

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 the City of Portland Employee Benefits Program to reflect necessary plan design changes as recommended by the Labor Management Benefits Committee (LMBC) and as administratively required by BHR for the City's self-insured and insured plan offerings beginning July 1, 2014. (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)?

- | | | | |
|---|------------------------------------|------------------------------------|--------------------------------|
| <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**.)*

The Health Fund and Payroll Clearing Fund includes the appropriation in support of the costs associated with the City of Portland Employee Benefit Program. 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?** *(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.)*

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.

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

186570

DATE: April 30, 2014

TO: Mayor Charlie Hales

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

FROM: Anna Kanwit, Human Resources Director

Anna Kanwit

RE: ORDINANCE TITLE: * Amend the City of Portland Employee Benefits Program to reflect necessary plan design changes as recommended by the Labor Management Benefits Committee (LMBC) and as administratively required by BHR for the City's self-insured and insured plan offerings beginning July 1, 2014. (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 ☒ REGULAR

5. BUDGET IMPACT STATEMENT ATTACHED: ☒ Y ☐ N ☐ N/A

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

7. BACKGROUND/ANALYSIS

As part of the annual enrollment process the attached Ordinance is being filed to establish the 2014-15 City of Portland Employee Benefits Program. The Document identifies the provisions of the Cafeteria Plan and the City's self-insured and insured benefit program offerings. The attached documents outline the CityCore benefit plan design changes recommended by the Labor Management Benefits Committee (LMBC) effective July 1, 2014. The changes recommended by the LMBC are expected to balance the increase in plan costs associated with required ACA plan design changes. The attached documents also outline mandated changes required by the Affordable Care Act (ACA) for all groups and new changes allowed for Medical Expense Reimbursement Accounts (MERP).

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.





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Office of Management and Finance

Fred Miller, Interim Chief Administrative Officer

BENEFITS & WELLNESS ANNUAL ENROLLMENT

For BOEC, COPPEA, DCTU, PFFA, PPCOA, Local 189-H (Housing), Recreation and Non-Represented Employees

WHAT'S NEW for 2014-15?

It's time once again for Benefits & Wellness Annual Enrollment, when you have the opportunity to review your benefit elections, determine your flexible spending account contributions for the plan year, and change health plans if you choose to do so. Following is a summary of some of the important changes made this year.

New Benefits Highlights and Summary Plan Document (SPD)

This year you've received the new Benefits Highlights brochure in your annual enrollment packet that includes essential information about the plans—benefits, costs and eligibility/enrollment, without getting bogged down in too much detail. If you want details, those are still available in the SPD, which you can review online at www.portlandoregon.gov/benefits.

One Continuous Enrollment Period – May 16th through June 16th

Our annual enrollment period has been changed to one continuous period beginning Friday, May 16th and ending Monday, June 16th. We will no longer have two separate windows for enrollment. Please be sure to complete your enrollment (if you are making changes and/or participating in the flexible spending accounts) by **June 16, 2014** at 9:00p.m.PST. If you do not go online to make changes, you will continue to be enrolled in your current plans, with the exception of the flexible spending accounts (MERP & DCAP) which must be elected each year if you want to participate.

Medical Expense Reimbursement Plan (MERP)

Please see the enclosed flyer for details about the new provision that will allow you to carry over up to \$500 of unused funds into the plan year beginning July 1, 2015.

Independent Dental Plan Elections

Effective July 1, you can make an independent election for dental coverage. That is, you will no longer be required to elect dental if you have enrolled in a medical plan. You will continue to have two dental plan options (ODS and Kaiser), with a third option to waive dental coverage. If you elect dental coverage, the tier (single, two-party or family) must match your election for the medical plan. If you waive the dental coverage you are waiving coverage for yourself and all family members. You will not receive opt-out dollars for waiving dental coverage.

Charlie Hales, Mayor

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CityCore Plan Changes

- **Out of pocket maximum** – Currently deductible, office visit or prescription copays do not get applied towards the annual out of pocket maximum. Beginning July 1, 2014, with the exception of the prescription copays, all other copays and the deductible will apply to the out of pocket maximum, along with any co-insurance amounts already counting towards the maximum. The maximum has been increased to \$3,500 per person (\$10,500 family) in-network and \$10,500 per person (\$31,500 family) out of network.
- **Chiropractic visits** – Currently the plan requires pre-authorization for more than 20 visits and, if approved, allows up to 35 visits per plan year. Beginning July 1, 2014, no pre-authorization will be required for chiropractic visits. The maximum number of chiropractic visits will be limited to 28 in each plan year.
- **Oral surgery benefit removed**—The \$500 dental benefit provided under the medical plan has been removed. All dental services, including oral surgery will be processed under the dental plan.
- **End Stage Renal Disease (ESRD) Program**—This program will allow CityCore plan participants to gain access to Medicare discounts on dialysis claims while the City's plan is the primary payor. The program will include a reimbursement back to the participant of their Part B Medicare premium.
- **Mandated changes as a result of the Affordable Care Act (ACA):** Along with the changes related to copays, deductibles and oral surgery, there are a number of language changes and plan refinements that become effective July 1, 2014 in order to comply with the ACA. All changes are included in the SPD, which you can view by going online at www.portlandoregon.gov/benefits

ODS Dental Plan changes

- **Pediatric Essential Health Benefit**—Annual maximums will not apply to coverage for necessary services for children under age 19.
- **ViziLite Plus TBlue** is no longer a covered benefit.

Kaiser Permanente Plan Changes

- **Physical therapy** visits are changing from a \$10 copay to \$20 per visit.
- **Mandated changes as a result of the Affordable Care Act (ACA):** There are a number of language changes and plan refinements that become effective July 1, 2014 in order to comply with the ACA. All changes are included in the SPD, which you can view by going online at www.portlandoregon.gov/benefits

Don't forget, if you want to participate in the flexible spending accounts (MERP and/or DCAP) beginning July 1, you must enroll. If you don't re-enroll for this new plan year, your participation ends June 30, 2014. There is no carryover of unused MERP funds allowed for the plan year ending June 30, 2014.

Please review the enclosed materials carefully and contact the Benefits & Wellness Office at 503-823-6031 if you have any questions.



BENEFITS & WELLNESS ANNUAL ENROLLMENT

PPA

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CityNet Plan Changes

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