

**CITY OF REDMOND
RESOLUTION NO. 1466**

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

WHEREAS, the City Council desires that the City of Redmond maintain a self-insured employee healthcare program that is fiscally sound and legally compliant; and

WHEREAS, since adoption of the City's self-insured employee healthcare program, the City has approved and adopted amendments that are reflected in the Summary Plan Description for the healthcare program; and

WHEREAS, the City Council desires to update the Summary Plan Description to incorporate changes deemed necessary by the third party administrator, Healthcare Management Administrators, to clarify benefits and to address evolving treatment options, protocols and other issues; and

WHEREAS, City of Redmond Personnel Manual, Section 1.40, requires Council approval of changes in the medical plan that increase benefits to employees.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO RESOLVE AS FOLLOWS.

Section 1. Adoption of Changes. The Summary Plan Description for the Self-Insured Employee Health Benefits Plan, adopted by

Resolution No. 913 and amended by Resolution No. 1446 and referenced in Section 6.40 of the City of Redmond Personnel Manual, is hereby amended to include those benefit changes set forth in Exhibit 1 to this Resolution and incorporated herein by this reference as if set forth in full.

Section 2. Implementation. The Mayor is authorized and directed to implement the changes adopted in Section 1.

Section 3. Effective Date of Benefit Changes. The effective date of the benefits adopted by this resolution shall be April 1, 2017.

Section 4. Conflicts -- Severability. If any provision of this resolution conflicts with any provision of the City of Redmond Personnel Manual or any other resolution or policy of the City of Redmond, the provisions of this resolution shall govern. If any section, sentence, clause or phrase of this resolution should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this resolution.

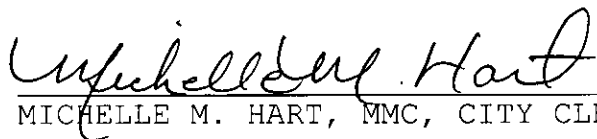
Section 5. Effective Date. This resolution shall take effect upon adoption of the Redmond City Council.

ADOPTED by the Redmond City Council this 7th day of February,
2017.

CITY OF REDMOND


JOHN MARCHIONE, MAYOR

ATTEST:


MICHELLE M. HART, MMC, CITY CLERK

(SEAL)

FILED WITH THE CITY CLERK: January 17, 2017
PASSED BY THE CITY COUNCIL: February 7, 2017
RESOLUTION NO. 1466

YES: BIRNEY, CARSON, MARGESON, MYERS, SHUTZ, STILIN

**Summary of 2017 Benefit Recommendations/Modifications
Proposed for Redmond Medical Plan, Flexible Spending Account & Life Insurance**

