

HEALTH INSURANCE COMMITTEE (“HIC”) MEETING

MINUTES

Agency: Department of Human Resources

January 17, 2024

Facilitator: Quinton M. Herbert, JD, DHR Director

Start Time: 1:01 PM

Recorder: Kellie Holdridge, Executive Assistant

End Time: 2:35 PM

Location: Microsoft Teams

Total Attendees: 24

ATTENDEES

DEPARTMENT OF HUMAN RESOURCES (6)

Quinton	Herbert	Director & Chief Human Capital Officer
Kellie	Holdridge	Executive Assistant
Michael	Tate	Assistant Deputy Director, Operations
Rajesh	Gulhar	Chief, Employee Benefits
Taylor	Dampeer	Wellness Program Manager
Julie	Colucci	HR Administrative Officer

DEPARTMENT OF FINANCE (1)

Robert	Cename	Deputy Finance Director
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OFFICE OF THE LABOR COMMISSIONER (1)

Veronica	Jones	Deputy Labor Commissioner
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EMPLOYEE RETIREMENT SYSTEMS (1)

Pamela	Shaw	
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MAYORS OFFICE OF CHILDREN AND FAMILY SUCCESS (1)

Aretha	Allen	
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UNIONS (8)

Dorothy	Bryant	CUB President, AFSCME, Local 44
Matthew	Coster	President, Baltimore Fire Fighters, IAFF, Local 734
Joshua	Fannon	President, Baltimore Fire Officers Association, Local 964
Dan	Fickus	City Police Officers Retirees, FOP #3
Stuart	Katzenberg	AFSCME, Local 44
Michael	Mancuso	President, Fraternal Order of Police, Lodge #3
Christopher	Ryon	Union Counsel
Wendy	Smith	President, AFSCME, Council 67 & Local 558

CONTRACTORS/CONSULTANTS (6)

Randy	Hart	Labor Health Consultant
George	Bognar	Segal, Pharmacy Benefits Consultant
Daniel	Graf	Segal, Senior Health Benefits Consultant
Mark	Noonan	Segal, Actuary
Kyra	Poplaski	Segal, Health Consultant
Stuart	Wohl	Segal, Senior Vice President

MINUTES

CALL TO ORDER

Director Quinton M. Herbert, JD, convened the HEALTH INSURANCE COMMITTEE (“HIC”) MEETING at 1:01 PM Eastern Time on Wednesday, January 17, 2024. The Director informed attendees that the meeting will be recorded.

WELCOME AND MESSAGE FROM THE DIRECTOR

Director Quinton M. Herbert welcomed everyone to the HEALTH INSURANCE COMMITTEE (“HIC”) MEETING, thanked them for attending, and then provided an overview for the meeting discussion.

MEETING DISCUSSION

AGENDA ITEM (1):	Wellness Program Updates
PRESENTER:	Taylor Dampeer

Taylor Dampeer opened the discussion with an overview of the DHR Wellness Program for City Actives and Retirees, which provides event staffing, services, resources, where they can receive an in-depth explanation of their wellness benefits from the respective vendor.

At this time, the Wellness Program is offering staffing for Officer Safety Fairs and Wellness Fairs, blood pressure screenings as requested, fitness classes, nutrition seminars, one-on-one nutrition counseling as requested, health and wellness printed materials, consulting for best practices in wellness programming, and health seminars provided by medical carriers and third-party vendors.

The in-house nutritionist consulted one-on-one virtually with 487 employees during calendar year 2023, averaging about 10 consultations per week. Of those consultations, 86% were for chronic disease, weight and body fat loss, blood glucose control, lipid normalization and blood pressure stability; 11% were for micronutrient parament recommendations, healthful lifestyle, sustainable changes, and overall health; and 3% were for performance nutrition, supporting workout goals.

The Nutrition Program’s virtual “Intuitive Eating” four-week workshop focuses on a healthy relationship with food, mindful eating for sustainable behavioral change. This workshop is offered on an individual basis or as an agency specific program. In January 2023, there were 94 participants from the Baltimore City Health Department (“BCHD”). Individually, 288 employees attended the workshop in 2023 and 100% of those attendees reported incorporating at least on new healthful practice into their daily lifestyle.

