

**CITY OF REDMOND
RESOLUTION NO. 1481**

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. 1466 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 January 1, 2018.

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.

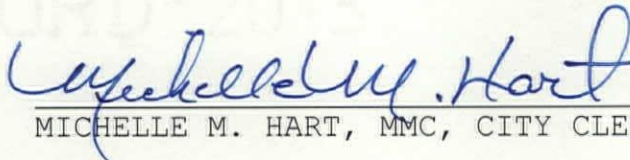
Section 5. Effective Date. This resolution shall take effect upon adoption of the Redmond City Council.

ADOPTED by the Redmond City Council this 3rd day of October,
2017.

CITY OF REDMOND


HANK MARGESON, MAYOR PRO TEM

ATTEST:


MICHELLE M. HART, MMC, CITY CLERK

(SEAL)

FILED WITH THE CITY CLERK: September 19, 2017
PASSED BY THE CITY COUNCIL: October 3, 2017
RESOLUTION NO. 1481

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

**Summary of 2018 Benefit Recommendations/Modifications
Proposed for Redmond Medical Plan, Flexible Spending Account & Life Insurance**

Source	Type of Change	Effective Date	Description	Purpose	Cost Impact	EBAC Recommendation	HR Recommendation
HMA Recommendation	Benefit Enhancement - Medical Plan	January 1, 2018	Palliative Care – Expand coverage for Palliative Care beyond the hospice benefit.	This is a treatment that is currently covered only under hospice care. Palliative Care is now a treatment that is utilized in the medical field outside of hospice care. Language will clarify plan intent and allow for this treatment outside of hospice, which would expand this benefit, if medically necessary.	There would be minimal cost impact and we could see savings in the plan because costs for palliative care at hospice are around \$313 on average where the same care outside of hospice is on average around \$142.	Yes	Yes
HMA Recommendation	Benefit Enhancement - Medical Plan	January 1, 2018	Cabulance– Expand coverage to allow for ground cabulance services.	The Plan currently only covers ground and air ambulance services. Cabulance is a non-emergent type of transportation for patients and is a newer benefit in the market. Language will clarify plan intent and expand the benefit if medically necessary.	There would be minimal cost impact and we could see savings in the plan because costs for cabulance services are on average \$85, ambulance can be anywhere from \$300-\$500.	Yes	Yes
HMA Recommendation	Benefit Enhancement - Medical Plan	January 1, 2018	Prosthetic Appliances – Expand coverage to allow for additional prosthetics when medically necessary.	The plan currently states limits on the number of replacements or is silent on replacement. This change would minimize member disruption for medically necessary appliance replacements.	Costs are hard to determine as we do not have a large number of claims in this area. Any prosthetic device that is over \$2000 must be reviewed for medically necessity.	Yes	Yes
HMA Recommendation	Benefit Enhancement - Medical Plan	January 1, 2018	Specialty Pharmacy – Add language that directs certain specialty drugs that can be self-administered through the pharmacy plan.	If covered under the medical plan the cost of the medication and administrative costs can be more expensive because the Plan typically receives deeper discounts through our pharmacy plan.	This should reduce plan and member spending as the costs for the medication are typically less expensive under the pharmacy plan because of the discounts we receive with CVS.	Yes	Yes
HMA Recommendation	Benefit Enhancement - Medical Plan	January 1, 2018	Cochlear Implants/BAHA – Remove language from the hearing aid benefit section and add it to the prosthetic section.	The language on cochlear implants/Bone Anchored Hearing Aid (BAHA) is in the hearing aid benefit, this limits coverage to \$900. Cochlear implants and BAHA are not considered hearing aids in the industry.	The cost increase for this change is hard to determine because it is not a highly utilized benefit. If services were received, this will increase coverage for members and will increase costs for the plan because current coverage is limited to \$900 and the cost for this service is around \$30,000.	Yes	Yes

HMA Recommendation - Medical Plan	Benefit Enhancement	January 1, 2018	Fertility Preservation – Add coverage for preservation of fertility if medically necessary with a lifetime limit of \$20,000.	HMA is beginning to see some clients add coverage for fertility preservation if medically necessary (i.e. possible sterility caused by cancer treatment), but it is not yet considered a "standard" benefit.	Costs for male patients is around \$1000-\$2000 and for female patients is around \$12,000 to \$18,000. It is hard to determine cost impacts to the plan, but adding a lifetime limit will help to control costs.	Yes	Yes
EBAC Recommendation	Benefit Enhancement - Medical Plan	January 1, 2018	Add Massage and Acupuncture Benefits with visit limits to mirror the Kaiser Plan. Massage Therapy would have a 12 visit limit and would require a prescription and Acupuncture would have an 8 visit limit.	To match plan design for RedMed to the Kaiser Plan and to align with the State Plan as well.	Will increase rates by approximately .41 - .87% (Massage) and .15 - .2% (for acupuncture). This would cost approximately \$6,800 from employee contributions and \$80,000 from City contributions on an annual basis.	Yes	Yes
EBAC Recommendation	Benefit Enhancement - Dental Plan	January 1, 2018	Increase Dental maximum to \$2,500.	The current Dental maximum is \$2,000. The median for this benefit among benchmark plans is \$1,200. 8% of members currently max out this benefit.	Increasing the maximum to \$2,500 would increase the Dental Plan rates by 3.5%. This would cost approximately \$6,200 from employee contributions and \$47,000 from City contributions.	Yes	Yes
EBAC Recommendation	Benefit Enhancement - Vision Plan	January 1, 2018	Increase Vision Hardware Maximum to \$300	The current Vision Hardware Maximum is \$250. The median for this benefit among benchmark plans is \$130. 64% of members currently max out this benefit.	Increasing the maximum to \$300 would increase the Vision Plan rates by 26%. This would cost approximately \$4,300 from employee contributions and \$43,000 from City contributions.	Yes	Yes
EBAC Recommendation	Benefit Enhancement - Vision Plan	January 1, 2018	Change coverage in the Vision Plan from an 80%/20% cost share for an exam and the hardware allowance to covered at 100% up to the plan maximum.	Administrative ease for employees.	Will increase rates by approximately 12% (exam) and .6% (for hardware). This would cost approximately \$3,200 from employee contributions and \$31,500 from City contributions on an annual basis.	Yes	Yes
EBAC Recommendation	Benefit Enhancement - EAP Plan	January 1, 2018	Increase the assessment/counseling sessions (per employee/dependent, per issue) to eight (8) visits.	The plan currently offer three (3) sessions per employee/dependent, per issue. Through discussion with the Peer Support teams for Police and Fire, there is a need to increase services for mental health. In these discussions and in relation to recent events, it is being recommended for all employees City wide.	This would increase the EAP costs by approximately \$8,500 annually. This could have an impact on decreasing out-of-pocket costs to employees and claims in the RedMed plan if employees run services through the EAP as opposed to the RedMed plan.	Yes	Yes