

## Attachment (BSD6 Revised)

### **MOTION: HEALTH BENEFIT PROGRAM RECOMMENDATION TO THE BOARD OF TRUSTEES**

**WHEREAS**, In recent years LACCD Health Insurance providers have been raising the premiums for LACCD health insurance plans by double digit percentages, causing these premiums to soar to levels that could not be sustained;

**WHEREAS**, Last year, all LACCD unions approved the incorporation into their bargaining agreements of a Master Benefits Agreement with the District, authorizing the JLMBC to recommend plan changes to the Board of Trustees by April 30, 2003, that would “materially reduce” the increase in district premiums for the second year of the current contract;

**WHERE AS**, The JLMBC with the assistance of committee consultant, John Fickewirth has designed restructured health plans to recommend to the Board of Trustees.

#### **BE IT RESOLVED THAT**

The JLMBC recommends the adoption of this health benefit program for the 2003-2004 plan year and that negotiations for health benefits be reopened for 2004-2005 plan year as required by the Master Benefits Agreement. The highlights of these plan changes are:

- Initiation of Blue Cross California Care, which generally provides 100% coverage, with no annual deductible and a \$5 office visit co-payment structure in an HMO format.\*
- Merger of the Plus and Classic plans into a Blue Cross PPO, which preserves member-managed care in the extensive Blue Cross network with current coverage levels after a \$200 per individual and \$600 per family annual deductible, and a \$10 office visit copay.
- Modification of the Kaiser program with a \$5 office visit co-pay and a \$50 Emergency Room co-pay, \$0 Urgent Care co-pay, and the maintenance of the current Senior Advantage no co-pay level.
- Modification of the Blue Cross Pharmacy co-pay structure for PPO and HMO plans at \$5 generic, \$15 brand and \$35 non-formulary.
- Modification of the Kaiser Pharmacy non-Medicare co-pay at \$5 generic and \$15 brand; continuing Senior Advantage at no co-pay.
- Blue Cross dental program will extend the schedule of years of service annual maximums to all eligible retirees.
- Cigna program will not be renewed\*\*.

Be it further resolved that the JLMBC recommends that should migration by the employees between medical plans generate premium savings, these savings should be collected in a benefit reserve account.

\*Current rate for California Care is dependent on a minimum 15% migration into the plan from other plans.

\*\* Due to low enrollment.