

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to City Budget Office. Retain copy.)

| | | | |
|---------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| 1. Name of Initiator Anna Kanwit (Cathy Bless) | | 2. Telephone No. 503-823-5207 | 3. Bureau/Office/Dept. OMF/Bureau of Human Resources |
| 4a. To be filed (hearing date): May 29, 2013 | 4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/> | | 5. Date Submitted to Commissioner's office and CBO Budget Analyst: May 15, 2013 |
| 6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed | | 6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed | |

1) Legislation Title:

*Amend the City of Portland Health Plan and the City of Portland Cafeteria Plan to reflect necessary plan administrative and design changes as recommended by the Labor Management Benefits Committee (LMBC) and requested by BHR for the City's self-insured plans beginning July 1, 2013.

2) Purpose of the Proposed Legislation:

Establish the 2013-14 City of Portland Health Plan. The Plan Document identifies the provisions and plan design of the City's self-insured health plans. The Plan Document outlines the CityCore benefit plan design changes recommended by the Labor Management Benefits Committee (LMBC) and requested by BHR effective July 1, 2013.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)? N/A (Internal City Government Services)

- | | | | |
|---------------------------------------------|------------------------------------|------------------------------------|--------------------------------|
| <input type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source. NO

5) **Expense:** What are the costs to the City as a result of this legislation? What is the source of funding for the expense? The Health Fund includes the appropriation in support of the costs associated with the self-insured plans. All expected costs are budgeted as part of existing and newly adopted contracts with program vendors.

6) **Staffing Requirements:**

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? NO
- Will positions be created or eliminated in *future years* as a result of this legislation? NO

(Complete the following section only if an amendment to the budget is proposed.)

7) **Change in Appropriations** *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

| Fund | Fund Center | Commitment Item | Functional Area | Funded Program | Grant | Sponsored Program | Amount |
|------|-------------|-----------------|-----------------|----------------|-------|-------------------|--------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☐ YES: Please proceed to Question #9.

☒ NO: Please, explain why below; and proceed to Question #10.

This action is largely internal to City government processes.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

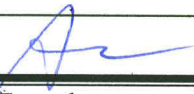
c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not. NO. This action is largely internal to City government processes.

Anna Kanwit, Bureau Director



APPROPRIATION UNIT HEAD (Typed name and signature)



City of Portland
Bureau of
Human Resources
Knowledgeable | Helpful | Responsive

186058
Anna Kanwit, Director
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Portland, Oregon 97204-1912
(503) 823-3572
Fax (503) 823-4156

Office of Management and Finance

Jack D. Graham, Chief Administrative Officer

DATE: May 16, 2013

TO: Mayor Charlie Hales

FROM: Anna Kanwit, Human Resources Director

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

RE: ORDINANCE TITLE: *Amend the City of Portland Health Plan and the City of Portland Cafeteria Plan to reflect necessary plan administrative and design changes as recommended by the Labor Management Benefits Committee (LMBC) and requested by BHR for the City's self-insured plans beginning July 1, 2013. (Ordinance)

1. INTENDED THURSDAY FILING DATE: May 23, 2012

2. REQUESTED COUNCIL AGENDA DATE: May 29, 2013

3. CONTACT NAME & NUMBER: Cathy Bless, 503-823-5207

4. PLACE ON: CONSENT X REGULAR

5. BUDGET IMPACT STATEMENT ATTACHED: X Y N N/A

6. (3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED: Yes No X N/A

7. BACKGROUND/ANALYSIS

As part of the annual enrollment process the attached Ordinance is being filed to establish the 2013-14 City of Portland Health Plan. The Plan Document identifies the provisions of the Cafeteria Plan and plan design of the City's self-insured health plans. The Plan Document outlines the CityCore benefit plan design changes recommended by the Labor Management Benefits Committee (LMBC) effective July 1, 2013. A summary of the plan changes is attached. The changes recommended by the LMBC are expected to reduce the increase in plan cost. In addition to the plan changes, applicable language was updated to provide for required changes under the Health Care and Education and Affordability Reconciliation Act of 2010.

8. FINANCIAL IMPACT

The Health Fund includes the appropriation in support of the costs associated with the self-insured plans. All expected costs are budgeted as part of existing contracts with program vendors.

9. RECOMMENDATION/ACTION REQUESTED

I recommend that the Mayor and City Council approve this ordinance.

Charlie Hales, Mayor

We are an equal opportunity employer

Please notify the City of Portland of the need for ADA accommodations no less than five (5) days prior to any City-sponsored event by contacting the Bureau of Human Resources at 503-823-3572 or the City's TTY at 503-823-6868.



**Proposed Plan Design Changes
Plan Year 2013-14**

186058

As Recommended by the Labor Management Benefits Committee

| Current Benefit | Change To |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Deductible In-network individual deductible: \$200 In-network family deductible: \$600 Out-of-network individual deductible: \$500 Out-of-network family deductible: \$1,500 Deductible applies to out-of-pocket maximum | Deductible In-network individual deductible: \$250 In-network family deductible: \$750 Out-of-network individual deductible: \$650 Out-of-network family deductible: \$1,950 Deductible does not apply to out-of-pocket maximum |
| Out of pocket maximum In-network individual maximum: \$1,800 In-network family maximum: \$5,400 Out-of-network individual maximum: \$5,400 Out-of-network family maximum: \$16,200 Deductible applies to out-of-pocket maximum | Out of pocket maximum In-network individual maximum: \$2,250 In-network family maximum: \$6,750 Out-of-network individual maximum: \$6,750 Out-of-network family maximum: \$20,250 Deductible applies to out-of-pocket maximum |
| Co-pays (in-network) Primary care office visit co-pay: \$15.00 Specialty care office visit co-pay: \$15.00 Urgent care office visit co-pay: \$15.00 Advanced imaging co-pay: \$25.00 Emergency room co-pay: \$100.00 (waived if admitted) | Co-pays (in-network) Primary care office visit co-pay: \$20.00 Specialty care office visit co-pay: \$35.00 Urgent care office visit co-pay: \$35.00 Advanced imaging co-pay: \$75.00 Emergency room co-pay: \$200.00 (waived if admitted) |
| Prescription Plan In-network minimum co-pay for preferred brand drugs: \$5.00 In-network minimum co-pay for non-preferred brand drugs: \$5.00 Angiotensin receptor blocker (ARB) medication for high blood pressure brand drugs subject to 70 to 80% coverage with maximum copays of \$50 to \$75 Erectile dysfunction medications up to 30 pills per month | Prescription Plan In-network minimum co-pay for preferred brand drugs: \$10.00 In-network minimum co-pay for non-preferred brand drugs: \$25.00 Participant will pay copay and the difference between generic and brand drug. Erectile dysfunction medications up to 8 pills per month |