



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF NOVEMBER 18, 2010

COMMITTEE ON PENSION, HUMAN RESOURCES AND CIVIL SERVICE

Mr. Richard Lanyon, Executive Director

Requesting Approval to Change Health Care Benefits for Non-Represented Employees

Dear Sir:

Following discussion at the August 12, 2010 and October 14, 2010 study sessions, the November 4, 2010 Committee on Budget and Employment hearings and suggestions received from employees, two changes are recommended to the health care benefits received by non-represented employees. The changes would be effective January 1, 2011. Total annual savings represented by these recommendations is approximately \$333,673.

1. Employee Contributions: It is recommended that non-represented employee contributions for health care be increased to 13%. Estimated annual savings to the District would be \$149,399.

The Bureau of Labor Statistics (BLS) reported in December 2009 that its surveys reveal that state and local government employers charge employees an average of 10% for single health care coverage and an average of 27% for family health care coverage. BLS also reported that private employers in the U.S. charge an average of 20% for single health care coverage and 30% for family health care coverage. Similar employee contribution information has been reported by the Kaiser Family Foundation and Segal Consultants.

Approval is requested to implement a policy of a 13% contribution for health care coverage for non-represented employees, effective January 1, 2011. The actual monthly employee contributions taking effect on January 1, 2011 will be calculated based on actual claims experience for the twelve-month period ending September 30, 2010.

2. Blue Cross/Blue Shield PPO Deductible: It is recommended that the Blue Cross/Blue Shield PPO annual deductible for non-represented employees and retirees be increased to \$300 single/\$600 couple/\$900 family. Estimated annual savings to the District would be \$184,274.

No change in the out-of-pocket annual maximum is recommended.

To encourage preventive care, effective January 1, 2009, wellness benefits were added to the Blue Cross/Blue Shield PPO. Wellness benefits include routine annual physicals and immunizations, well baby care, mammograms and other preventive care benefits. Wellness benefits are not subject to deductibles. Since no change to wellness benefits is recommended, increased deductibles are not expected to impact employee access to preventive health care.

Approval is requested to implement a policy of a \$300 single/\$600 couple/\$900 family deductible for non-represented employees and retirees, effective January 1, 2011.

Requested, Denice E. Korcal, Director of Human Resources

Respectfully Submitted, Gloria Alitto Majewski, Chairman Committee on Pension, Human Resources and Civil Service

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for November 18, 2010