



BOARD ACTION

TO: Governing Board

FROM: Carlos Quintero, General Manager
Leslie Payne, Director of Administrative Services

DATE: September 22, 2023

SUBJECT: Consideration to Approve the 2023-24 Kaiser and Cigna Medical Insurance Plan Renewal

SUMMARY

The annual health insurance plan renewal is due October 1, 2023, and the amount of the annual cost is above the General Manager's approval limit. Staff seeks the Board's approval for the 2023-24 renewal of the Kaiser and Cigna Medical Insurance Plans.

The new insurance rates below are included in the 2023-24 renewal and will amount to an annual cost increase of approximately \$282,000, based on the number of employees and the selection of individual plans.

Provider	Cigna "Full"	Cigna "Full"	Cigna "Select"	Cigna "Select"	Kaiser	Kaiser
Effective Date	10/1/2022	10/1/2023	10/1/2022	10/1/2023	10/1/2022	10/1/2023
Total Monthly Costs						
Employee only	905.93	991.99	723.25	791.96	718.40	779.29
Employee + 1 Dependent	1,965.86	2,152.62	1,569.44	1,718.54	1,436.79	1,558.57
Employee + family	2,563.78	2,807.34	2,046.80	2,241.25	2,033.06	2,205.38
Total Annual Cost	2,008,661	2,199,484	154,746	169,447	903,024	979,563
Total Increase amount		190,823		14,701		76,539
Increase amount		9.5%		9.5%		9.2%

Per the Memorandum of Understanding (MOU) with the three bargaining groups, the Authority agrees to maintain two health care plans, which are Kaiser and Cigna.

PAST BOARD ACTION

June 28, 2023 The Governing Board selected the FY 2023-24 Option 2 Budget Adjustment, and Adopted Resolutions 23-13 Adopting the FY 2023-24 Budget; and Resolution 23-14, Approving Updated Financial Policies (Board Policy 517).

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FISCAL IMPACT

The FY 2023-24 Budget line item 10-10-130-5644 - Health, Vision, Dental & Life Insurance includes funding for the annual renewal.

POLICY /STRATEGIC PLAN

Governing Board Policy 517 – Financial Policies: Policy for the Procurement of Services (including Construction), Supplies, and Equipment

- Requirements for Comprehensive Procurement Procedures - Contract Approval Authority: Procurement of services, supplies, and equipment in an amount over \$75,000 requires approval by the Board, even if the Board has authorized funds for the procurement within the annual budget.

Strategic Plan Goal 5: Workforce Development and Constructive Labor Relations (WD) – Attract, retain and develop a highly-skilled, adaptable workforce; Equip employees to effectively and safely perform their jobs and prepare for career advancement; Promote constructive labor relations.

ALTERNATIVES

1. Approve the 2023-24 annual Kaiser and Cigna Medical Insurance renewal.
2. Other direction as determined by the Governing Board.

RECOMMENDATION

Staff recommends that the Governing Board approve the 2023-24 annual Kaiser and Cigna Medical Insurance renewal.