



## **City of Cincinnati Retirement System Benefits Committee**

**City Hall Council Chambers and via Zoom  
June 06, 2024 – 1:00 PM**

### **AGENDA**

#### **Members**

Tom Gamel, Chair  
Tom West, Vice Chair  
John Juech  
Mark Menkhaus, Jr.  
Bill Moller  
Monica Morton  
Aliya Riddle

#### **CRS Staff**

Jon Salstrom

#### **Law**

Linda Smith

### **Call to Order**

#### **Public Comment**

#### **Approval of Minutes**

🇺🇸 September 14, 2023.

#### **Old Business**

#### **New Business**

🇺🇸 Healthcare consultant, Horan to Present (Market Trends, IRA impact & available cost saving options)

#### **Adjournment**

**Next Meeting:** Thursday, September 12, 2024, 1:00 P.M. City Hall Council Chambers and via Zoom



**City of Cincinnati Retirement System  
Benefits Committee Meeting  
Minutes  
September 14, 2023/ 12:00 P.M.  
City Hall – Council Chambers and remote**

**Board Members Present**

Tom Gamel, Chair  
Tom West, Vice Chair  
John Juech  
Mark Menkhaus, Jr.  
Bill Moller  
Monica Morton  
Aliya Riddle

**CRS Staff**

Karen Alder  
Jon Salstrom

**Law Department**

Ann Schooley  
Linda Smith

**Call to Order**

The meeting was called to order at 12:01 p.m. by Chair Gamel and a roll call of attendance was taken. Trustees Gamel, West, Juech, Menkhaus, Moller, and Morton were present. Trustee Riddle was absent.

**Public Comment**

No public comment.

**Approval of Minutes**

Trustee Moller moved, and Trustee Morton seconded, to approve the minutes of the meeting of January 12, 2023. The motion to approve the minutes was approved by unanimous roll call vote.

Chair Gamel noted the July 25<sup>th</sup> meeting was cancelled and the March 2<sup>nd</sup> meeting did not happen because there was no Quorum. He also noted how important it is to have a Quorum so the meetings can happen as scheduled.

**Old Business**

**Open Enrollment – Update**

Director Salstrom explained that everything is scheduled and ready for October 16, 2023, with letters being mailed on October 2, 2023. Chair Gamel asked when the cut-off date is for open enrollment and Director Salstrom answered November 15, 2023. Trustee Rahtz asked if there were any new programs added to this year's Open Enrollment which Director Salstrom answered there are not.

### Healthcare Survey – Member Education – Mental Health Coverage

Director Salstrom explained the healthcare survey will remain on the Retirement website so that staff can continuously receive feedback from participants. Any recurring patterns in feedback that staff finds moving forward will be included in the quarterly update or the Retirement Matters letter. Director Salstrom explained that they have reached out to Anthem to schedule quarterly meetings to discuss education for members. Director Salstrom explained that Anthem has flyers on mental health awareness and will work on getting that posted on the Retirement website to continue to promote mental health awareness and education.

Chair Gamel asked about how staff tracks comments and questions that members make and suggested keeping a log to not solely rely on staff's memory recall. Director Salstrom explained that currently there is no formal logging system in place and staff look for trends of common questions that are frequently asked. He will work on a procedure for a logging system when questions come in related to healthcare.

Trustee Moller commented that the survey shows there is a general lack of understanding of what mental health treatment is available and agreed that something needs to go out in terms of education for retirees. Trustee Moller commented that additional education is needed on the appeals process. He explained that voluntary benefits would be helpful, like long-term care insurance.

Chair Gamel explained the importance of education being out there for the family members that may end up taking care of retirees and their personal assets. It is important for family members to know what the retiree's coverages are.

### Survivor Benefits

Director Salstrom proposed a new option, moving forward, for survivor benefits. These benefits are for surviving spouses and children of active employees who die in service and not otherwise eligible for a regular retirement benefit. Originally, this option was created in 1961 and loosely modeled off of the Social Security benefit. The survivor benefit is in addition to the Member Death in Service benefit provided for under CMC 203.45 (refund of member contributions) which is paid to the member's designated beneficiary following the member's death and a city standard \$50,000 life insurance policy. The provisions of CMC 203.49 provide that the benefit is only available to the surviving spouse, minor children, or dependent parents of the member. The complexity of the survivor benefits has led to administrative difficulties. Depending on the deceased member's service credit on the date of death, the benefit may not be payable for an extended period of time. If the member died with less than 15 years of service, the surviving spouse is not eligible to receive payment until they have reached age 62, and only if they have not remarried during the interim period. Director Salstrom proposed a new benefit for the survivor to receive a one-time 2/3 lumpsum payment of deceased employee's salary.

