

**CITY OF REDMOND
RESOLUTION NO. 1504**

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. 1481 and referenced in Section 8.30 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 and execute any contracts and/or agreements to do so.

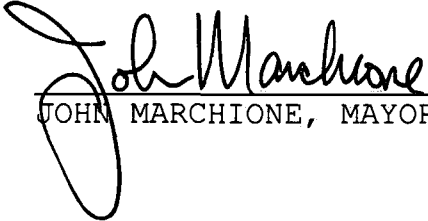
Section 3. Effective Date of Benefit Changes. The effective date of the benefits adopted by this resolution shall be January 1, 2019.

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 2nd day of October,
2018.

CITY OF REDMOND



JOHN MARCHIONE, MAYOR

ATTEST:



MICHELLE M. HART, MMC, CITY CLERK

(SEAL)

FILED WITH THE CITY CLERK: September 18, 2018
PASSED BY THE CITY COUNCIL: October 2, 2018
RESOLUTION NO. 1504

YES: ANDERSON, BIRNEY, CARSON, FIELDS, MARGESON, MYERS, PADHYE

**Summary of 2019 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
Gallagher Recommendation	Benefit Enhancement - Medical Plan	January 1, 2019	Remove reimbursement feature from retail prescriptions (discount applied at point of sale) and remove separate Mail Order out-of-pocket maximum	This is an outdated plan design that causes confusion, administrative burden, and inability to offer a FSA Debit Card. Having this plan feature will likely cause third-party administrators to decline to bid on our business. In order to allow for better member experience and administrative ease, if we were to eliminate the reimbursement feature on retail prescriptions, we would also want to combine the out-of-pocket limits in our plan designs. This would allow Caremark to administer both the retail and mail order benefits.	The estimated impact is an increase of .25%. This equates to \$20,000/yr or \$3.26 per employee per month.	Yes	Yes
HMA/Gallagher Recommendation	Benefit Enhancement - Medical Plan	January 1, 2019	Add MDLive Telehealth Services	Telehealth is becoming a more common benefit in the industry and can potentially reduce the number of unnecessary emergency room and urgent care visits. There were 14 visits to the emergency room and 91 visits to urgent care that could have been handled with an MDLive visit.	MDLive has a per employee per month charge of \$1.30. This is an annual cost of approximately \$8,000. It is possible that in the long run this benefit could save money as the cost for an MDLive visit on average costs \$38 where an emergency room visit on average costs \$821 and urgent care costs \$229.	Yes	Yes
HMA Recommendation	Benefit Enhancement - Medical Plan	January 1, 2019	Add coverage for non-surgical treatment for obesity	This coverage is becoming a standard in the industry and is being recommended by the Centers for Medicare and Medicaid Services as well as the Centers for Disease Control and Prevention. They have concluded that behavioral therapy for patients who are obese can prevent obesity-related illness or disability.	The financial impact of this change cannot be determined. A typical course of treatment runs around \$247. This is typically offset by the plan savings due to increased health of the patient.	Yes	Yes

EBAC Recommendation	Benefit Enhancement - Dental/Vision Plan	January 1, 2019	Unbundle Dental and Vision	This is the number one question we received during open enrollment in 2017. Most employers offer the option to select these coverage as separate benefits.	In order to cost the impact of this change we could assume increased enrollment in the plans. Below illustrates the cost increase to the City : Assuming 10% increase on dental = \$112,935 & on vision = \$25,496 Assuming 20% increase on dental = \$223,586 & on vision = \$50,560	Yes	Yes
EBAC Recommendation	Benefit Enhancement - Vision Plan	January 1, 2019	Add coverage for LASIK to the Vision plan	The question was asked if adding LASIK benefits could reduce future costs in the plan because the patient would have reduced future claims due to no longer needing glasses or contacts.	Adding LASIK would have an estimated increase in costs to the plan as illustrated below: Assuming \$500 lifetime benefit = \$10,000/yr or \$1.30 PEPM Assuming \$750 lifetime benefit = \$15,000/yr or \$1.94 PEPM	No	No