



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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TRANSMITTAL LETTER FOR BOARD MEETING OF MAY 5, 2016

COMMITTEE ON PENSION, HUMAN RESOURCES AND CIVIL SERVICE

Mr. David St. Pierre, Executive Director

Report on Benefits Plan Year for Medical, Prescription Drug and Dental Insurance for employees and retirees, Account 101-25000-601250

Dear Sir:

As discussed with the Board of Commissioners during the recent study sessions on retiree benefits, the District will be changing its benefits plan year to a calendar year basis effective January 1, 2017 for active employees and retirees. The current benefits plan year begins on July 1st and ends on June 30th of each year.

In order to accomplish this, the District will have a 6-month plan year beginning July 1, 2016 and ending December 31, 2016. The open enrollment period for this plan year will be from May 1 - 31, 2016 as is standard for the District. A second open enrollment period will be held in October or November 2016 for the new calendar plan year that will start January 1, 2017. The second open enrollment period will provide employees and retirees an opportunity to make any necessary changes to their benefits for the 2017 calendar year.

The District currently contracts with Blue Cross Blue Shield, a division of Health Care Services Corporation, for its PPO and HMO plans and with Envision Rx Options for its prescription drug coverage. Blue Cross Blue Shield is also the District's vendor for the dental insurance contract. These contracts are currently scheduled to end on June 30, 2017.

It will be important to align the terms of each insurance contract with the new plan year going forward. As such, the District will be terminating the existing contracts on December 31, 2016. It will be advertising a new contract for health insurance, including medical and prescription drug coverage, at the direction of the Board of

Commissioners. This request for proposal will be structured to include traditional PPO and HMO coverage for employees and retirees but will also allow carriers to propose a Medicare Advantage Plan with prescription drug coverage for the Medicare-eligible population. The tentative date for this advertisement is May 4, 2016. The District will also be advertising a new contract for dental insurance. The tentative date for this advertisement is May 18, 2016. The start date of both contracts will be January 1, 2017, consistent with the new plan year, with an end date of December 31, 2019.

Respectfully Submitted, Denice E. Korcal, Director of Human Resources