

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, 14 2014	4b. Calendar (Check One)  Regular    Consent    4/5ths <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to Commissioner's office and CBO Budget Analyst: April 30, 2014
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 six health and welfare contracts administered by the Bureau of Human Resources, Benefits and Wellness office effective July 1, 2014 through June 30, 2019. (Ordinance)

**2) Purpose of the Proposed Legislation:**

Maintain employee health and welfare administrative service agreements by implementing contract amendments effective July 1, 2014 through June 30, 2019.

**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)? NA**

- |   |                                    |                                    |                                |
|---|------------------------------------|------------------------------------|--------------------------------|
| <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? (Please include costs in the current fiscal year as well as costs in future year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. If the action is related to a grant or contract please include the local contribution or

match required. If there is a project estimate, please identify the **level of confidence**.)

Budgeted costs for the self-insured plans are funded through fiscal Year 2014-15 appropriations within the Health Fund. Insured plan costs are funded through fiscal Year 2014-15 appropriations within the Payroll Clearing Fund. Future costs are included in the OMF Budget 5-Year forecast within the Health fund and are as follows:

Health Fund

Vendor	2014-15	2015-16 Forecast	2016-2017 Forecast	2017-2018 Forecast	2018-2019 Forecast
Moda Health Plan (self-insured medical, dental and administrative services)	\$55,789,340	\$57,447,285	\$59,154,544	\$60,912,584	\$62,711,555
BenefitHelp Solutions (Administration and Plan Elections)	\$4,095,000	\$4,100,000	\$4,100,000	\$4,100,000	\$4,105,000

Payroll Clearing Fund

Vendor	2014-15	2015-16 Forecast	2016-2017 Forecast	2017-2018 Forecast	2018-2019 Forecast
Kaiser (med & dental)	\$35,000,000	\$35,000,000	\$35,000,000	\$35,000,000	\$35,000,000
Vision Service Plan	\$525,000	\$525,000	\$650,000	\$650,000	\$650,000
Moda Health Plan (CityNet)	\$13,500,000	\$15,000,000	\$17,000,000	\$18,500,000	\$21,000,000
ODS Companies (Insured Dental)	\$1,225,000	\$1,225,000	\$1,225,000	\$1,225,000	\$1,500,000

**6) Staffing Requirements:**

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** (If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.) 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.)*

<b>Fund</b>	<b>Fund Center</b>	<b>Commitment Item</b>	<b>Functional Area</b>	<b>Funded Program</b>	<b>Grant</b>	<b>Sponsored Program</b>	<b>Amount</b>

**[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.

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

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

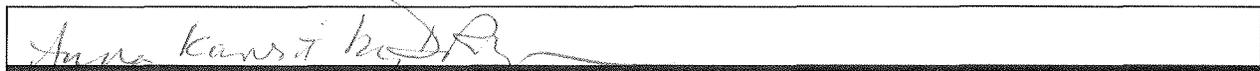
**b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?**

**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, these are internal programs used to support employee health and welfare**



APPROPRIATION UNIT HEAD (Anna Kanwit, Human Resource Director)



Office of Management and Finance

Fred Miller, Interim Chief Administrative Officer

**DATE:** April 30, 2014

**TO:** Mayor Charlie Hales

**FROM:** Anna Kanwit, Human Resources Director

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison \_\_\_\_\_

*Anna Kanwit*

**RE: ORDINANCE TITLE:** \*Amend six health and welfare contracts administered by the Bureau of Human Resources, Benefits and Wellness office effective July 1, 2014 through June 30, 2019. (Ordinance)

1. **INTENDED THURSDAY FILING DATE:** May 8, 2014
2. **REQUESTED COUNCIL AGENDA DATE:** May 14, 2014
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**

In order to maintain employee health and welfare administrative service agreements it is deemed appropriate and necessary to amend existing contracts with the City's healthcare providers effective July 1, 2014 through June 30, 2019. The following contracts are to be extended:

- A. Kaiser Permanente Northwest (HMO medical, dental and vision services)
- B. Vision Service Plan (Insured Vision plan for all groups)
- C. Moda Health Plan, Inc. (formally ODS Companies) Third Party Administrative Services
- D. Moda Health Plan, Inc. (formally ODS Companies) Insured Medical Plans for PPA
- E. ODS Companies Insured Dental Plan Services for PPA
- F. BenefitHelp Solutions (a subsidiary of Moda Health) for Flexible Spending Account services

Additionally, this packet of amendments includes an amendment that formally changes the ODS Companies, Inc. to Moda Health Plan, Inc. as appropriate. The amendments signify the importance of keeping employee benefit plan program offerings stable as the Affordable Care Act (ACA) required provisions are implemented in the coming years.

**8. FINANCIAL IMPACT**

The Health Fund and the Payroll Clearing Fund includes the appropriation in support of the costs associated with the City of Portland Employee Benefits Program. 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.

