members and obtaining their input. He stated that staff was proposing a member survey designed to help staff and the JLMBC understand how members value different features and services of the health and dental programs, as well as assessing benefit awareness.

Mr. Montagna indicated that as part of the survey development process staff was proposing holding focus groups, both to help design the survey as well as dig deeper into many of the survey topics. He noted that focus groups also provide opportunities for engaged members to share their thoughts and suggestions on improving the programs. Mr. Montagna further stated that staff was also proposing efforts to ensure that members are aware of the procurement process using all of the conventional media available to the Flex Program as well as through a general Employee Benefits Division newsletter.

Mr. Montagna then referred the JLMBC to the calendar on page four of the staff report and noted that as part of meeting the tight timelines required, staff was proposing the JLMBC meet for a Special meeting on October 8<sup>th</sup>, providing three meetings for RFP development before the end of the year so that a first draft of the RFP could be presented in January 2016. He added that staff would look for opportunities to accelerate the timetable, noting that reporting to Council on the Flex Program design prior to July 1 would be important. Mr. Rubalcava suggested holding a bidder's conference with the release of the RFP and adding a few more weeks prior to the due date of the proposals.

Mr. Montagna reported that the final staff recommendation concerned a proposed Pledge Form Regarding Conflict of Interest, Confidentiality and Proposer Communications, which staff recommended be executed by all JLMBC members and City staff involved in the development process for this procurement. He noted that a Pledge Form was executed during the last medical RFP. He added that staff considered this a best practice in procurements to ensure that the process is transparent and neutral. Tony Royster asked if the proposed contracts were for five years or shorter lengths with optional renewals. Mr. Montagna replied that staff's intention was to write a five-year contract, with the annual rate renewal process proceeding as it normally does each year, and providing the City the option to terminate the contract early and issue a new procurement if necessary.

Ms. Parisi asked if there will be professional assistance with respect to the employee surveys. Mr. Montagna confirmed that staff would be using dedicated resources within Mercer specializing in survey administration.

**A motion was made by Chris Hannan, seconded by Gregory West, to approve:**

- (a) Moving forward with Requests for Proposal for health and dental service providers in 2015/2016 with a target implementation date for new service provider contracts to be in place by January 1, 2017;**
- (b) The proposed procurement development plan for health and dental service providers, to include (i) services/benefits structure review, (ii) best practice review, (iii) member focus groups; (iv) a member survey; and (v) program communications to members;**
- (c) Moving forward with the proposed tentative calendar for procurement development; and**
- (d) The proposed Pledge Form Regarding Conflict of Interest, Confidentiality and Proposer Communications and its execution by all JLMBC members/City staff involved in the development process for this procurement.**

**The JLMBC unanimously adopted this motion.**

## **5. COMMITTEE REPORT 15-24: OPEN ENROLLMENT REVIEW**

Maria Koo presented this report regarding the 2016 Open Enrollment communications campaign. She reported that staff is working with Mercer Third Party Administrator (TPA) to prepare the administrative, recordkeeping, and communications responsibilities for the 2015 Open Enrollment campaign for Plan Year 2016. She pointed out that page two of the report shows three main categories: Health and Well-Being, Financial Protection, Tax Savings and Retirement. She stated that the 2016 Open Enrollment Communications Materials include a Holistic Benefit Overview, Content Organization, "How to Use This Guide" Introduction, Dependent Management, Index of Major Topics, Open Enrollment Video and 2016 Flex Webinars.

Mr. Rubalcava asked when the Open Enrollment posters will be available and Ms. Koo replied that they are currently available. Mr. Rubalcava requested an electronic copy of the poster. Chris Hannan requested that the poster be sent to all members of the JLMBC. Ms. Chavez responded that staff can email the poster to all the JLMBC members but she asked that they are not distributed to employees yet as the posters will be not be officially released to Department Personnel Directors until October 1, 2015. Matthew Rudnick asked when the web portal will be available and whether it will highlight the current benefits and Ms. Chavez replied that it will be

available on October 1<sup>st</sup>; Mr. Montagna added that the current benefits are already present within the 2016 Flex Guide.

**A motion was made by Ramon Rubalcava and seconded by Chris Hannan to receive and file the staff report regarding the 2016 Open Enrollment communications campaign; the Committee unanimously adopted this motion.**

## **6. COMMITTEE REPORT 15-25: STAFF REPORT**

Samantha Hanzy presented this report. She stated that the JLMBC member information and meeting materials, including agendas, minutes and staff reports are now available online and accessible on the Personnel Department website and the My Flex LA website. She pointed out that these materials will be posted and maintained ongoing to better promote the transparency and accessibility of the conduct of JLMBC meetings.

Ms. Hanzy then provided a project update. She began with an update on Wellness. She reported that the Ad Hoc Health and Wellness Subcommittee met on August 7, 2015, to consider a presentation from Safeway Corporation. Ms. Hanzy added that staff is presently in the process of preparing a report for at least one additional meeting to review the question of resource development such that the Subcommittee can then report back to the JLMBC with recommendations for moving forward.

Ms. Hanzy continued with an update on the Affordable Care Act (ACA) Tax reporting requirement. She reported that the Personnel Department is proceeding to engage the services of Taxware to fulfill the City's ACA tax-reporting needs, under a one-year sole-source contract. She added that staff has been working with the Personnel Department's Administrative Services Division and the City Attorney's Office in drafting the Taxware contract as well as continuing its work developing the logistics for facilitating the necessary data exchange to fulfill the tax reporting requirements.

Ms. Hanzy provided an update on the new ESR tracking tool indicating that the City and Mercer TPA are preparing to test the annual summary reports generated from the ESR Tracking Tool in late September, 2015. She pointed out that testing is crucial to ensure that the 2015 annual summary reports generated in January, 2016 are accurate and in the format required for Taxware to translate the data in order to prepare the ACA tax forms.

Ms. Hanzy proceeded with an update on the Employee Benefits Consulting and Communications Services RFP which was released on July 1, 2015. She reported that staff published the bidder's questions and answers document regarding the RFP on August 24, 2015. She added that the RFP responses were due by September 2, 2015 at 3:00 p.m. and staff now plans to begin the review process.

Mr. Rubalcava asked how many RFP responses were received and Mr. Montagna replied that there were five. Ms. Parisi asked for an RFP timeline and whether presentations would be made to the JLMBC by the finalists. Mr. Montagna stated that staff was planning on providing a recommendation for selection(s) at the November 2015 JLMBC meeting but in general preferred the approach of conducting performance exams, which he noted were already incorporated into the RFP, rather than finalist presentations.

Ms. Hanzy concluded her report with an update on Mercer Benefits Central (MBC) portal upgrade. Ms. Hanzy reported that staff worked with Mercer TPA to convert the Flex online benefits system to a new portal called Mercer Benefits Central. She added that the new MBC system implementation launched successfully on myflexla.com on July 27, 2015 and a Citywide email introducing it to employees went out on August 20, 2015. Ms. Hanzy also reported that staff plans to provide a webinar introducing the new website to employees for annual Open Enrollment on October 7, 2015.

**A motion was made by Matthew Rudnick, seconded by Tony Royster, to receive and file the staff report regarding Flex Benefits service announcements and pending projects; the Committee unanimously adopted this motion.**

#### **7. NEXT MEETING DATE**

Special Meeting October 8, 2015 at 9:00 a.m.

#### **8. ADJOURNMENT**

**The meeting adjourned at 9:50 a.m.**

*Minutes prepared by staff member Helen Georgeson*