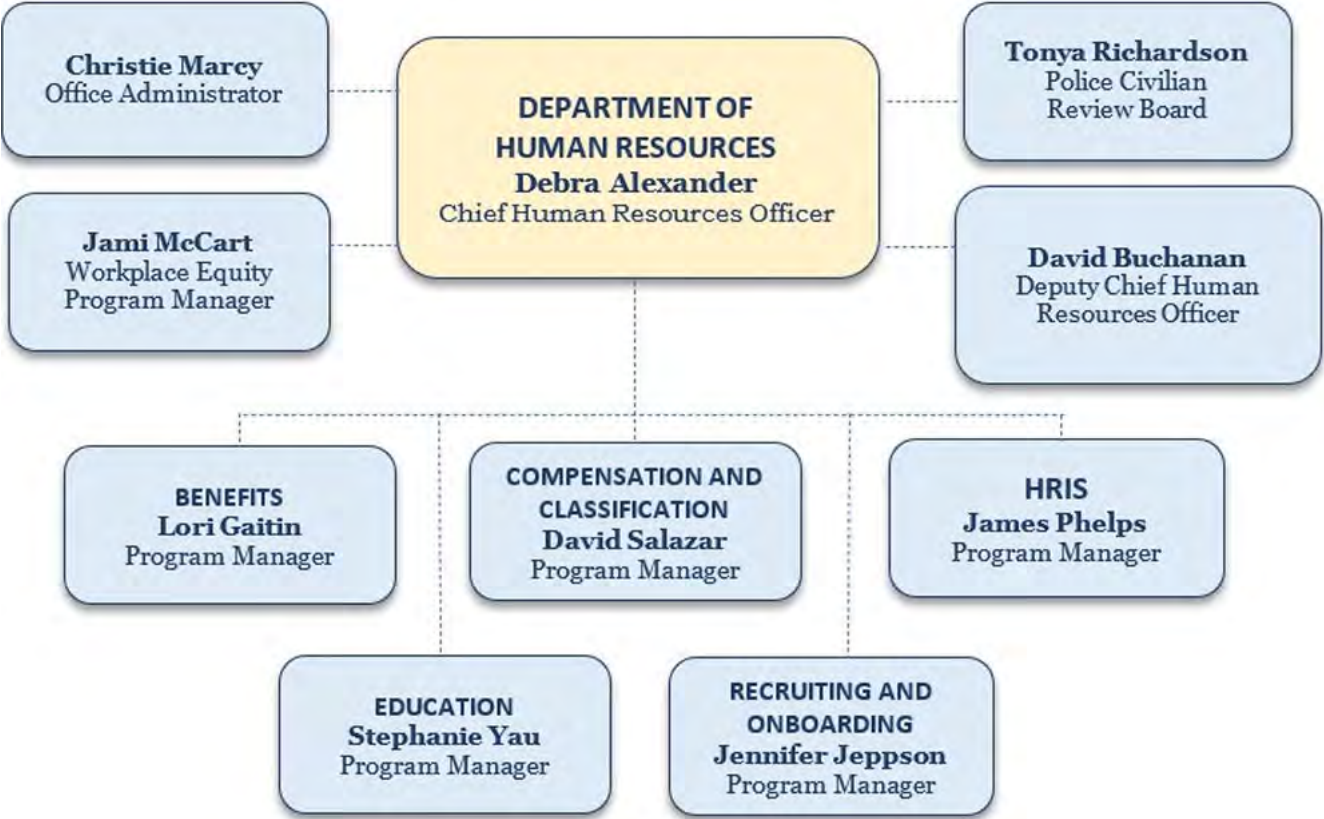


Benefits FY24-25 Budget

Presented by Deb Alexander



Organizational Chart



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Key Changes/Insights



1	PEHP Renewal
2	HSA City Share
3	URS Midtown Clinic New Benefit
4	Parental Leave Policy Changes

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INSIGHT #1: PEHP Renewal



The IRS has announced minimum deductibles for High Deductible Health Plans (HDHP) will increase from \$1500/\$3000 annually to \$1600/\$3200 annually, single or two-party/family, respectively.

This change is the latest in the ongoing (6 times) incremental changes IRS has made in the last eleven years.

As always, the choice we make about the minimum deductible affects the health insurance renewal rate, as well. Generally, the higher the deductible, the lower the premium rate.

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INSIGHT #1: PEHP Renewal



As a reminder, deductibles for each type of coverage currently are:

- \$1500 for single party
- \$3000 for two-party/family

The City contributes 50% of the deductible into the employees Health Savings Account (HSA).

