



TO: T.C. Broadnax, City Manager
FROM: Anita Gallagher, Management Analyst II, City Manager's Office *NA*
COPY: City Council and City Clerk
SUBJECT: Resolution – City of Tacoma Sponsorship of Tacoma-Pierce County Health Department's Enrollment in Association of Washington Cities Healthcare Plan – September 24, 2013
DATE: September 17, 2013

SUMMARY:

The purpose of this memo is to inform the City Manager of a request made by Deputy Mayor Campbell that the City of Tacoma sponsor the Tacoma-Pierce County Health Department for enrollment in health care plans offered by the Association of Washington Cities. The Health Department has determined that the employee health insurance plans offered by the Association of Washington Cities would be a more cost-effective option for their staff than their existing plan. It is recommended that that the City of Tacoma offer its sponsorship to the Health Department because the Association of Washington Cities requires that a city member sponsor any non-city entity's request for participation in the Association of Washington Cities Employee Benefit Trust programs.

COUNCIL SPONSORS:

Deputy Mayor Marty Campbell and Council Member Victoria Woodards

BACKGROUND:

In 1991, the City of Tacoma and Pierce County adopted an Interlocal Agreement reorganizing the Tacoma-Pierce County Health Department and making certain provisions for funding, budget process, and composition of the Board of Directors. As Board Members of the Tacoma-Pierce County Board of Health, Deputy Mayor Campbell and Council Member Woodards have a desire to assist the Tacoma-Pierce County Health Department in realizing cost efficiencies. The executive leadership of the Tacoma-Pierce County Health Department has explored options for reducing employee health care costs, and has determined that the insurance offered by the Association of Washington Cities is a cost-effective alternative.

ISSUE:

The Tacoma-Pierce County Health Department would like to offer health insurance provided by the Association of Washington Cities to its employees, but, as a non-city entity, they need sponsorship from a member city in order to have their application considered.

ALTERNATIVES:

The Council could choose to not sponsor the Tacoma-Pierce County Health Department for enrollment in the health care plans offered by the Association of Washington Cities. If the Council chooses this course of action, the Health Department will need to either continue to offer health insurance through its current provider, or choose another provider. Both alternatives could result in a higher expenditure by the Health Department than the recommended course of action.

RECOMMENDATION:

It is recommended that the Tacoma City Council offer its sponsorship to the Tacoma-Pierce County Health Department to enroll in the health care options provided by the Association of Washington Cities so that the Health Department may realize cost savings associated with employee health insurance.



FISCAL IMPACT:

There is no fiscal impact to the City of Tacoma.