Overall, in 2023, the Wellness Program had approximately 2,500 participants.

Upon request, the in-house nutritionist offers virtual presentations on various nutrition topics. In 2023, 92 employees of the BCHD participated in a three-part series: “Recent Changes to the Food Facts Label”, “Healthy Eating Plate”, and “Mindful Eating”.

In August 2023, the Nutrition Program implemented a nutrition forum by way of a Microsoft Office Teams channel, which is a resource and being piloted with BCHD. On August 15, 2023, 69 BCHD employees attended the forum, and they were subsequently invited to join the team. Currently, there are 102 channel members. All members of the channel have access to 136 downloadable nutrition informational handouts and program registration links for nutrition events.

The plan in 2024 for the Nutrition Program is to continue promoting the well utilized one-on-one consultation program, adding MOED, Enoch Pratt, Parking, DGS, DPW, Convention Center, Law department, and ERS to the

nutrition forum channel in Microsoft Office Teams, and to begin offering monthly nutrition event to all City employees. The nutrition forum channel will be open to all City employees at a later date.

Quinton Herbert opened the floor for questions relating to the nutrition program.

Randy Hart asked for clarification on how 2,500 participants were calculated, as the participant numbers during the presentation were far less. Taylor Dampeer explained that the overall participants are inclusive of the nutrition events and from the overall participation through the Wellness Program itself. Quinton Herbert provided further clarification by noting the participation numbers were specific to the Nutrition Program, not the overall Wellness Program and that the majority of participants were seen during the September 2023 Wellness Fair.

Taylor Dampeer then covered the current Wellness events and programs, which includes summertime challenges (Citywide), Yoga, webinars, biometric screenings, Acupuncture, cooking demonstrations, Cardio Circuit, Wellness Fair, Zumba, meditation, health seminars, flu shots, and lunch and learns. The Wellness Program is offering in-person events to keep participants engaged while transitioning back from the COVID mentality.

The Wellness Program has been working on new initiatives/projects through partnership expansions, current offerings, hosted events, and retiree engagement. Gym membership contracts have been revisited and updated, locations include Under Armour, Brick Bodies, and YMCA Central Maryland. Wellness is looking to expand meal prep vendors and with local health-conscious restaurants for catering. As new City employees are onboarded, there will be a folder that provides healthcare options, benefits and offerings, and there will be email/mail communications once they are active in enrollment. There will be monthly hosted events, for example, February is Heart Health month so a lot of events will be centered around this topic. To increase participation from retirees, Wellness plans to obtain a retiree list to learn more about their interests and needs. Wellness is working to find ways to expand financial resources by potentially working with local banks to provide those resources to retirees and active employees.

Taylor Dampeer addressed that the Wellness Program is working to find wellness challenges and events where participants can receive incentives.

As the program is undergoing a rebranding, they are being intentional about encouraging employees and retirees to complete Wellness checks (e.g., blood pressure, annual). Wellness is also working with representatives from each of the City’s healthcare carriers to send postcards quarterly to actives and retirees to keep them informed. To further engages actives and retirees, there is discussion about moving monthly City eblasts to weekly eblasts. The COB Wellness 360 portal streamlines access to vendor portals, class schedules, and class registrations.

Quinton Herbert added that the eblasts are routed through the Mayor’s Office of Communications and they may not be able to get these out weekly. He also noted that Wellness has a social media presence, which is updated more frequently than the monthly eblasts.

Pamela Shaw asked for clarification on the “case-by-case” reference under gym memberships. Taylor Dampeer indicated that some gym memberships may cost more than others and is dependent upon what the City offers, employee is paying out of pocket, and the reduced rate the gym is willing to offer. This is only available to active employees.

Taylor Dampeer added that communications will also be available through weekly chats with the nutritionist and through podcast topics, as everyone retains information differently. There have been in-person and hybrid sessions (e.g., Yoga, Zumba, HIIT, cooking demonstrations) and financial wellness resources are being established within the local area.

