



Memorandum

Date: 9/17/2024
Meeting of: City Council

File No. AM No. 24-137
Type: Consent Item

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

| | | |
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| Human Resources | Cathryn Laird | 425-556-2125 |
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DEPARTMENT STAFF:

| | | |
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| Human Resources | Nicole Bruce | Benefits Program Manager |
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TITLE:

Adoption of a Resolution for the RedMed Plan Changes for 2025

- a. Resolution No. 1589: A Resolution of the City Council of the City of Redmond, Washington, Adopting a Revised Summary Plan Description for the City of Redmond Self-Insured Medical Plan

OVERVIEW STATEMENT:

The Red-Med Plan is the self-insured medical plan that is provided by the City for employees, spouses, state registered domestic partners, and eligible dependents. Periodically, the City’s third-party administrator and broker recommend plan changes. In addition to ensuring that the Plan is legally compliant, these recommendations address evolving treatment options and protocols, as well as other issues and benefit clarifications that these parties deem necessary. Proposed changes in benefits are reviewed and discussed with the Employee Benefits Advisory Committee (EBAC) and any recommendations will be brought forward to Council for their approval. The changes that are being considered for 2025 are outlined in Exhibit 1 - 2025 Plan Change Summary.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

- Receive Information** **Provide Direction** **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Any changes to Red-Med benefits are incorporated into a Summary Plan Description, which is the definitive description of the benefits that are covered by Red-Med. The Summary Plan Description for the Self-Insured Employee Health Benefits Plan, was adopted by Resolution No. 913 and last amended by Resolution No. 1575.
- **Required:**
The City of Redmond Personnel Manual, Section 1.40, requires Council approval of changes in the medical plan that increase benefits to employees.

- **Council Request:**
N/A
- **Other Key Facts:**
These changes are negotiated with bargaining units before they are incorporated into the Summary Plan Description as plan amendments.

OUTCOMES:

The Red-Med changes being considered for 2025, 1) align our plan with benefits offered to dependents in the Kaiser plan and with industry best practice and 2) incorporate two new programs offered by Premera that address behavioral health which is a top category of claims for the RedMed plan.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
EBAC meetings are held monthly and discussions regarding 2025 plan changes were discussed at the following meetings:
 - July 24, 2024
 - August 28, 2024 (Vote)
- **Outreach Methods and Results:**
EBAC meetings are held on a monthly basis and discussion around plan changes occur annually with a vote regarding recommendations to Council occurring at the August meeting.
- **Feedback Summary:**
Feedback from this outreach occurred through a vote on recommendations. This vote took place at the August 28, 2024 EBAC meeting and is included on Exhibit 1.

BUDGET IMPACT:

Total Cost:
N/A

Approved in current biennial budget: Yes No N/A

Budget Offer Number:
N/A

Budget Priority:
Responsible Government

Other budget impacts or additional costs: Yes No N/A

If yes, explain:

The plan changes are anticipated to have a cost neutral impact to the medical plan.

Funding source(s):
Medical Self-Insurance Fund (511)

Budget/Funding Constraints:
N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

| Date | Meeting | Requested Action |
|-------------|--|-------------------------|
| 9/10/2024 | Committee of the Whole - Finance, Administration, and Communications | Provide Direction |

Proposed Upcoming Contact(s)

| Date | Meeting | Requested Action |
|-------------|----------------------------|-------------------------|
| N/A | None proposed at this time | N/A |

Time Constraints:

In order for Plan Changes to take effect at the beginning of a new plan year (January 1, 2025), the recommendations will need to be approved at the September 17, 2024, meeting to allow for appropriate lead time for the Benefits Plan Administrator to make adjustments for an effective date of January 1, 2025.

ANTICIPATED RESULT IF NOT APPROVED:

Our plan could be out of compliance with the latest law changes, and valuable programs offered by Premera would not be able to be utilized by members of the Red-Med Plan.

ATTACHMENTS:

Attachment A: Draft Resolution Amending the Red-Med Plan
Exhibit 1: 2025 Plan Change Summary