Agenda – Executive Policy Committee – September 21, 2023

REPORTS

Item No. 4 New Health Benefits Provider Implementation Update

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That this report be received as information

DECISION MAKING HISTORY:

COUNCIL DECISION:

On April 28, 2022, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the addition of one permanent FTE to be hired in 2022 at an approximate cost to the City of $91,224 annually funded from quoted employer plan savings from employer-paid benefits to support the increased work in the Total Compensation & Benefits Division of Human Resource Services be approved.

2. That the Public Service be directed to utilize quoted employer plan savings for a two-year period to further support the exclusive needs of implementing the new benefits program, in addition to the Permanent FTE, which includes but is not limited to; temporary FTEs for Innovation & Technology or PeopleSoft Team, or the Total Compensation and Benefits Division.

3. That the Public Service be directed to report back to the Executive Policy Committee by the end of quarter three of 2023 to give an update on plan implementation.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: New Health Benefits Provider Implementation Update

Critical Path: Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO
C. Musey Denisuik	A. Cusson	N/A	M. Jack

EXECUTIVE SUMMARY

In April 2022, Council approved the addition of one permanent Full Time Equivalent (FTE) to be hired in 2022 at an approximate cost to the City of $91,224 annually to support the City in continuing the process to modernize and better manage the gaps in a decentralized model of benefits administration to employees. This role is funded from employer plan savings from employer-paid benefits to support the increased work in the Total Compensation and Benefits Division of Human Resource Services and the City will be able to utilize quoted employer plan savings for a two-year period to further support the exclusive needs of implementing the new benefits program.

The Public Service was directed to report back to the Executive Policy Committee by the end of quarter three of 2023 to provide an update on the implementation of the new health benefits provider, Manitoba Blue Cross.

Health benefits were successfully transitioned from the former carrier to Manitoba Blue Cross as follows:

- July 1, 2022 - Retiree Plan (same as current plan)
- September 1, 2022 - Executive Assistants to Members of Council
- January 1, 2023 - Active employees, and City of Winnipeg health plan affiliates (same as current plans)

In August 2022, the new permanent FTE commenced employment, fulfilling many of the promised expectations including centralized training and resources, process mapping and improvements, standardized and documented processes. In addition, they will remain the internal point of contact for the departmental Human Resource (HR) areas, bringing an opportunity for a cohesive administration of benefits

RECOMMENDATIONS

1. That this report be received as information

REASON FOR THE REPORT

On April 28, 2022, Council directed the Public Service to report back to the Executive Policy Committee by the end of quarter three of 2023 to give an update on plan implementation.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications arising from receiving this report as information.

HISTORY/DISCUSSION

The Request for Proposal (RFP), and transition to Manitoba Blue Cross, was an important step for the City to modernize benefits and keep pace with other publicly-funded employers. Prior to this, a full review of employee benefits had not been done in almost 40 years. Employee health benefits are a significant component in the total compensation offered by an employer. Benefits play a major role in the attraction and retention of talent, aiding in the health of the organization's most valued asset, its people, and demonstrating an interest and investment in employee health and well-being.

City of Winnipeg benefits administration is a decentralized model where Departmental Health Plan Administrators (DHPSs) who report to their respective Human Resource (HR) leaders, carry out the day-to-day administration of benefits including enrollments, life events, terminations, etc. The Manager of Total Compensation and Benefits is the corporate benefits administrator and is responsible for corporate benefits administration, including contract administration and compliance with the carrier contracts on both the part of the carriers, as well as the City. There is no reporting relationship between the departmental administrators and the corporate benefits administrator. While strides had been made to support the DHPAs in their day-to-day work from the corporate level, there were gaps and risks that existed that required the additional Full Time Equivalent (FTE) support under the current structure and resources. Additionally, the HR Systems and Research Branch (HRIS) were carrying out several benefits administration tasks that were being transitioned to the Total Compensation and Benefits Branch. Given the significant importance of health benefits to employees, benefits administration required the additional FTE resource.

On April 28, 2022, Council concurred in the recommendation of the Executive Policy Committee to approve the addition of one permanent FTE to be hired in 2022 at an approximate cost to the City of $91,224, annually, funded from quoted employer plan savings from employer-paid benefits. This role supports the increased work in the Total Compensation and Benefits Division of Human Resource Services and will utilize quoted employer plan savings for a two-year period to further support the exclusive needs of implementing the new benefits program.

Through the job evaluation process, the permanent FTE approved on April 28, 2022, was assigned a WAPSO 3 salary grade (exempt) and was filled through open recruitment with the incumbent commencing employment in August 2022. The position has built a framework and mechanism with comprehensive training and resources for departmental administrators in Human Resources. Work has transitioned from both the HR community and the HRIS division to the Total Compensation and Benefits branch.