The Wellness Champions have expanded to a liaison for each Agency to plan programs quarterly to maintain relationships with everyone.

Taylor Dampeer shared the Wellness Program plans for 2024. The intention is to reach all the different types of populations within the City, by offering more programs and increasing engagement. Every Thursday, Wellness is hosting an event at a different City building and providing heated massages. Participation in Wellness events is expected to double and maybe even triple. Currently, onsite, and virtual offerings occur on Tuesday’s, Wednesday’s, and Thursday’s, but are preparing to expand to Mondays and Fridays in February.

The next Wellness Fair is anticipated to be held on Wednesday, May 1st. The fair will offer fitness classes, cooking demonstrations, flu shots, biometric screenings, vaccinations, challenges, local vendors, seated massages, healthcare carriers, body screenings, performance surveys, and giveaways. They will reach out to the Labor Commissioner for permission leave to increase participation.

Pamela Shaw inquired about the location of the May Wellness Fair, and Taylor Dampeer indicated it is yet to be determined. Wellness will send out save the dates and email communications. Rajesh Gulhar added that last years Wellness event at the War Memorial was extremely crowded, so this year they are looking into the possibility of booking the Baltimore Convention Center. This would be at an approximate cost of \$40,000, which is available with sponsor contributions and in the Wellness budget. Quinton Herbert shared that some vendors at the last years Wellness event mentioned to him the lack of space to showcase their services. He further added that there is an opportunity to reach out to other stakeholders and partners who have space, but there are parking concerns when considering the Baltimore Convention Center.

Randy Hart inquired about the carriers having dedicated wellness funds for the City during the last policy period. Rajesh Gulhar acknowledged that is correct and that there was just under \$500K and that all the funds were used last year. There was a small remaining balance, which was used to pay for another event in advance.

AGENDA ITEM (2):	Provisional 2025 Health Premium
PRESENTER:	Mark Noonan, Daniel Graf

Quinton Herbert informed the committee that this presentation is provisional and being offered earlier than in years past. This approach is to assist Randy Hart by offering more time to do complete assessments and to advise the labor stakeholders. The committee will be better informed for underwriting methodologies.

Mark Noonan opened with an introduction of Daniel Graf as the new lead consultant, who replaces Bryan Spivey. Daniel Graf joined Segal in October 2023, and has over 23 years of insurance and consulting experience.

Daniel Graf shared Segal’s 2025 Projection Executive Summary. Overall, the projected 2025 cost increase is \$17.9M, which is a 6% increase from the 2024 projected rates, for Medical, Prescription Drug, Life and AD&D, Dental, and Vision.

The Self-insured Medical and Prescription Drug Plans costs are projected to increase by 6.2%, which is more than the 2024 projected costs. Medical is projected to decrease by 3.7% and Prescription Drug is projected to increase by 60.2%.

The Kaiser Fully insured Medical Plan is projected to increase by 8%. This projection is based on the current trend and will be updated once the 2025 renewal is received.

The Fully insured Dental, MetLife Life/AD&D, and NVA Vision Plans are pending an RFP release from the City.

The Self-insured Dental Plan is expected to increase by 7.1%. The City will release an RFP for 2025.

The Aetna Medicare Advantage Plan

The Aetna MAPD Plan may see a 5.4% increase, as indicated in the three-year rate maximum guarantee. Aetna’s 2025 rate proposal is pending.

The financials will be updated as final numbers are received. Mark Noonan added that Segal is planning to send the final rates around the same timeframe as in previous years.

Mark Noonan presented the trends that Segal is seeing and requested direction on where the committee would like Segal to focus on, as some services are trending better than others. Segal is proposing some alternative methodologies, such as the separation of Actives and Pre-65 rate actions.

The projected rates presented today are based on the October 2022 – September 2023 experience, and the final 2025 rates will be based on the 2023 calendar year experience. Segal has looked at the historical trends from the past three years and included a 1.5% margin for the projections.

Active medical claim projections have a 1% actual and Segal is weighting this at a 7% trend. The actual projections are based on a 4.9% blended trend.

Non-Medicare Retirees medical claim projections have an 8.6% actual (higher) and Segal is weighting this at a 7% trend. The actual projections are based on a 7.4% blended trend.