In the plan year 2022 - 2023 (last available data), for all plans (single, double and family) about 50% of eligible employees met their deductible and 50% did not.

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INSIGHT #1: PEHP Renewal



Plan Participants	Met Deductible	Annual Increase		Annual Net Extra HSA to Employee
		Cost To Employee	Deductible Not Met	
Impact of \$1600/\$3200 Deductible - HSA loaded at 50% - Premium increase of 5.99%				
Single (31.6%)	297	\$67.49	643	(\$32.51)
Double (45.6%)	297	\$139.34	354	(\$60.66)
Family (64.4%)	1030	\$152.45	570	(\$47.55)
Impact of \$2000/\$4000 Deductible - HSA loaded at 50% - Premium increase of 3.66%				
Single (31.6%)	297	\$260.69	643	(\$239.31)
Double (45.6%)	297	\$524.02	354	(\$475.96)
Family (64.4%)	1030	\$532.05	570	(\$467.95)
Difference of the \$2000/\$4000 vs \$1600/\$3200				
Single (31.6%)	297	\$193.20	643	(\$206.80)
Double (45.6%)	297	\$384.70	354	(\$415.30)
Family (64.4%)	1030	\$379.60	570	(\$420.40)

*July 2022 - June 2023 / 50.9% Total Emp Base Met Deductible

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INSIGHT #2: Health Savings Plan (HSA) City Share



HSA has become a crucial component of our employees' financial and healthcare decisions.

Currently, the city contributes half of the deductible amount:

- \$750 for single party
- \$1500 for two-party/family

An increase in the employer contribution to the HSA - to continue to fund half of the employee's deductible - will demonstrate our commitment to supporting our employees' overall well-being in light of rising healthcare costs.

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INSIGHT #1 & 2: City Share of Costs



The Mayor's recommended budget proposes the city set the minimum deductible at \$2000 for singles; \$4000 for doubles & families.

The recommended budget proposes to continue to contribute half of the deductible for employees the Health Savings Account (HSA.) This would \$1000 for single coverage and \$2000 for double/family coverage.

Again, about one-half of employees meet the deductible at its current level, so an increase to the HSA will be an increased benefit for the half who do not.

Utilizing this approach, the general fund would see an overall *savings* of just under **\$830,000**, while also providing employees with more value in their HSA.

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INSIGHT #3: Midtown Clinic Dietitian Proposal

As the saying goes, "You are what you eat." Recognizing the profound impact of nutrition on overall health and productivity, the recommended budget proposes the introduction of on-site dietitian services for the employees. Midtown Clinic currently has a dietitian who will offer personalized guidance and support to help employees make informed choices about their nutrition and well-being.

We are planning to have the dietitian, if funding is approved, to conduct sessions for those interested in each department. Employees will then have access to one-on-one consultations with our Midtown Clinic dietitian. These one-on-ones will focus on individual health goals, dietary preferences, and any specific health concerns.

Investing in preventive healthcare measures through nutrition can lead to long-term cost savings by reducing the incidence of chronic diseases, sick days, and healthcare expenses. And demonstrating a commitment to employee well-being contributes to a positive city culture.

Cost: \$10,850

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INSIGHT #4: Parental Leave Policy Changes



Becoming a parent is a life-changing event, and it essential to our success to support our employees through this important transition. Currently, full-time employees who become parents through birth, adoption or foster care may take up to 6 weeks paid time off to care for and bond with their child. If the birth was by cesarean delivery, an additional 2 weeks is provided.

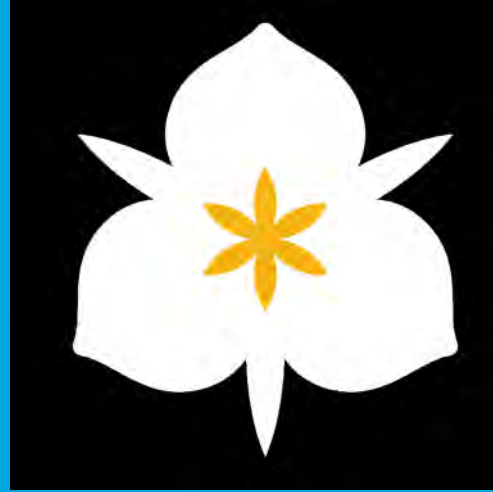
We will be changing the policy to provide a more competitive and current benefit of 12 weeks paid time off. We will eliminate the requirement to apply for Short-Term Disability concurrent with Parental Leave. We will also streamline and improve the application process for Parental Leave.

Note: While this policy change has no direct budgetary impact, costs for parental leave have been coming from departmental budgets.

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Thanks!!