



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 JANUARY 20, 2022

COMMITTEE ON PENSION, HUMAN RESOURCES AND CIVIL SERVICE

Mr. Brian A. Perkovich, Executive Director

Authority to amend health insurance benefits for non-represented employees and non-Medicare eligible retirees effective April 1, 2022

Dear Sir:

The Board of Commissioners recently approved collective bargaining agreements between the District and its union partners. These collective bargaining agreements included several changes to the health insurance benefits offered to represented employees. The changes include the following:

Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO)

The PPO and HMO plans currently include an emergency room co-pay of \$100.00. The co-pay helps ensure that members are utilizing these services for emergencies as intended and not for services that could be better provided by a primary care physician. This co-pay is refunded if the employee is admitted to the hospital as a result of the emergency room visit. This co-pay has remained unchanged since 2015 while the average cost of an emergency room visit has increased approximately 18% during that same period. Under the new collective bargaining agreements, the emergency room co-pay will be increased to \$125.00 per visit.

Prescription Drug Coverage

The new collective bargaining agreements include a transition from the standard Blue Cross Blue Shield of Illinois Drug List to the Balanced Drug List as the District's prescription drug formulary. The Balanced Drug List is a more closely managed drug list that seeks to optimize brand rebates through select formulary exclusions where clinically appropriate formulary alternatives are available. It further maximizes the effectiveness of the formulary by leveraging generic drugs and over-the-counter options. Communications will be sent to members impacted by the change approximately 60 days in advance of the change. Members will be allowed a one-time transitional refill for an impacted drug to provide the member with time to work with their health care provider or pharmacy to transition to a covered alternative. Clinical reviews are available for members with medical necessity for a drug excluded by the new formulary.

In an effort to maintain consistency in the benefits offered to employees, it is recommended that these changes are also implemented for non-represented employees and non-Medicare eligible retirees. Changes would be implemented for both represented and non-represented employees effective April 1, 2022.

Authorization is requested to implement these changes to the health benefits for non-represented employees and non-Medicare eligible retirees as outlined above.

Recommended, Beverly K. Sanders, Director of Human Resources

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for January 20, 2022