

PERSONNEL AND HIRING COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to amending Los Angeles Administrative Code (LAAC) Section 4.307 to repeal subsection (d), entitled “Non-Kaiser Full-Network HMO Option.”

Recommendation for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

PRESENT and ADOPT the accompanying ORDINANCE dated November 18, 2025 to repeal subsection (d), entitled “Non-Kaiser Full-Network HMO Option,” of Section 4.307, Division 4, Chapter 7, Article 5 of the LAAC.

Fiscal Impact Statement: None submitted by the City Attorney. Neither the CAO nor the CLA has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On December 3, 2025, your Committee considered a November 19, 2025 City Attorney report and Ordinance relative to amending LAAC Section 4.307 to repeal subsection (d), entitled “Non-Kaiser Full-Network HMO Option.” According to the City Attorney, as detailed in the July 25, 2025 Personnel Department Report (citing Joint Labor-Management Benefits Committee Report CF 25-31), Subsection (d) was originally added in 2012 in conjunction with the City’s quest to reduce its healthcare benefits costs due to fiscal pressures at that time. The provision clarified the shared employee and employer healthcare premium component for those enrolled in Anthem Blue Cross HMO, as measured against the premiums the City expended for those employees enrolled in Anthem Blue Cross Select-Network HMO and the Anthem Blue Cross Full-Network premium.

In 2014, Subsection (d) was amended to generalize the healthcare cost-sharing responsibilities of the City and the employee for those enrolled in any City-identified non-Kaiser Narrow-Network HMO and the non-Kaiser Full-Network premium health plan. For calendar year 2026, the City’s Healthcare Request for Proposal process adopted a three-carrier insurance model for health care benefits for its employees. Under the three-carrier model, the premium impact of Narrow-Network and Full-Network no longer achieves the cost-saving that was intended when it was adopted in 2012. The repeal of Subsection (d) removes the subsidy limitation imposed by the relational metric so that the City’s health care benefit plan can provide employees the necessary subsidies under the three-carrier model. The draft ordinance also reorders Subsection (e), with reconciling reference edits, and preserves the remaining portions of the section concerning the City’s contributions to its employees’ health care costs. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Ordinance. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

## Personnel and Hiring Committee

COUNCILMEMBER:	VOTE:
McOSKER:	YES
RODRIGUEZ:	YES
SOTO-MARTINEZ:	YES

ARL

12/3/25

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**