Prescription Drug claims had an actual trend of 17.3% (increase) and Segal blended at an 8% standard, so 11.7% is used for the projections. Mark Noonan mentioned that while claim costs have increased, rebates for the City also increased.

Randy Hart asked Mark Noonan to clarify how Segal defines “actual trend” for actives compared to non-Medicare retirees. Mark Noonan explained that Segal starts with the claim experience, and then adjustments are made by looking at medical large claims during the experience and it’s then compared with the historical large claims. Kyra Poplaski added that on Segal’s actual experience and is blended over two years to find the average (current and prior year).

The number of Actives high claims (over \$300K) were 22 in experience years 2021 and 2022. Experience year 2023 had 21 claims, two of those claims were over \$1M. The total paid claims from 2022 to 2023 for Actives decreased by \$3,334,704. The 2023 data presented is annualized through September 2023.

The Pre-Medicare Retirees high claims (over \$300K) were 6 in experience years 2021 and 2022. Experience year 2023 had 9 claims, with zero claims over \$1M. The total paid claims from 2022 to 2023 for Pre-Medicare Retirees decreased by \$2,843,194. The 2023 data presented is annualized through September 2023.

The overall projection is a 6.2% blended trend rate increase for Active and Non-Medicare Retirees. The 2024 rates have been determined by the 2024 premiums multiplied by the 2024 projected enrollment. The 2025 projection rates were determined by the actual experience (with adjustments) multiplied by the trend.

Segal is proposing is to separate the Actives and the Non-Medicare Retiree trends. This will assist with closing the gap on the historical subsidizing as seen in previous years. The approach will also make the percentages on the exhibits won’t look as varied. Mark Noonan reminded the committee that the Medicare Retiree Prescription Drugs used to be included, and that was greatly subsidizing the Actives and Non-Medicare Retirees. This impacted the actual premiums versus the actual experience.

Quinton Herbert asked Mark Noonan if there is a reason why the Non-Medicare Retirees Prescription Drug use is closer 2025 projections are closer to the 2024 rates than the Actives, as the Actives number appears to be significantly different. Mark Noonan didn’t have the answer but would research why the decision was made to separate the Medicare Prescription Drug.

Mark Noon then provided an executive summary for the 2025 financial projections and the historical Actives and Retirees claim trends.

Josh Fannon inquired if any of the Unions participated in the RFP selection process. Quinton Herbert shared the RFPs have not been disseminated and that Labor will be involved just as they have been in the past.

Randy Hart highlighted how over the past four years, there appears to be more volatility with the Non-Medicare Retirees than the Actives. This is an assumption based on the Non-Medicare Retirees being a small group with large claims and other driving factors. Randy Hart asked Mark Noonan if there were any other thoughts on what could be causing the volatility. Mark Noonan agreed with Randy Hart’s assumption and added that this is why Segal has historically blended the rates; however, the downside is the actual premiums vary from what the experience would show. Kyra Poplaski added that the Actives could also be driving trends, depending on the year, and that it’s not always the Non-Medicare Retirees, as seen in calendar year 2019.

Pamela Shaw inquired about who is defined as a Non-Medicare Retiree, as these could also be those who are under 65 because they don’t qualify for Medicare. Pamela Shaw asked if any of the high claims were made by Non-Medicare Retirees who are under 65. Quinton Herbert responded that we don’t have information that granular, but we do know whether a claim is that of a Non-Medicare Retiree or a Medicare Retiree.

Mark Noonan then presented the Actives and Retirees separated 2025 projected rates.

Wendy Smith asked why the projected costs for Prescription Drugs has increased so much more than 2024. Mark Noonan stated that actual trend was 17%, but based on other rates, subsidizing the Actives Prescription Drugs in the past led to lower actual premiums for Prescription Drugs and what the actual experience dictates. Quinton Herbert asked if this was also because we blend the Medical and Prescription Drug. Mark Noonan agreed.

