

Summary of 2024 Benefit Recommendations/Modifications Proposed for Redmond Medical Plan

Source	Type of Change	Effective Date	Description	Purpose	Cost Impact	EBAC Recommendation
Legal Change	Benefit Enhancement - Medical Plan	January 1, 2024	Increase Hearing Aid Benefit to \$3000 per ear every 36 months	Hearing Aids are currently covered up to a total of \$1800 every 4 years after deductible and co-insurance. WA House Bill 1222 required the proposed coverage beginning January 1, 2024. Although we are a self-insured plan and are not required to adopt this law change, our plan has historically adopted state and federal mandates.	Increasing the hearing aid benefit will increase the medical plan costs by \$2.88 PEPM (per employee per month). The annual increase would be approximately \$2,200 from employee contributions and \$17,300 from City contributions for a total of \$19,500 per year to the cost of the plan.	YES
Legal Change	Benefit Enhancement - Medical Plan	January 1, 2024	Cover MRI Cancer Screenings in full for Supplemental and Diagnostic breast examinations	MRI Cancer Screenings are covered under the plan, but claims apply to deductibles and cost shares. WA Senate Bill 5396 requires this procedure to be covered in full beginning January 1, 2024. Although we are a self-insured plan and are not required to adopt this law change, our plan has historically adopted state and federal mandates.	Covering this procedure in full will increase the medical plan costs by \$1.82 PEPM (per employee per month). The annual increase would be approximately \$1,400 from employee contributions and \$10,600 from City contributions for a total of \$12,000 per year to the cost of the plan.	YES
Legal Change	Benefit Enhancement - Medical Plan	January 1, 2024	Cover termination of pregnancy in full	Termination of pregnancy is covered under the plan, but claims apply to deductibles and cost shares. WA Senate Bill 5242 requires this procedure to be covered in full beginning January 1, 2024. Although we are a self-insured plan and are not required to adopt this law change, our plan has historically adopted state and federal mandates.	Covering this procedure in full will increase the medical plan costs by \$.25 PEPM (per employee per month). The annual increase would be approximately \$200 from employee contributions and \$1,400 from City contributions for a total of \$1,600 per year to the cost of the plan.	YES
Union Request	Benefit Enhancement - Dental Plan	January 1, 2024	Increase Dental annual maximum to \$3,000	The annual dental maximum would increase from \$2,500 to \$3000. The median for this benefit among benchmark plans is \$1,500 and none of Gallagher's book of business for medium sized employers in Washington have a dental maximum currently above \$2,500 and only 7% of their book of business is at that amount. Of our dental plan members who utilize the benefit, 9.34% reach the annual maximum.	Increasing the maximum to \$3,000 would increase the dental plan costs by \$6.26 PEPM (per employee per month). The annual increase would be approximately \$5,600 from employee contributions and \$43,500 from City contributions for a total of \$49,100 per year to the cost of the plan. The last year the annual maximum was increased was in 2018.	YES
Union Request	Benefit Enhancement - Vision Plan	January 1, 2024	Increase Vision Hardware maximum to \$400	The annual vision hardware maximum would increase from \$300 to \$400. The median for this benefit among benchmark plans is \$150 and of Gallagher's book of business for medium sized employers in Washington only 3% of their book has an amount over \$250 per year. Of our vision plan members who utilize the hardware benefit, 70.9% reach the maximum.	Increasing the maximum to \$400 would increase the vision plan costs by \$2.26 PEPM (per employee per month). The annual increase would be approximately \$2,300 from employee contributions and \$18,300 from City contributions for a total of \$20,600 per year to the cost of the plan. The last year the annual maximum was increased was in 2018.	YES

HR Recommendation
YES
YES
YES
YES
YES