

Reply to Common Council File No. 040437  
From DOA-Budget and Management Division

July 19, 2004

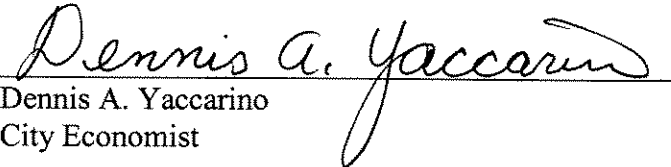
Ref: 04013

Common Council file 040437 contains a resolution relating to family plan health benefits afforded management employees.

The city has continued to explore ways to reduce health care costs. One way is to increase choices of providers to employees that reward the lowest costing plan with no employee contribution. In keeping with this practice, the city will create two new versions of the basic plan for management employees. Using the services of Patient Choice, the two new versions will be provided at a lower cost which allows them to be offered with a lower employee contribution.

This will create a three tiered basic plan system for management employees. The lowest costing/high quality services are in Basic Plan Patient Choice 1. The second tier includes services provided in tier 1 but adds less efficient and higher costing health services (doctors and hospitals). The final tier will be the current basic plan that includes all hospitals and doctors in the area.

**RECOMMENDATION: ADOPT COMMON COUNCIL RESOLUTION 040437  
RELATING TO FAMILY PLAN HEALTH BENEFITS AFFORDED  
MANAGEMENT EMPLOYEES.**

  
Dennis A. Yaccarino  
City Economist

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