

**DATE:** January 28, 2010  
**TO:** WCA Governing Board  
**FROM:** Belinda V. Faustinos, Executive Officer  
**SUBJECT:** Item 11: Consideration of resolution approving contracts for Health and Life Insurance benefits services.

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**RECOMMENDATION:** That the Watershed Conservation Authority award contracts to Alliant Services, Anthem and Guardian Life Insurance of America for Health and Life Insurance Benefits which include, Medical, Dental, Vision and Life Insurance benefits not to exceed \$11,223.

**BACKGROUND:** On December 3, 2010 the WCA gave direction to staff to finalize a staff recommendation regarding establishing the WCA as an employer entity. In a related action at the same meeting the WCA accepted a redirected grant from the RMC for the Urban, Mountains & River Parkway Capital Projects Management Grant (RMC3635). The purposes of this redirected grant from the Mountains Recreation and Conservation Authority to the Watershed Conservation provided for personnel and related costs associated with the direct implementation of the projects granted funding by the RMC.

The approach the WCA has taken in moving forward to become an employer entity is to maintain, where possible, the income and benefits of the current staff employed by the Mountains Conservation and Recreation Authority (MRCA) working on projects funded by the RMC. The WCA has reviewed the current MRCA salaries, taxes, benefits and retirement plans. The WCA has researched and received proposals for the services it needs to provide. Staff has a recommendation for each of the services to be provided and proposed to be in effect on February 1, 2010. For each of the personnel services needed each company's experience with government agencies as well as their fees and costs were analyzed. The recommendation for utilizing Alliant Services comes from its experience for clients of small government agencies, like Water Districts. The costs of the policies themselves were all the same to the employer with some small differences in the fees charges. Alliant Services experience and fees met these criteria.

The WCA will be unable to utilize the current MRCA Medical, Vision, Dental and Life Insurance benefits packages because the WCA is defined by benefits carriers as a small group whereas the MRCA is defined as a large group. Comparable policies have been reviewed. The WCA will need to pay the COBRA (Title X of the 1985 Consolidated Omnibus Budget Reconciliation Act) costs for the 90 day period to accrue payroll records that show the number of employees the WCA is actually paying, as required by benefits carriers. Once this time period is complete the WCA will enter into several contracts for these services, maintaining the level and type of coverage where possible. The recommendation is to utilize Alliant Services as the carrier (see Exhibit A for benefits providers and costs). The recommendation is Anthem HMO for small group for medical and Guardian for Dental, Vision and Life Insurance.

There is currently a medical cash back credit that an employee has an option to utilize if he/she does not choose to take Medical, Dental and Vision benefits offered by the agency. This benefit cost for Full Time employees is \$200/month and for Part Time employees is \$100/month. The recommendation is to maintain this policy.

There are no draft contracts for review because the companies create custom contracts at the time of starting the service. The Executive Officer and Staff Council will review the contracts before execution and start of services. The term of the contract is for one year as long as funding is available.

**FISCAL:** This action would recommend award of a service contracts whose sum total not to exceed \$11,223 to Alliant Services, Anthem and Guardian Life Insurance.

These figures are calculated utilizing the number of pay periods between 2/1 and 6/30/2010 (ext. 11). These costs are based on a percentage of salary for each employee. Funding for this contract will come from grant funds associated with current and future WCA projects. This action also recommends that the WCA authorize any WCA budget amendments necessary for the WCA to be an employer entity.

ALLIANT SERVICES  
**Timeline**

	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov
Introduction of Alliant Services Review Current Benefits Gather Census Data Prepare RFP/Out To Bid												
Prepare Proposal Presentation - present												
Client Decision on Carrier/Plans Offered												
Alliant Prepared Open Enrollment Materials												
Open Enrollment Begins – March 1 Eff. Date												
Alliant Gathers All Applications and Submits to Carriers												
Underwriting Begins/Final Rates Established												
I.D. Cards Sent to Employee's Homes												
Train Client's HR Team: Administration												
Ongoing Client Customer Service												
Gather Census for 2011 RFP												

