

PERSONNEL AND ANIMAL WELFARE COMMITTEE REPORT relative to the feasibility of extending the Dependent Eligibility Verification Program (DEV).

Recommendation for Council action pursuant to Motion (Koretz - Cedillo):

INSTRUCT the City Administrative Officer (CAO) to report on the activities of City health plan administrators in regard to dependent eligibility verification, and the feasibility of including in future bargaining instructions the implementation of a dependent eligibility verification program for the following organizations:

- a. Los Angeles Police Relief Association (LAPRA)
- b. Los Angeles Fire Relief Association (LAFRA)
- c. United Firefighters of Los Angeles City (UFLAC)
- d. Police Protective League (dental plan)
- e. Los Angeles City Employees' Retirement System (LACERS)
- f. Los Angeles Department of Water and Power (LADWP) health plans for retired and active employees, including International Brotherhood of Electrical Worker (IBEW) administered health plans.

Fiscal Impact Statement: Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On August 3, 2016, your Committee considered a Motion (Koretz - Cedillo) relative to the feasibility of extending the DEV Program to cover the following organizations:

- a. LAPRA
- b. LAFRA
- c. UFLAC
- d. Police Protective League (dental plan)
- e. LACERS
- f. LADWP health plans for retired and active employees, including IBEW-administered health plans

According to the Motion, the Personnel Department is currently conducting a DEV Program for all civilian employees and their dependents enrolled in the City's Flex Benefits (Flex) health care program. The DEV Program will help to control costs of the Flexprogram by identifying and removing ineligible enrollees who are receiving health care coverage. The removal of ineligible enrollees will result in lower premium subsidy costs and decreased plan utilization.

The DEV Program requires all employees to provide verification of enrolled dependents to avoid being removed from the program. Personnel estimates that approximately 1-2 percent of enrollees are ineligible and need to be removed. The Flex program includes approximately 25,000 of the City's 40,000 total employee workforce. Given that the remaining City employees, covered under different health and retirement plans, may also have ineligible dependents enrolled resulting in higher health care costs, the CAO should report on the efforts of other City health plan administrators relative reducing costs associated with ineligible dependents.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Motion as detailed in the above recommendation. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

PERSONNEL AND ANIMAL WELFARE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KORETZ:	YES
RYU:	YES
HARRIS-DAWSON:	ABSENT

ARL
5/20/14

-NOT OFFICIAL UNTIL COUNCIL ACTS-