Source	Reason for Change	Effective Date	Description	Purpose	Cost Impact
HMA Recommendation	Administrative/Legal	April 1, 2017	Update the Summary Plan Description (SPD) to clarify that coverage is included under the Mental Health Services benefit for Applied Behavioral Analysis.	There has been more and more litigation regarding coverage of Applied Behavioral Analysis (ABA) therapy. Currently services are covered, however, the SPD is silent. Due to the lack of PPO providers, we also recommend neutralizing the benefit, covering ABA therapy for all providers at the same level of benefit as the PPO network for Outpatient Mental Health Services.	No Cost Impact
HMA Recommendation	Administrative/Legal	April 1, 2017	Update the SPD to clarify coverage is included under the Rehabilitation Services for Autism.	To coincide with the clarification on the Applied Behavioral Analysis being covered under the Plan, we also want to clarify the coverage of Rehabilitation Services (typically occupational and speech therapy) for the treatment of autism being covered as well.	No Cost Impact
HMA Recommendation	Administrative/Legal	April 1, 2017	Update the SPD Immunization language to allow coverage as recommended by a physician, the FDA, or the CDC.	We have had several issues come up due to the fact that the FDA and the CDC have different recommendations regarding certain immunizations. The biggest issue arises with Shingles. The FDA recommends at age 50 while the CDC recommends at age 60. With the current language, if a participant under the age of 60 obtains the immunization, it would not be covered by the Plan, even though it is recommended by the FDA.	19 denied claims in 2015 = \$1,543.18
HMA Recommendation	Administrative	April 1, 2017	Update the SPD to better align language with administrative process for reinstatement of coverage.	Historically, when a participant who previously lost eligibility under the Plan became eligible for coverage again they were treated as a new hire, but this practice changed and the SPD was not updated. Retired employees will continue to be subject to the waiting period, however, the deductibles, out of pocket maximums and benefit limitations previously applied/created during the same calendar year will continue to apply once reinstated.	No Cost Impact
HMA Recommendation	Administrative	April 1, 2017	Update the SPD to use the correct appeals form name.	HMA has revised the name of their form for appeals submission. As such, the language in the SPD should be updated to account for the name change.	No Cost Impact
HMA Recommendation	Administrative/Legal	April 1, 2017	Update the SPD to add language that will clarify the sources used in making medical necessity determinations.	Currently, the SPD does not cite what compendia evidence based medicine determinations are based upon. This leaves a legal "silence" regarding what we consider peer reviewed and nationally accepted standards of care. When a claim is denied (adverse benefit determination) HMA relies on peer reviewed, nationally recognized and accredited compendia to cite the clinical indications which determine evidence based medicine. Currently, the SPD does not acknowledge the named sources used to base determinations.	No Cost Impact
HMA Recommendation	Benefit Enhancement	April 1, 2017	Add coverage for medically necessary mandibular malocclusion, cleft palate repair or correction of craniofacial anomaly for participants 18 years of age or older.	At times requests are received to cover treatment for mandibular malocclusion, cleft palate repair or correction of craniofacial anomaly which is supported by clinical review and meets criteria, however, these services are denied based upon current SPD language which limits this benefit to participants under the age of 18. Cosmetic or other unnecessary services will continue to be denied.	Surgeries can range from \$20k - \$40k, but due to very low utilization this should have very little cost impact
HMA Recommendation	Benefit Enhancement	April 1, 2017	Expanding the outpatient dental services benefit to allow for coverage in an outpatient surgical center and including coverage of anesthesia administered in the outpatient surgical center.	Currently the plan will cover outpatient and anesthesia in hospitals only for dental services. Utilizing surgical centers is becoming more common for management of dental services which require anesthesia and is more cost effective.	Slight Cost Reduction
HMA Recommendation	Administrative	April 1, 2017	Increase the pre-authorization limit to \$2,000 for Durable Medical Equipment (DME).	The current threshold of \$1,000 is limiting as it encompasses DME prosthetics and orthotics that would not need a medical necessity review other than the fact that the item exceeds the dollar limitation. Having a low threshold for pre-authorization can cause even the most basic piece of DME to be pre-authorized. Increasing the limit will ensure that any high dollar item is reviewed but reviews are more appropriate to assigned cost, especially when MD review is required.	No Cost Impact
HMA Recommendation	Administrative	April 1, 2017	Update the SPD language to clarify that travel and emergent services include ambulance, ER, or urgent care services.	Current SPD language includes reference to travel and ER services being covered at the preferred network level of benefit if a participant is traveling or receives emergency services inside or outside the network area. The updated language within the SPD will show that the benefit applies when a participant is traveling and receives ambulance, ER, or urgent care services. Additionally, there is redundant language regarding this in the Comprehensive Major Medical Benefits which will be removed.	No Cost Impact
HMA Recommendation	Legal	April 1, 2017	Update the plan to include coverage for transgender services.	The Department of Health and Human Services has issued proposed rules for nondiscrimination in health programs and activities. A main piece to the rule is to prevent discrimination in health care on the basis of sex. The proposed rule makes clear that sex discrimination includes discrimination based on gender identity. Individuals cannot be denied health care or coverage on the basis of their sex; individuals must be treated consistent with their gender identity, sex-specific health care cannot be denied or limited because the person seeking services identifies as belonging to another gender; categorical exclusions in coverage for all health care services related to gender transition are facially discriminatory. The regulations apply to all health programs and activities, which receive any federal financial assistance and to all federal and state-based marketplace/exchange programs. At this time, it appears the regulations do not apply to non-federally funded self-insured health plans, however; to ensure the Plan isn't violating any applicable nondiscrimination requirements or mental health parity rules, we recommend revising the plan to cover medically necessary services, including transgender surgery and mental health services, the same as any other condition. Oregon and Washington also have laws which prohibit exclusions and denials on the basis of gender identity. Basic coverage would include hormonal treatment, reassignment surgery, and all basic preventive care, but the cosmetic care that might be desired would remain excluded. Although the cost for the surgical procedure can be high (over \$100,000 for a full transition), we anticipate impact to the plan to be low due to the small number of participants that may potentially utilize the benefit.	Unknown cost impact, but anticipated to be very low
CVS/Caremark Recommendation	Legal	April 1, 2017	Update the plan to include coverage for transgender services.	Same as above	Unknown cost impact, but anticipated to be very low
CVS/Caremark Recommendation	Legal	April 1, 2017	Update the plan to remove iron supplements for children 6-12 months from the standard coverage recommendation list for preventive care.	To comply with the Public Health Service (PHS) Act section 2713 there can be no cost sharing requirements for evidence-based items or services that have in effect a rating of "A" or "B" in the current recommendations of the U.S. Preventive Services Task Force. To stay consistent with the USPSTF recommendations, which do not include iron supplements for children this age, this coverage will not be processed as preventive. Iron supplements will still be available if prescribed, but normal co-pays/co-insurance will apply.	Little to no cost impact
Navaa Recommendation	Benefit Enhancement	April 1, 2017	Update the Flexible Spending Account (FSA) plan to allow for a \$500 carry over into the next plan year.	FSAs are a "use it or lose it" benefit, but in 2014 the IRS changed its rulings to allow for a \$500 carry over into the next plan year. This will allow our employees to not lose any funds they have not used up to \$500. In 2014 and 2015 we only had 4 individuals who lost more than \$500.	No Cost Impact
Gallagher Recommendation	Benefit Enhancement	April 1, 2017	Change vendors for the Voluntary Life program from Cigna to the Standard Insurance Company.	The Standard is offering lower rates for our other life coverage if we consolidate all of our coverage lines with them. They are also offering more extensive coverage under the voluntary plan than our current coverage allows.	There is an estimated annual savings of \$40,000. (\$11,000 in City funds and \$30,000 in HEBT funds.)