Health benefits were successfully transitioned from the former carrier to Manitoba Blue Cross as follows:

- July 1, 2022 - Retiree Plan (same as current plan)
- September 1, 2022 - Executive Assistants to Members of Council
- January 1, 2023 - Active employees, and City of Winnipeg health plan affiliates (same as current plans)

All health benefits, relevant demographic and employee data are transmitted electronically to the carrier on a daily basis for prompt actioning. Prior to transition, there was a weekly interface with one carrier, and manual paper administration with the other.

The Public Service will continue to utilize quoted employer plan savings for a two-year period to further support the exclusive needs of implementing the new benefits program, in addition to the Permanent FTE, which includes but is not limited to; temporary FTEs for Innovation and Technology (PeopleSoft Team), or the Total Compensation and Benefits Division. Departments continue to be charged the 2022 rates for employer paid benefits, which also includes the fees for HUB consulting.

Plan enhancements include:

- BlueNet Drug Card provided at no additional cost under all Voluntary Extended Health.
- Enhanced Paramedical Practitioner coverage with maximum increasing to $350 per calendar year for Athletic Therapy registered providers; and Chiropodist is now eligible to a combined maximum of $350 per calendar year with Podiatrist and Foot Care Nurse.
- Private Duty Nursing calendar year maximum increased to $5,000.
- Other durable medical services and supplies increased to $500 lifetime.
- Mental Health Practitioners expanded with Clinical Psychologist, Social Worker, Psychiatric Nurse, Psychotherapist, Mental Health Counselor, Family and Marriage Counselor, and Addiction Counselor registered providers eligible to a combined maximum of $350 per calendar year.
- Virtual Care Service - GoToDoctor virtual care service added to Extended Health at no additional cost. *(Applicable only to those with Employer or Employee paid Extended Health coverage*)
- Voluntary Travel Health with $5 million lifetime maximum per insured person and includes Travel Assistance continues until retirement; currently terminate at age 65. There is a 90-day trip limit, medical stability is required (e.g. must be unexpected, not travelling against the advice of your doctor, etc.).
- Eye Exam maximum increasing from $90 to $100 once every 24 consecutive months, prorated for Part-Time Employees. *(Applicable only to WAPSO Exempt)*
- Dental Implants will now be considered under Major Dental.

Administrative improvements include:

- Voluntary Employee Paid Benefit waiting period, regardless of hire date, will have a 30-day waiting period from the date your Application for Group Benefits form is received by Human Resources with coverage effective the first day following. Employees applying more than 30 days after their hire date will no longer serve a six-month waiting period.
- Common-Law Spouse waiting period changing to one year from date of cohabitation; currently one year from notification.
- Dependent Child maximum age increased to under age 22 if not a full-time student across all Employer Paid and Voluntary Employee Paid Benefits; full-time student continues to be under age 25.
- Survivor Coverage will be extended to 24 months across all benefits.
- Voluntary Employee Paid Benefits can now be changed should you experience a Life Event in order to meet your needs as changes happen in your life (e.g. get married, adopt a child, your spouse's coverage changes, etc.).
- Payroll Deductions are deducted in real time per pay period and are no longer made once month in advance.
- Dependent information/ownership is now a single source and owned by the City of Winnipeg, housed in Peoplesoft.
- Life Events have expanded and make use of functionality in the Employee Self Service of PeopleSoft.
- Centralized repository of reference material, practical resources, training aids and presentation for HR to access.

A revised tentative date of January 1, 2026, has been determined for the possible implementation of the flexible benefit plan for Active employees and Retirees. This is based on unanticipated systems complexities during transition and competing priorities, such as the review of the group life plan. As a result, an in-depth review of feasible resources and systems for the City of Winnipeg is required.

FINANCIAL IMPACT

Financial Impact Statement **Date:** August 22, 2023

Project Name:

New Health Benefits Provider Implementation Update

COMMENTS:

There are no financial implications associated with receiving this report as information.

Randy Bernard

Randy Bernard, CPA, CMA
Manager of Finance & Administration (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

OURWINNIPEG POLICY ALIGNMENT

Goal: Leadership and Good Governance

Policy - 1.1 Organizational Alignment: All City policy implementation and enforcement tools must be aligned with the localized United Nations Sustainable Development Goals framework, consisting of Leadership and Good Governance; Environmental Resilience; Economic Prosperity, Good Health and Well-Being; Social Equity; and City Building contained in this Plan.

Policy - 1.18 Responsive, Representative and Resilient Workforce: Provide responsive municipal service delivery, through an accountable, informed, qualified, competent, creative, healthy and productive workforce that is representative of the community it serves including the use of equitable, anti-oppression recruitment, training, and retention processes.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (CAP), and it was determined that the CAP is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS) and its Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Human Resource Services
Division: Negotiation Services, Total Compensation and Benefits
Prepared by: Corrin Musey Denisuik
Date: August 22, 2023