



Agenda Item No. (5)

To: Rules, Policy and Industrial Relations Committee/Committee of the Whole Meeting of August 27, 2021

From: Kellee J. Hopper, Deputy General Manager, Administration and Development
 Denis J. Mulligan, General Manager

Subject: **AUTHORIZE ACTIONS RELATIVE TO THE MEDICAL BENEFITS PROGRAM FOR NON-REPRESENTATIVE EMPLOYEES, DEPUTY GENERAL MANAGERS AND DISTRICT OFFICERS, AND RETIREES**

Recommendation

The Rules, Policy and Industrial Relations Committee recommends that the Board of Directors approve an adjustment in the Golden Gate Bridge, Highway and Transportation District’s (District) District’s medical benefits program effective January 1, 2022, for non-represented employees, Deputy General Managers, District Officers, and retirees, as described below:

1. Stipulate that the District will provide an annual stipend to participants who enroll in PERS Kaiser or PERS Gold;
2. Modify the District-paid annual stipend amounts for participants enrolled in CalPERS Kaiser or PERS Gold at \$1,000 for employee only coverage, \$2,000 employee plus one coverage, and \$3,000 for family coverage;
3. Modify the annual District-paid Health Reimbursement Arrangement (HRA) funding amounts for individuals enrolled in the following plans; and,

Medical Plan	Employee Only	Employee + One	Family
PERS Kaiser	\$1,500	\$3,000	\$3,000
PERS Gold	\$3,500	\$7,000	\$7,000
PERS Platinum	\$2,500	\$5,000	\$5,000

4. Modify the policy that newly hired non-represented employees must be enrolled in PERS Kaiser or PERS Gold for at least two Open Enrollment periods following their date of hire.

This matter will be presented to the Board of Directors at its August 27, 2021, meeting for appropriate action.

Summary

On January 1, 2021, non-represented employees, District Officers and Board of Directors (along with the Amalgamated Transit Union), transitioned medical coverage to the CalPERS Medical System. The Coalition bargaining unit subsequently agreed to also transition to CalPERS medical effective October 1, 2021.

Recently, CalPERS announced a change to certain medical plans for 2022, which will have an effect on the District's "Magic 3¹ Plans." CalPERS has announced that they have renamed their PERS Select (plan only available in California) to PERS Gold. PERS Gold retains the same 20% coinsurance benefit design and network as PERS Select. PERS Choice and PERS Care are being combined and renamed PERS Platinum, which offers a 10% coinsurance benefit design and retains the network of PERSCare/PERS Choice.

Many policies that govern the District's medical program, such as stipends, health reimbursement account funding amounts, and premium share contributions amounts, are based on the plan in which the participant enrolls. Given the CalPERS 2022 plan changes, staff is recommending corresponding changes in the administration and policies of the medical program.

Annual Stipends

Over the last several years, negotiations with the various units have resulted in implementing different stipends for different groups. It has proven to be an administratively significant task for staff and a source of confusion when educating employees. Given that, it is recommended that the same annual stipends be given to non-represented employees who enroll in PERS Kaiser and PERS Gold. If approved, the annual stipend amount correspond with other job classifications and be as follows:

Medical Plan	Employee Only	Employee + One	Family
PERS Kaiser	\$1,000	\$2,000	\$3,000
PERS Gold	\$1,000	\$2,000	\$3,000

Annual HRA Funding Levels

It is recommended that the HRA funding levels for non-represented employees be equal to that of the Coalition for PERS Kaiser and PERS Gold. Under the existing program, the District offers an HRA account for PERS Choice but not PERS Care. With PERS Platinum, it is recommended that an HRA be established and set as equivalent to the amount of the PERS Platinum maximum deductible and coinsurance amount. This is consistent with the method in which HRA funding level was determined for PERS Gold (after deductible incentives).

¹ "Magic 3" is a District-coined used to reference PERS Kaiser, PERS Select and PERS Choice medical plans. Beginning in 2022, the "Magic 3" will be used to reference PERS Kaiser, PERS Gold and PERS Platinum, due to plan changes implemented by CalPERS.

Medical Plan	Employee Only	Employee + One	Family
PERS Kaiser	\$1,500	\$3,000	\$3,000
PERS Gold	\$3,500	\$7,000	\$7,000
PERS Platinum	\$2,500	\$5,000	\$5,000

Newly Hired Employees

To standardize medical eligibility with the bargaining units, it is recommended that newly hired eligible employees are eligible for either PERS Kaiser or PERS Gold for health coverage, and must remain in one of those plans for two Open Enrollment cycles following the date of initial employment. After those requirements are met, the employee may then elect to enroll in other available plans.

Fiscal Impact

Assuming that the non-represented employees enroll in their existing plans mapped to the new 2022 plans, it is estimated that the recommended actions will result in an additional cost of \$20,000-\$30,000. The actual amount will vary due to the variability of the number of employees, their health plan choice, actual usage of HRA funding, and the cost of their chosen health plans.

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