## WATERSHED CONSERVATION AUTHORITY

## Medical Benefits and Premiums

**Anthem**  HMO \$10 100%

Benefits	HMO
<b>General</b>	
Deductible - Individual/Family	NO DEDUCTIBLE
Max Out of Pocket - Individual/Family	\$1,750/\$3,500
Lifetime Benefit Maximum	NO MAXIMUM
<b>Physician Services:</b>	
Doctor Office Visit	\$10 COPAY
Adult Physical Exams	\$10 COPAY
Physical/Occupational Therapy	COMBINED WITH CHIRO
Lab & X-Ray Outpatient	100%/\$100 SOME SVCS
Durable Medical Equipment	80%-MAX \$2,000/YR
Chiropractic	100%-MAX 60 DAYS/YR
<b>Hospital Services:</b>	
Inpatient Hospital Services	100%
Inpatient Physician Fee	100%
Outpatient Surgery	100%
Emergency Room	\$100 COPAY
Ambulance	100%
<b>Non Severe Mental Health:</b>	
Outpatient	\$20-MAX 20 VISITS/YR
Inpatient	NOT COVERED
<b>Chemical Dependency:</b>	
Outpatient	NOT COVERED
Inpatient	100%-DETOX ONLY
<b>Prescription Drugs:</b>	
Pharmacy	PARTICIPATING
Formulary Generic Copay	\$10
Formulary Brand Copay	\$150 Rx DED + \$25 <sup>①</sup>
Non Formulary Copay	\$150 Rx DED + \$40 <sup>①</sup>
Brand Name Deductible	\$150
Separate Deductible	NONE
Rx Annual Maximum Benefits	NO MAXIMUM
Mail Order Prescriptions	AVAILABLE

Premiums <sup>②</sup>

		Employees	Dependents	Subtotal	Addnl. for COBRA	Grand Total
RAF 1.10	Best Total Premium	\$ 2,022	\$ 0	\$ 2,022	\$ 0	\$ 2,022
RAF 1.10	Standard Total Premium	\$ 2,022	\$ 0	\$ 2,022	\$ 0	\$ 2,022
RAF 1.10	Maximum Total Premium	\$ 2,022	\$ 0	\$ 2,022	\$ 0	\$ 2,022

Note: This group may qualify for a 1.10 RAF. The final RAF is decided during the Underwriting Process by the Carrier.

Area 9 Rate Grid <sup>③</sup>

1.10 RAF (Additional amounts for dependents are shown in each category)

Age <sup>②</sup>	Employee	Additional for Spouse	Additional for Child(ren)	Additional for Family
0-29	\$ 349.80	\$ 537.90	\$ 453.20	\$ 798.60
30-39	\$ 436.70	\$ 622.60	\$ 457.60	\$ 897.60
40-49	\$ 480.70	\$ 687.50	\$ 413.60	\$ 944.90
50-54	\$ 595.10	\$ 608.30	\$ 286.00	\$ 1,013.10
55-59	\$ 755.70	\$ 941.60	\$ 277.20	\$ 1,025.20
60-64	\$ 1,016.40	\$ 845.90	\$ 287.10	\$ 1,156.10
65-99 <sup>②</sup>	\$ 983.40	\$ 1,343.10	\$ 167.20	\$ 1,629.10
ADEA 65-99	\$ 1,317.80	\$ 1,357.40	\$ 303.60	\$ 1,767.70


<sup>①</sup> If a brand-name drug is selected when generic is available, member is responsible for the generic copay plus difference in cost between the two.

<sup>②</sup> Rates assume Employees Age 65 and over have Medicare. Medicare rates are based on employee info only & subject to final review. Dependent Medicare status may cause rates to change. Rates don't include optional riders.

<sup>③</sup> This rate grid is the employer's zip code area and only applies to the employees that reside in the same area.

Watershed Conservation Authority  
Dental Illustration



DENTAL PLANS	Guardian U40M5 Network Only
	 GUARDIAN™
Calendar Year Deductible	None
Annual Maximum Benefit	Unlimited
<b>Diagnostic &amp; Preventive</b>	
Office examination	\$5
Teeth cleaning - 1110	\$0
Full mouth x-rays - 0210	\$0
Sealant (per tooth-molars) - 1351	\$10
<b>Basic Services</b>	
Amalgam, one surface permanent - 2140	\$8
Surgical Removal of Erupted Tooth - 7210	\$30
Extract Impacted Tooth / Full Bony - 7240	\$80
Single Root Canal - 3310	\$95
<b>Major Services</b>	
Full cast metal crown - 2790	\$250
Porcelain crown fused to metal (molars) - 2750	\$250
Dentures (full or partial) - 5110	\$345
<b>Orthodontics</b>	
Comprehensive Orthodontic Treatment (Adolescent) - 8070-8080	\$1,500
Comprehensive Orthodontic Treatment (Adult) - 8090	\$2,800
Lifetime Maximum	n/a
<b>Monthly Rates</b>	
	<b>Current</b>
Employee	\$11.45
Employee + Spouse	\$22.88
Employee + Child(ren)	\$26.21
Employee + Family	\$37.66

This presentation is based on information provided to Alliant Insurance Services, Inc. The benefits reflected in this presentation are only a summary of the benefits proposed. The actual carrier plan summaries, contract or evidence of coverage should be consulted for complete descriptions of coverage, rates, provisions, etc. Final rates are based on actual enrollment and subject to the underwriter's approval.



