

COMMUNICATION FROM CHAIR, PERSONNEL, AUDITS, AND ANIMAL WELFARE COMMITTEE relative to the 2022 LAwell Program.

Recommendations for Council action:

1. APPROVE the 2022 LAwell Program including the employee benefit plans, benefit plan premiums and rates, and program design features embodied therein as detailed in the August 9, 2021 Personnel Department report, attached to the Council File.
2. NOTE and FILE the July 20, 2021 Personnel Department report relative to a request to approve the 2022 LAwell Program along with two recommendations for contract extensions with LAwell Program health plan providers Kaiser and Anthem, inasmuch as the requested actions are replaced by the first recommendation in this report dated August 9, 2021.

Fiscal Impact Statement: The Personnel Department reports that the City budgets for the LAwell Program on a fiscal year basis. Projected expenditures for Fiscal Year (FY) 2021-22 represent a combination of premiums for 2021 and 2022. Incorporating vendor selection and service provider renewals, the overall cost of the LAwell Program is expected to be consistent with the adopted budget amount for FY 2021-22. Actual costs will further vary based on changes in enrollment and member benefit elections that occur throughout the year, particularly elections made during Open Enrollment in October 2021.

Community Impact Statement: None submitted.

TIME LIMIT FILE – SEPTEMBER 20, 2021

(LAST DAY FOR COUNCIL ACTION – SEPTEMBER 17, 2021)

Summary:

On August 18, 2021, the Chair of the Personnel, Audits, and Animal Welfare Committee considered July 20, 2021 and August 9, 2021 Personnel Department Reports relative to the 2022 LAwell Program. According to the Personnel Department, it administers the City's LAwell Program for active City civilian employees and their qualified dependents in conjunction with the City's Joint Labor Management Benefits Committee (JLMBC). The JLMBC is composed of five management and five labor representatives. The JLMBC was created in 1990 by action of the City Council and Mayor for the purpose of determining what plans were to be included in the benefits program, defining the structure of benefit plans, and recommending service providers to the General Manager Personnel Department. Currently, the LAwell Program covers approximately 26,000 employees and 32,000 dependents.

Los Angeles Administrative Code Section 4.303 provides that Council authorize suitable employee benefit programs as recommended by the JLMBC and maintained by the Personnel Department. On July 15, 2021, the JLMBC recommended adoption of the LAwell Program for Plan Year 2022. The purpose of this transmittal is to request that the City Council approve the JLMBC's recommendation. The LAwell Program Plan Year is a twelve-month period concurrent with each calendar year. Each year the JLMBC reviews information provided by the Personnel Department, benefits consultants, and service providers for the purpose of recommending to Council adoption of the premiums and rates for the subsequent year. The JLMBC may also recommend certain modifications to LAwell Program design services and features.

The recommended 2022 LAwell Program reflects the success of the JLMBC and Personnel Department in providing a vibrant and competitive benefits package while also successfully managing employer and member costs. In 2022, premium costs for the Kaiser plan will increase slightly, while premium costs for the Anthem plans will decrease. Outside of a small increase for the Employee and Family Assistance Program (EFAP), all other benefit provider premiums and rates are unchanged in 2022 compared to 2021 premiums and rates.

The Personnel Department submitted an earlier report transmittal dated July 20, 2021 recommending adoption of the 2022 LAwell Program along with two recommendations for approval of contract extensions Page: 2 with incumbent LAwell Program health plan providers Kaiser and Anthem. Subsequent to submitting the July 20, 2021 report, the City Administrative Officer (CAO) and Personnel Department determined that Executive Directive No. 3 (Villaraigosa Series) is applicable to the proposed contract extensions and requires approval of the Mayor prior to subsequent approval by Council. The recommendation in this report is to receive and file the earlier Personnel Department transmittal dated July 20, 2021. After consideration, the Committee Chair moved to recommend approval of the recommendations contained in the August 9, 2021 Personnel Department report and detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

A handwritten signature in black ink that reads "Paul Koretz". The signature is written in a cursive, flowing style.

Councilmember Paul Koretz, Chair
Personnel, Audits, and Animal Welfare Committee

COUNCILMEMBER VOTE

KORETZ: YES

HARRIS-DAWSON: ABSENT

BONIN: ABSENT

ARL

8/18/21

-NOT OFFICIAL UNTIL COUNCIL ACTS-