The current survivor benefit payments require a significant amount of staff's time because they are difficult to track over an extended period of time and need to be re-calculated on an annual basis. The new proposed lumpsum payment option would alleviate that burden. The administration, with the support of Cheiron analysis, believes this is the best option for the survivor and equivalent to the currently monthly benefits.

There were many questions from the Trustees regarding the differences between this benefit and the vested employee survivor benefits, and the current options vs. the newly proposed option. These questions were all answered and clarified by the administration. Trustee Moller moved to approve the option of the option for

the survivor to receive a one-time 2/3 lumpsum payment of salary and was seconded by Trustee Menkhaus. The motion was approved by unanimous roll call vote.

HRA – Limits Update

Director Salstrom explained that the limits have not increased for this year and does not believe this will impact any participation within the HRA. He believes this will continue to be a strong program and option for those with the ability to use it. The HRA limits will be reviewed again next year to see if an increase is necessary.

New Business

No additional items could be discussed due to the meeting being a Special Meeting.

Adjournment

Following a motion to adjourn by Trustee Moller and seconded by Trustee Menkhaus, the Benefits Committee approved the motion by unanimous roll call vote. The meeting adjourned at 1:38pm.

Meeting video link: <https://archive.org/details/crs-benefits-comm-9-14-23>

Next Meeting: TBD

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Secretary



City of Cincinnati  
Division of Retirement  
Services

# Agenda

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1. Health Care Landscape
2. Key Trends & Strategic Objectives
3. Health Plan Trend Overview
4. Dental Contract Update
5. 2024 Priorities
6. Next Steps

# Key Benefits Trends in 2024: The Health Plan



## Medical Costs

2024 Healthcare Trend: 7%

Cost drivers:



- Healthcare market price inflation
- Poor patient health
- Complex/innovative treatments

High levels of Primary Care engagement are critical to long term cost stability. Site of care, clinical outcome-based cost management strategies and point solutions continue to evolve.



Examples include:

- Chronic condition management
- Large case management & advocacy navigation

Solutions continue to come down market & insurers adapt & incorporate solutions into their bundled products.



*Increases driven by increased high-cost claimant frequency (\$25K+) and chronic condition members (cardiac disorders, cancer, neurological disorders, diabetes)*

## Outpatient Drug Trends

2024 Pharmacy Trend 10%

Trends In 2024:



- Gene therapies
- Biosimilars
- GLP-1 Weight Loss Drugs

Specialty drugs account for more than 50% of Rx spending. Primary conditions treated:



- Auto-immune
- Diabetes
- Cancer

Average annual cost of Specialty drugs is \$38,000 compared to \$500 for non-specialty. Median price of new drugs to market was \$222,000 in 2022 (compared to \$2,000 in 2008)

## Compliance Updates

**No Surprises Act** and increased transparency reporting take hold



Trending compliance considerations:

- RxDC reporting
- Gag clause attestations
- ACA electronic filing requirement changes
- Changing leave requirements by state
- Mental health non-quantitative treatment limitation analysis

## Medicare Program Changes



- Medicare Advantage (EGWP) program changes.
- CRS members generally will not be impacted due to the low out of pocket maximum on current plans.
- CRS plan cost will be significantly impacted due to shift from manufacturers and CMS to retiree plan sponsor.

# Key Benefits Trends in 2024: The Retiree Experience



## Communication & Design



### Tailor Your Message

Communicate what makes your organization, culture & total rewards package better or unique to current & prospective employees.



### Leverage Digital Resources

Make information easily available through digital resources like a website and/or a benefits-focused mobile app



### Communicate Often

Communicate often, transparently and empathetically



### Benefits Engagement

Our annual engagement plan improves benefit literacy, maximizes resources & provokes positive behavior changes to improve the health plan experience and maximize the value of your investment.

## Focus on Overall Wellness



### Be Holistic

Holistic well-being is critical to provide value to employees and organizations

Strategies should include physical, mental, social and financial components



### Promote Financial Wellbeing

- Financial planning and loan repayment for younger employees
- Retirement plan assistance for older workers

HUB Fin Path provides personalized support for all workers

## Workforce Technology



### Expectations Have Shifted

Effective technology enhances the employee experience

New technologies have become common throughout the workforce and are shaped by social media and life on the web



### Mobility & Flexibility Increasing

Changing landscape needs to be supported by the right technology

Weigh the use of a single-source platform against “best in breed” integrated technologies



# Multi-Dimensional Data to Drive Strategy



Everything We Do Starts and Ends With Data



## 1. Measure

## 2. Analyze

## 3. Diagnose & Draw Conclusions

## 4. Recommend Actions

## 5. Project & Validate

### Advanced Analytics

*Purpose: Control Costs*

Data-supported recommendations based on health plan utilization and prospective risk.

