



MEMO TO: Finance, Administration, and Communications Committee of the Whole

FROM: Nicole Bruce, Interim Human Resources Program Manager

DATE: August 20, 2019

SUBJECT: Benefits and Wellness Update – Potential Plan Changes for 2020

I. PURPOSE ☐ For Info Only ☒ Potential Agenda Item ☐ Scheduled for Council Action

II. RECOMMENDATION

To provide the Internal Services Committee with an update on the potential benefit plan changes for the 2020 plan year.

III. DEPARTMENT CONTACTS

Cathryn Laird, Interim Human Resources Director – (425) 556-2125

Nicole Bruce, Interim Human Resources Program Manager – (425) 556-2124

IV. DESCRIPTION/BACKGROUND

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. A third-party administrator and a healthcare broker assist with management and administration of the plan. 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.

Periodically, the City's third-party administrator, pharmacy benefits manager, 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. When these recommendations modify benefits, they are reviewed with Council and approval is obtained. These changes are negotiated with bargaining units before they are incorporated into the Summary Plan Description as plan amendments.

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 at the October 1, 2019 meeting.

A. Analysis

The EBAC has been working with our benefits broker Gallagher and Premera to explore potential plan design changes. The EBAC meets monthly and reviews options as well as the financial impacts of each plan design modification. Members of EBAC then communicate to their respective groups to get feedback and to gauge interest level in the potential changes. The changes being considered for 2020 are recommendations from Premera to allow for consistency in our plan and to avoid manual claims adjudication. None of the proposed changes from Premera are anticipated to have any impact to claims costs.

V. TIME CONSTRAINTS

In order for Plan Changes to take effect at the beginning of a new plan year (January 1, 2020), the recommendations will need to be approved at the October 1, 2019 meeting to allow for appropriate lead time for the Plan Administrator to make adjustments for an effective date of January 1, 2020.

VI. LIST OF ATTACHMENTS

No attachments