



Legislation Text

File #: 15-0928, **Version:** 1

Recommendation to authorize City Manager to execute the renewal of contracts with Anthem Blue Cross, the City's Third Party Administrator for the Preferred Provider Organization (PPO) and the Health Maintenance Organization (HMO) group health plans and Medicare Supplement plan; United Healthcare Medicare Advantage Plan; Scan Health Plan for the Medicare Advantage Plan; Delta Dental for the fee-for-service dental plan (DPPO); Medical Eye Services (MES) for the vision plan; CVS Caremark as the Prescription Benefit Manager (PBM) for the Prescription Drug Plan; The Standard Insurance Company for life insurance and long-term and short-term disability; and Union Mutual Life Insurance Company (UNUM) through Larry Lambert & Associates Insurance Services for long-term care insurance; and any subsequent amendments necessary to maintain current benefit levels and remain in compliance with state and federal laws on all plans. (Citywide)

In accordance with Memoranda of Understanding (MOU) between the City of Long Beach and its employee organizations, the Health Insurance Advisory Committee (HIAC), comprised of representatives from each of the employee associations, has met and submitted its recommendations (Attachment A) for the 2016 plan year.

It is recommended that the above contracts be approved for the 2016 benefit year, from January 1, 2016 to December 31, 2016, for active and retired employees.

There will be no material plan design changes for the 2016 plan year for the medical (HMO and PPO), dental (HMO and PPO) and vision Plans. Exhibit A reflects minor rate increases for the medical and vision Plans. There is no rate increase on the dental plans for 2016.

For the employer-paid basic life and additional (voluntary) employee-paid life insurance products offered under The Standard, we are implementing several provisions that will improve the viability of the Plan, and the purchase of additional (voluntary) Life Insurance will be expanded to all employee groups who do not currently have the benefit.

These provisions were negotiated at no additional rate increase to the City.

This matter was reviewed by Deputy City Attorney Linda Vu on August 24, 2015 and by Budget Management Officer Victoria Bell on August 21, 2015.

Human Resources is implementing online open enrollment for the first time this year. Therefore, City Council action is requested on September 15, 2015, for adequate open enrollment planning.

The projected cost for health, dental, vision and life insurance in 2016 is estimated to be \$70.2 million, an increase of 5.6 percent from the previous plan year. These charges have been included in the Fiscal Year 2016 Budget in the Employee Benefits Fund (IS 391) in the Citywide Activities Department (XC). There are no local job impacts associated with this matter.

Approve recommendation.

DEBORAH R. MILLS,
DIRECTOR OF HUMAN RESOURCES

APPROVED:

PATRICK H. WEST
CITY MANAGER