

CITY OF LOS ANGELES

CALIFORNIA

HOLLY L. WOLCOTT
City Clerk

GREGORY R. ALLISON
Executive Officer

When making inquiries relative to
this matter, please refer to the
Council File No.



ERIC GARCETTI
MAYOR

Office of the
CITY CLERK

Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
General Information - (213) 978-1133
Fax: (213) 978-1040

SHANNON HOPPE
Division Manager

clerk.lacity.org

February 17, 2015

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File No. 14-0814-S1, at its meeting held February 13, 2015.

City Clerk
wrq

PERSONNEL AND ANIMAL WELFARE COMMITTEE REPORT relative to the Civilian Flex Benefits Dependent Eligibility Verification (DEV) Program.

Recommendation for Council action:

NOTE and FILE the January 29, 2015 Personnel Department report relative to the Civilian Flex Benefits DEV Program.

Fiscal Impact Statement: Not applicable.

Community Impact Statement: None submitted.

Summary:

On February 3, 2015, your Committee considered a January 29, 2015 Personnel Department report relative to the Civilian Flex Benefits DEV Program. According to the Personnel Department, in October 2012 Council approved a recommendation from the Joint Labor-Management Benefits Committee (JLMBC) to initiate a dependent audit that would require civilian employees to provide documentation of dependents listed on their health plans in order to maintain coverage under those plans (Council File No. 10-1627). In March 2014, Council further approved waivers for employees removing ineligible dependents from the Civilian Flex Benefits plan during the Dependent Audit (Council File No. 14-0255).

In April 2014, the DEV program was launched. The program was broken into two phases. The first and larger phase concluded on June 18, 2014; the second phase concluded September 12, 2014. The Personnel Department's Employee Benefits Division administers the City's Civilian Modified Flexible Benefits (Flex) Program for active City civilian employees and their qualified dependents in conjunction with the JLMBC. The JLMBC is composed of five management and five labor representatives. Over the last four years the Personnel Department and JLMBC have implemented a series of Plan design changes to mitigate increases in the cost of civilian employee benefits, principally with respect to medical cost inflation. Included among the JLMBC's cost-saving measures is the DEV program.

The purpose of the DEV program is ensuring that only eligible dependents are covered by employees under the Civilian Flex health plans. Periodic campaigns to verify dependent eligibility are considered a best practice for employers offering health plans. Council approved the proposed DEV program on October 2, 2012 (Council File No. 10-1627). Originally scheduled to be launched in 2013, the program was delayed pending conclusion of procurement for health plan providers.

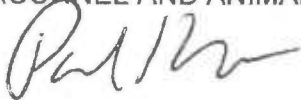
On March 18, 2014, upon a recommendation from the Personnel Department and JLMBC, Council authorized waivers for employees removing ineligible dependents(s) from the Civilian Flex Benefits plan during the DEV program (excluding cases involving fraud or intentional misrepresentation; Council File No. 14-0255). The Personnel Department and JLMBC view the DEV program to be successful relative to the mission and administration of the City's Civilian Flex program. The keys to success included a well defined mission, an effective and coordinated communications campaign, and the collaboration of the City Council, Personnel Department, employee labor organizations, and departmental human resource liaisons in implementing the program. These combined efforts produced exemplary results that can provide a model for other

benefit plan administrators (both within and outside of the City) for efficient administration of their programs. Finally, the Personnel Department will propose that the City conduct periodic dependent eligibility verification process as part of the benefits administration cost containment efforts.

During the meeting, representatives from the Personnel Department provided an overview of the report and responded to questions from the Committee members. After consideration and having provided an opportunity for public comment, the Committee moved to note and file the report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

PERSONNEL AND ANIMAL WELFARE COMMITTEE



MEMBER VOTE

KORETZ: YES

O'FARRELL: YES

FUENTES: ABSENT

ARL

2/3/15

ADOPTED

FEB 13 2015

LOS ANGELES CITY COUNCIL

-NOT OFFICIAL UNTIL COUNCIL ACTS-