Daniel Graf spoke to the number of enrollment changes between 2023 and 2024 for Actives, Non-Medicare Retirees and Medicare Retirees. Quinton Herbert reminded the committee that this information is historically provided in January, which would reflect the Annual Open Enrollment results. This information is to highlight the decisions that need to be made with respect to the underwriting methodology.

Director Herbert added that the Department of Human Resources is diligently working to expedite the RFP process and will be reaching out to Labor within the next couple of weeks to learn who the respective representatives of Labor will be for the procurement.

AGENDA ITEM (3):	Dental Coverage for the Medicare Retirees
PRESENTER:	Randy Hart

Randy Hart indicated that several of the Labor Leaders received feedback from Medicare Retirees who would like to have dental coverage. Medicare Retirees are experiencing hardships with securing affordable coverage and comprehensive plans. Labor is requesting that the City include a dental plan for Medicare Retirees in its RFP, and with potential to have a City contribution. Randy Hart believes that if every Medicare Retiree enrolled in a dental plan at some of the current dental rates it may cost around \$9M expense. Randy Hart acknowledged that a dental plan for Medicare Retirees may not be something the City can fund.

Director Herbert specified that he would address this topic with the Executive Team and will provide feedback once the RFP team is assembled. Director Herbert noted that this is a difficult request for the City as it is upside down at this time, because it has more Retirees than Actives. Retirees are not only from the City of Baltimore, but also from city schools, libraries, and quasi agencies. So, upon their retirement they receive City sponsored retiree benefits. If additional subsidized benefits become available to Retirees, the City will incur a significant expense. Currently, the City has a \$100M shortfall for the upcoming fiscal year and is trying to close a structural deficit. The City annual health cost is just under \$350M, of which the City’s share is 70%.

Randy Hart recommended that even if the City is unable to subsidize a retiree dental plan, it would be a significant win for Retirees. If Retirees were afforded the opportunity to purchase a dental plan, they would be buying a plan that recognizes they have had dental for many years. This is a huge step when considering dental underwriting. In addition, if a carrier had confirmation of a payment deduction is also a break in comparison to the private market.

Director Herbert reiterated that he would mention this request to the Executive Team.

AGENDA ITEM (4):	GLP-1 Drugs and Net Cost after Health Claim Impact
PRESENTER:	Randy Hart

Randy Hart revisited a previous HIC Meeting discussion about GLP-1 Drugs and the weight loss successes and would like to keep this topic on the HIC Committee radar.

In 2023, the City paid \$4.8M to cover the cost of GLP-1 Drugs (e.g., Ozempic), specifically for diabetes and not for weight loss. There are many employers are questioning if they should cover this class of drug because of the comorbidities surrounding obesity, and many other health factors. However, with the consideration of the comorbidities, Randy Hart emphasized that continuing to provide coverage could be a financial win for all parties. Randy Hart indicated that additional information would help determine the right approach and, hopefully, Segal will see studies on their end to provide some insight. SHRM found that about 49% of large employers will cover this class of drugs in 2024 for weight loss. Randy Hart acknowledged that the City may not provide GLP-1 Drugs coverage for weight loss due to its current financial state, until it’s confident it will see a net gain.

Director Herbert thanked Randy Hart for his thoughts regarding the GLP-1 Drugs. Director Herbert spoke to two emerging thoughts.

The first thought is that if the GLP-1 Drugs aid in weight loss, the group may become healthier overall because the comorbidities may cease. This would lead to significant savings because there may be less congestive heart failure, heart disease, etc.

The second thought is that if the GLP-1 Drugs are specifically for weight loss, there may be a need to continue taking the drug in perpetuity.

Director Herbert added that the cost of the GLP-1 Drugs over time could be as expensive as having an unhealthy workforce but could be even more expensive. For example, if the City were to include the GLP-1 Drugs for weight loss then the \$4.8M could increase substantially. At this time, there is no definitive data to indicated to the City that providing GLP-1 Drugs for weight loss is in its best interest.

ADJOURN

There being no further business, the HEALTH INSURANCE COMMITTEE (“HIC”) MEETING adjourned at 2:35 PM Eastern Time on Wednesday, January 17, 2024.

Respectfully submitted,



Kellie Holdridge
Executive Assistant