



## CONSENT CALENDAR

### City of San Bernardino Request for Council Action

**Date:** September 6, 2023

**To:** Honorable Mayor and City Council Members

**From:** Charles E. McNeely, Interim City Manager;  
Suzie H. Soren, Director of Human Resources

**Department:** Human Resources

**Subject:** **Health Benefits Plan Year 2024**

#### **Recommendation:**

It is recommended that the Mayor and City Council of the City of San Bernardino, California, approve the City's health benefit plans for plan year 2024 and authorize the City Manager to execute any agreements necessary to effectuate the medical, dental, vision, life, short and long-term disability, and other ancillary and voluntary plans that the City offers as part of its benefits package to employees.

#### **Executive Summary**

The annual review for the City's Health Plan Benefits for the 2024 plan year was completed. The proposed plan includes changes to the vision insurance provider with no change to benefit. It also includes the addition of an Employee Assistance Program specifically for first responders. Sufficient funding for increased premiums is included in budget.

#### **Background**

Each year City staff and representatives from the employee bargaining units review the health plan options and premiums for medical, dental, vision, life, short- and long-term disability and other ancillary and voluntary plans that the City offers as part of its benefits package to employees. Providing affordable health insurance and voluntary plan options for employees is a key part of recruitment and retention, and to achieving the City's goal of becoming an employer of choice in the region.

On August 7, 2023, Human Resources staff and the City's Health Benefits Broker Alliant, met with the Health Benefits Committee, which includes representatives from each of the City's employee bargaining groups. The Health Benefits Committee reviewed plan options and premiums to provide the best selections available to employees, at the best price. The benefit renewal options included medical, dental,

vision, life, short and long-term disability, and other ancillary and voluntary plans.

### **Discussion**

Medical providers will remain unchanged for health plan year 2024. Insurance premiums will increase by 7.8% for medical options which are offered through Kaiser and Anthem. Factors that have contributed to increased rates include COVID-19 related increase in mental health conditions, inflation being at the highest levels since the 1970's, and continued labor shortages in the health care field.

Delta Dental will continue to provide dental insurance with a rate increase of 11.6%. To offset the rate increase, stabilization reserves will be used to keep the premiums at the current rate with no rate increase.

The City currently provides vision insurance through EyeMed; however, staff is recommending changing providers to VSP Vision Care. VSP is more widely accepted by businesses, resulting in greater access to vision benefits for employees. The VSP Core Plan will match the current vision benefits while the VSP Buy Up Plan will increase the current frame allowance from \$150 to \$175 per calendar year.

The City currently provides for an Employee Assistance Program (EAP). An EAP is a voluntary program that offers free and confidential assessments, short-term counseling, referrals, and follow-up services to employees who have personal and/or work-related problems. Staff is recommending utilizing PRISM Concern, which will offer six (6) sessions per issue for all City employees and their families. Staff also recommends utilizing PRISM Concern – First Responder Program. To address the unique needs of First Responders, PRISM created a Public Safety Support Task Force comprised of PRISM member agencies, active-duty law enforcement employees, and mental health clinicians experienced in treating First Responders. The First Responder Program will offer ten (10) enhanced EAP sessions per issue. Additional EAP sessions will be offered once session limit has been met, if clinically appropriate.

Lincoln Financial will continue to provide life insurance, short-term disability, long-term disability and Paid Family Leave with rates remaining unchanged through December 31, 2024. Wishbone will also continue to provide pet insurance with rates remaining unchanged through January 1, 2025. Voluntary accident and critical illness plans through Colonial Life are renewing at the current premium rates as well.

Medical plan design options and employee out-of-pocket costs continue to meet the employer mandates Affordable Care Act (ACA) requirements. City contributions for employee groups are established by the provisions in their respective Memorandum of Understanding.

### **2021-2025 Strategic Targets and Goals**

Approving the City's health benefits plan options for plan year 2024 aligns with Key Target 2b: Focused, Aligned Leadership and Unified Community by building a culture

that attracts, retains, and motivates the highest quality of talent.

**Fiscal Impact**

Sufficient funding is included in the FY 2023/24 Adopted Budget.

**Conclusion**

It is recommended that the Mayor and City Council of the City of San Bernardino, California, approve the City's health benefit plans for plan year 2024 and authorize the City Manager to execute any agreements necessary to effectuate the medical, dental, vision, life, short and long-term disability, and other ancillary and voluntary plans that the City offers as part of its benefits package to employees.

**Attachments**

Attachment 1 - 2024 Renewal Summary

**Ward:**

All Wards

**Synopsis of Previous Council Actions:**

August 17, 2022     The Mayor and City Council approved the City's health benefit plans for plan year 2023 and authorized the City Manager to execute any agreements necessary to effectuate the medical dental, vision, life, short and long-term disability and other ancillary and voluntary plans that the City offered as part of its benefits package to employees.