### Benefits

**SmartView™ & Plan Assessment**  
*Purpose: Remain Competitive*

Benchmarking insights to help you understand how your program & strategy competes.

### Workforce Persona

**Analysis™**  
*Purpose: Meet Employee Needs*

Comprehensive population analysis to drive strategy tailored to individual employee needs.

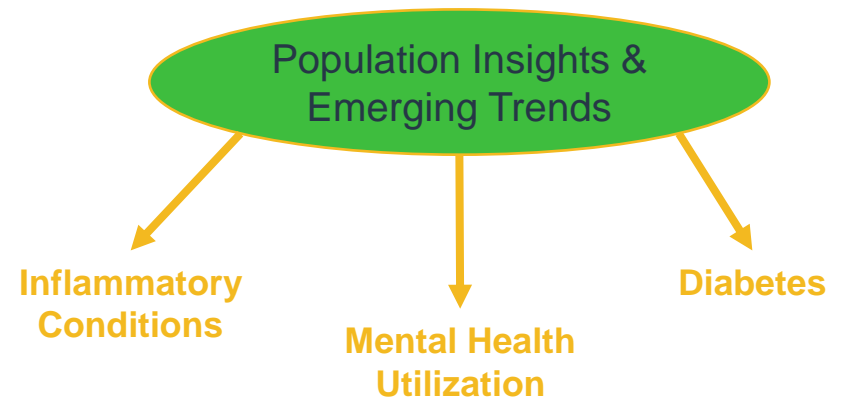
**The City has a comprehensive plan that members consistently utilize. Increased costs are primarily driven by prescription drug spend, cancer and chronic conditions.**

## KEY CONCLUSIONS:

1. Increased spend driven by higher costs specifically related to diabetes management (GLP-1 drugs), specialty medications and cancer claims.
2. Large claim impact has stabilized.
3. Preventive and PCP utilization exceed norm. Members are engaging in preventive care.

### FOCUS AREAS 2024:

- ✓ Mental Health
- ✓ Chronic Conditions (Cardio and Diabetes)
- ✓ Cancer



# Dental Plan Strategy



CRS is evaluating the market to validate provider access and benefit cost. Additionally, a “buy up” option was requested for evaluation.

Benefits		Current In-Network	In-Network: Requested Buy Up
<b>Deductible</b>			
Individual/Family		\$50/\$150	\$25/\$100
<b>Annual Maximum</b>		\$1,200	\$2,500
<b>Diagnostic &amp; Preventive</b>			
Exams		Covered in full	Covered in full
Cleanings		Covered in full	Covered in full
X-Rays		Covered in full	Covered in full
Sealants for Children		Covered in full	Covered in full
Emergency Pain Treatment		Covered in full	Covered in full
<b>Basic Services</b>			
Fillings		Ded, 80/20	Ded, 90/10
Endodontics (Root Canal)		Ded, 80/20	Ded, 90/10
Periodontics (Gum Disease)		Ded, 80/20	Ded, 90/10
Oral Surgery		Ded, 80/20	Ded, 90/10
Simple Extractions		Ded, 80/20	Ded, 90/10
<b>Major Services</b>			
Bridges		Ded, 50/50	Ded, 60/40
Crowns, Inlays, Outlays		Ded, 50/50	Ded, 60/40
Dentures		Ded, 50/50	Ded, 60/40
Implants		Not Covered	Ded, 60/40
Repairs and Adjustments		Ded, 50/50	Ded, 60/40
<b>Orthodontics</b>			
Lifetime Maximum		50% to \$1,200	Not Included
Age Limitation		19	N/A

# 2024 Strategic Focus Areas

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1. Evaluate prescription drug benefit clinical programs to ensure appropriate cost mitigation with limited or no member impact.
2. Monitor and update financial/cost projections to based on program impact from upcoming Medicare changes (EGWP plan).
3. Execute dental RFP and buy up option review. Focus on limiting member disruption and improving overall experience.
4. Evaluate Long Term Care benefit options.
5. Continue to provide quality customer service support and program education resources to retiree plan members.
6. Preparation for 2025 health plan marketing
  - Ensuring CRS is leveraging the right vendor partners with the most advantageous cost structure
  - Evaluation of current CRS program options including benchmarking of current offering to other State programs.