

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

RESOLUTION NO. 2010-051

**APPROVE ACTIONS TO EFFECTUATE COMPLIANCE
WITH THE FEDERAL MENTAL HEALTH PARITY AND
ADDICTION EQUITY ACT OF 2008**

June 11, 2010

WHEREAS, the existing group medical benefit plans (Plans) provided for employees of the Golden Gate Bridge, Highway and Transportation District (District) include HMO Plans with Blue Shield of California (Blue Shield HMO) and Kaiser Permanente (Kaiser), as well as an Employee Assistance Program; and,

WHEREAS, the Federal Mental Health Parity and Addiction Equity Act of 2008 (the Act), enacted in October 2008 and effective for the District's medical plans on July 1, 2010, requires that group health plans offering mental health or substance abuse benefits must provide those benefits on par with medical and surgical benefits, but provides an annual option to opt-out for local government self-insured PPO medical programs; and

WHEREAS, in order to bring the District's Kaiser and Blue Shield HMO medical programs into compliance with the Act, the District has identified necessary benefit adjustments to those programs at an annual cost estimated to be \$7,500.00 to \$10,000.00; and,

WHEREAS, the cost to provide mental health and substance abuse benefits on par with medical and surgical benefits for the District's self-insured PPO medical program is substantially higher than the cost of changes to the District's HMO programs, ranging from \$152,000.00 to \$173,000.00 annually; and,

WHEREAS, the Board of Directors, at its special meeting of October 30, 2009, approved the *FY 09/10 Financial Plan for Achieving Long-Term Financial Stability (Plan)* in order to help restore the District to stable financial footing; and,

WHEREAS, given the substantial cost increase, the District's difficult economic condition, and the availability of other health benefits offerings for employees, staff recommends that the District exercise its annual alternative to opt out of the parity requirements for its self-funded Blue Shield PPO program, consistent with the *Plan*; and,

WHEREAS, the Rules, Policy and Industrial Relations Committee, at its meeting of June 11, 2010, has so recommended; now, therefore, be it


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BOARD OF DIRECTORS MEETING OF JUNE 11, 2010
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RESOLVED that the Board of Directors (Board) of the Golden Gate Bridge, Highway and Transportation District (District) hereby modifies the District's HMO medical programs with Blue Shield of California and Kaiser Permanente, and its Employee Assistance Program, to comply with the new parity requirements of the Federal Mental Health Parity and Addiction Equity Act of 2008 (the Act), effective July 1, 2010; and, be it further

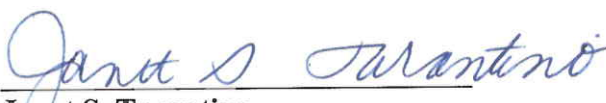
RESOLVED, that the Board hereby exercises the District's discretion to utilize an annual option to opt-out of the Act's requirements for its local government self-insured PPO medical program for the coming fiscal year, subject to further regulatory guidance from federal agencies regarding the recent health care reform legislation.

ADOPTED this 11th day of June 2010, by the following vote of the Board of Directors:

AYES (12): Directors Chu, Cochran, Elsbernd, Kerns, McGlashan, Moylan, Sanders, Snyder, Sobel and Stroeh; Second Vice President Eddie; Acting President and First Vice President Reilly
NOES (4): Directors Campos, Dufty, Grosboll and Newhouse Segal
ABSENT (3): Directors Brown and Pahre; President Boro



Janet Reilly
Acting President, Board of Directors

ATTEST: 

Janet S. Tarantino
Secretary of the District