**Watershed Conservation Authority  
Vision Service Plan (VSP) Full Feature Program  
Benefit Illustration**

**Plan Features:**

**Copayment:**

Exam	\$20.00
Materials	\$20.00

**Benefit Details**

**In-network**

**Out-of-network**

**Eye Exams**

Frequency: Every 12 Months

Covered in Full after Copay	\$ 46.00 Maximum after Copay
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**Lenses**

Frequency: Every 12 Months

Single Vision

Covered in Full after Copay	\$ 47.00 Maximum after Copay
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Bifocal

Covered in Full after Copay	\$ 66.00 Maximum after Copay
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Trifocal

Covered in Full after Copay	\$ 85.00 Maximum after Copay
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Lenticular

Covered in Full after Copay	\$125.00 Maximum after Copay
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**Contact Lenses\***

Frequency: Every 12 Months

Medically Necessary

Covered in Full after Copay	\$210.00 Maximum after Copay
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Elective

\$120.00 Maximum (Copay Does Not Apply)

**Frames**

Frequency: Every 24 Months

\$120.00 Retail Allowance**	\$ 47.00 Maximum after Copay
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\*If you choose contact lenses, you will not be eligible to receive lenses for 12 months and a frame for 24 months following the date contacts were obtained. For elective and necessary contact lenses, we will pay up to the benefit limits towards, the contact lens evaluation fee, fitting costs and materials. Note, the contact lens evaluation fee and fitting costs are separate from the comprehensive vision care exam.

\*\*Approximately 15,000 frames are covered in full. Frames not fully covered are offered at a discounted cost. If you select a frame that exceeds the retail allowance, the plan will cover 20% of the amount above the allowance. You must pay the rest.

**Note:** Lens coverage includes polycarbonate lenses for children up to the plan's non-student dependent child age limit of 20.

**Dependent Age Limits:** Children are covered up to age 20 or 26 if a full time student.

**Important Information:** This policy provides vision care limited benefits health insurance only. It does not provide basic hospital, basic medical or major medical insurance as defined by the New York State Insurance Department. Coverage is limited to those charges that are necessary for a routine vision examination. Co-pays apply. The plan does not pay for: orthoptics or vision training and any associated supplemental testing; medical or surgical treatment of the eye; and eye examination or corrective eyewear required by an employer as a condition of employment; replacement of lenses and frames that are furnished under this plan, which are lost or broken (except at normal intervals when services are otherwise available or a warranty exists). The plan limits benefits for blended lenses, oversized lenses, photochromic lenses, tinted lenses, progressive multifocal lenses, coated or laminated lenses, a frame that exceeds plan allowance, cosmetic lenses; U-V protected lenses and optional cosmetic processes. The services, exclusions and limitations listed above do not constitute a contract and are a summary only. The Guardian plan documents are the final arbiter of coverage. Contract #GP-1-VSN-96-VIS et al.

**This handout is for illustrative purposes. You will receive benefit booklets when your enrollment application is processed. If there is a discrepancy between this handout and your benefit booklet, the benefit booklet prevails.**

January 28, 2010 – Item 11  
RESOLUTION 2010-32

RESOLUTION OF THE WATERSHED CONSERVATION  
AUTHORITY (WCA) AUTHORIZING A CONTRACTS WITH ALLIANT  
SERVICES, ANTHEM AND GUARDIAN LIFE INSURANCE OF  
AMERICA

WHEREAS, the Watershed Conservation Authority has been established to facilitate joint projects between the Rivers and Mountains Conservancy and Los Angeles County Flood Control District; and

WHEREAS, the Watershed Conservation Authority (WCA) has been established to focus on projects which will provide open space, habitat restoration, and watershed improvement projects in both the San Gabriel and Lower Los Angeles Rivers watershed; and

WHEREAS, this action is exempt from the environmental impact report requirements of the California Environmental Quality Act (CEQA; NOW

*Therefore be it resolved*, that the WCA hereby:

1. FINDS that this action is consistent with the purposes and objectives of the WCA.
2. FINDS that the actions contemplated by this resolution are exempt from the environmental impact report requirements of the California Environmental Quality Act.
3. ADOPTS the staff report dated January 28, 2010.
4. APPROVES contracts with Alliant Services, Anthem and Guardian Life Insurance of America for Health and Life Insurance Benefits in the total amount not to exceed \$11,223.

*~ End of Resolution ~*

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Resolution 2010-32

Passed and Adopted by the Board of the  
WATERSHED CONSERVATION AUTHORITY on January 28, 2010.

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Teresa Villegas, Chair

ATTEST:

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Terry Fujimoto,  
Deputy Attorney General

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