



Date: March 5, 2014

To: Brian Kischnick, City Manager

From: Thomas Darling, Director of Financial Services
Jeanette Menig, Human Resources Director

Re: Switch to Community Blue PPO and PA 152

On May 20, 2013, the City Council selected the PA 152 Local Unit Opt Out option and directed City Management that, if after November 20, 2013, at least 80% of the available employees had not migrated to the Community Blue Plan, the Hard Cap option would be implemented and Opt Out would not be exercised for 2014 or 2015.

Therefore, City Management has endeavored, through negotiations and policy, to shift employees to Community Blue PPO (our most cost-efficient health insurance plan) and City Council supported our efforts by ratifying collective bargaining agreements which included provisions to continue the Opt Out alternative for 2014/15.

We are pleased to report to you that our goal was accomplished. The estimated savings for the Classified, Exempt, AFSCME and MAP groups is over \$400,000/year.

Employees Migrated to CB-PPO Plan

Employee Group	July 2013			Current		
	CB-PPO	Other	% CB-PPO	CB-PPO	Other	% CB-PPO
Classified & Exempt	24	44	55%	67	0	100%
AFSCME	0	50	0%	50	0	100%
MAP	13	20	65%	33	0	100%
TCSA ¹	3	5	38%	3	4	43%
Totals	40	119	25%	153	4	97%

¹TCSA tentative agreement reached, contract pending City Council ratification

As the remaining collective bargaining agreements expire, we will work to migrate the remaining groups to this plan as well.