



## Memorandum

**Date:** 10/6/2020  
**Meeting of:** City Council

**File No.** AM No. 20-128  
**Type:** Consent Item

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

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

Human Resources	Nicole Bruce	Sr. Human Resources Analyst/ Benefits Plan Administrator
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**TITLE:**

Approval of Benefits Recommendations -RedMed Plan Changes for 2021

a. Resolution No. 1537: A Resolution Adopting a Revised Summary Plan Description for the City of Redmond Self-Insured Medical Plan

**OVERVIEW STATEMENT:**

Approve Attachment A, a proposed resolution supporting amendment of the Red-Med Plan incorporating the proposed benefit recommendations; and authorize and direct the Mayor to implement these changes including the execution of any contracts and agreements to do so.

☐ **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. 1524. Attached is a resolution to amend Resolution No. 1524.
- **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 2021 are mostly recommendations from Premera on additional programs that are value added for members and help to curb costs to the plan. Two recommendations are for recent changes in the law.

**COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:**

- **Timeline (previous or planned):**

EBAC meetings were held monthly and discussions regarding 2021 plan changes were discussed at the following meetings:

- July 29, 2020
- August 26, 2020
- September 30, 2020 (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 September meeting.

- **Feedback Summary:**

Feedback from this outreach occurred through a vote on recommendations. This vote occurred at the September 30, 2020 EBAC meeting and the resulting recommendations are 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 be cost-neutral or a potential savings of approximately \$132,000 per year. Depending on usage, costs that may be incurred would be minimal, and are paid for out of the City's medical self-insurance fund and have already been budgeted for. These impacts are outlined in Exhibit 1. We will continue to monitor the costs related to the changes and reassess as necessary.

**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
8/25/2020	Committee of the Whole - Finance, Administration, and Communications	Receive Information
9/22/2020	Committee of the Whole - Finance, Administration, and Communications	Provide Direction

**Proposed Upcoming Contact(s)**

Date	Meeting	Requested Action
	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, 2021), the recommendations will need to be approved at the October 6, 2020 meeting to allow for appropriate lead time for the Benefits Plan Administrator to make adjustments and communicate to Red-Med members for an effective date of January 1, 2021.

**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: 2021 Plan Change Summary