

FACT SHEET

**CITY OF SHREVEPORT,
LOUISIANA**

<u>TITLE</u>	<u>DATE</u>	<u>ORIGINATING DEPARTMENT</u>
A RESOLUTION SUSPENDING THE EFFECTS OF CERTAIN PROVISIONS OF CHAPTER 66 RELATIVE TO THE CITY'S HEALTH BENEFITS PLAN AND TO OTHERWISE PROVIDE WITH RESPECT THERETO	07/22/2021	FINANCE DEPARTMRNT
		<u>COUNCIL DISTRICT</u>
		All
		<u>SPONSOR</u>

PURPOSE

To suspend the effects of Chapter 66 relative to the City's Health Benefit Plan.

BACKGROUND INFORMATION

The fixed percentage contributions of 70% for actives and 58% for retirees limits the Health Care Trust Fund Boards ability to modify contributions to find savings. The employer mandate in the Affordable Care Act defines the affordability as 9.78%/2020 and 9.83%/2021 not as the Ordinance lists the percentage contribution. Currently, without a change to the dual option in place and applying the Ordinance, there would be an increase to the employee contribution of 15% - the employee currently pays 15% of the total premium and would then be paying 30% of the total premium effective January 1, 2022.

TIMETABLE

Introduction: July 27, 2021
Final Passage: July 27, 2021

ATTACHMENT(S)

NA

SPECIAL PROCEDURAL REQUIREMENTS

None.

FINANCE

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None.

SOURCE OF FUNDS

NA

ALTERNATIVES

(1) Adopt the ordinance as submitted, or (2) Amend the ordinance, or (3) Reject the ordinance.

RECOMMENDATION

FACT SHEET PREPARED BY: Kristina Douglas
Assistant City Attorney

RESOLUTION NO. _____ OF 2021

A RESOLUTION SUSPENDING THE EFFECTS OF CERTAIN PROVISIONS OF CHAPTER 66 RELATIVE TO THE CITY'S HEALTH BENEFITS PLAN AND TO OTHERWISE PROVIDE WITH RESPECT THERETO

BY:

WHEREAS, Section 66-141(b)(2) of the City of Shreveport Code of Ordinances states, “For the year 2011 and thereafter, except the year 2021, which contributions shall be as stated below in subsection (3), the percentages of contribution to the health care trust fund of the rate of contribution required for each eligible active employee coverage and for dependent coverage shall be as follows: The city shall contribute 70 percent; and the eligible active employee shall contribute 30 percent. In the event there are two or more alternative health care delivery programs, the city shall contribute an amount equal to 70 percent of the lowest rate for that tier or classification”; and

WHEREAS, Section 66-141(c)(2) of the City of Shreveport Code of Ordinances states, “For the year 2010 and thereafter, the percentages of contribution to the health care trust fund of the rate of contribution required for each eligible retired employee for employee coverage and for dependent coverage shall be as follows: The city shall contribute 58 percent; and the eligible retired employee shall contribute 42 percent. In the event there are two or more alternative health care delivery programs, then the city shall contribute 58 percent”; and

WHEREAS, The Health Care Trust Fund Board’s strategic plan is to replace the current higher deductible PPO plan with a qualified HDHP and HSA/add a Hospital Indemnity plan for HDHP; and

WHEREAS The Health Care Trust Fund Board wishes to suspend Sections 66-141(b)(2) and (c)(2) of the City of Shreveport Code of Ordinances for both active and retiree populations covered by the City benefits for the purpose of conducting a study to determine the most cost-effective method of adjusting the employer contribution to allow for greater savings to the City of Shreveport and its employees; and

WHEREAS, The Health Care Trust Fund Board’s plans to make changes in the employer contributions on all tiers to reflect a “buy up” on the richer benefit options; and

BE IT RESOLVED by the City Council of the City of Shreveport in due, legal and regular session convened that Sections 66-141(b)(2) and (c)(2) of the City of Shreveport Code of

Ordinances be suspended for a period not to exceed ninety (90) days from the effective date of this Resolution.

BE IT FURTHER RESOLVED the remainder of the City of Shreveport Code of Ordinances shall remain in full force and effect.

BE IT FURTHER RESOLVED, that if any provision of this resolution or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications of this resolution which can be given effect without the invalid provisions, items or applications and to this end the provisions of this resolution are hereby declared severable.

BE IT FURTHER RESOLVED, that all resolutions or parts thereof in conflict herewith are hereby repealed.

APPROVED AS TO LEGAL FORM

City Attorney's Office

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