

Date: February 1, 2024  
To: JLMBC  
From: Staff  
Subject: **Projects & Activities Report**

**JLMBC MEMBERS:**

Management

**Dana Brown, Chairperson**

**Tony Royster, First Prov. Chairperson**

Matthew Rudnick

Matthew Szabo

Holly Wolcott

Employee Organizations

**Jenita Igwealor, Vice-Chairperson**

**Marleen Fonseca, Second Prov. Chairperson**

Chad Boggio

Esteban Lizardo

Lisa Palombi

## **DISCUSSION**

Following are informational items, project, and staffing summary updates for the LAwell Civilian Benefits Program (LAwell Program) and the upcoming meetings calendar for the months of November 2023 through January 2024.

### **A. Informational Updates**

- **Anthem Network Update** – Staff provides updates in the monthly projects & activities report regarding Anthem provider negotiations that may potentially impact City members. The following is an Anthem network update for January.
  - **UC Health** – In early January, Anthem recently notified the City that its current network agreement with UC Health is set to expire March 1, 2024. Both parties have been and continue to be engaged in ongoing contract negotiations, with the goal of reaching a new agreement. While the contract negotiation for this network agreement affects certain Anthem HMO plans, it does not impact the City employees enrolled in Anthem’s Vivity HMO plan as there is a separate agreement in place with UC Health for this particular Anthem HMO plan.
  - As required by the California Department of Managed Health Care, on January 3, 2023, Anthem sent notices to City employees assigned to a UC Health Medical Group. These letters (**Attachment A**) provide information regarding the pending expiration of the network agreement with UC Health, how it may potentially affect employees, how certain ongoing care may be continued, and also provide contact information should employees have questions.
  - Staff will continue to provide further updates of this network agreement to the JLMBC.

## B. Project Updates

- **2023 Open Enrollment Update** – During the months of November through January, staff completed the following activities for the 2023 Open Enrollment period.
  - The 2023 Open Enrollment period successfully closed on October 31, 2023. Following the close, over 25,000 confirmation statements were printed and mailed to members. The confirmation statements are a record of members' 2024 benefit elections and covered dependents.
  - A correction window was held for the 2023 Open Enrollment period. This window allows members to correct errors on their confirmation statements or to make a late change to their 2024 benefits. The correction window was held from November 1, 2023 through November 17, 2023.
  - Approximately 500 targeted reminder notices were mailed to LAwell Program members who made 2024 benefit elections requiring submission of supporting documents (e.g., birth, marriage certificates, etc.) for newly added dependents or cash-in-lieu affidavits. The open enrollment document submission deadline was December 8, 2023.
  - Following the close of the November Open Enrollment activities, in December and January, staff worked with the LAwell Program's TPA, TELUS Health, to review and validate the Open Enrollment elections and prepare for the data transmissions of members' 2024 benefit elections to the LAwell Program's benefit service providers and the City's payroll system.

Staff is currently working with TELUS Health to review the 2023 Open Enrollment period. This review will consist of a series of meetings to identify the activities and processes that worked or performed as planned, to identify the activities and processes that did not work or performed as planned, to implement fixes for those issues, and to plan and implement enhancements in preparation for the next open enrollment period.

TELUS Health is scheduled to provide a detailed review of the open enrollment data at the March 2024 JLMBC meeting.

- **Imputed Income** – Imputed Income is a mechanism used by the Internal Revenue Code, and many state and federal tax regulations, to identify a conferred taxable benefit. One such conferred taxable benefit are the medical premiums of domestic partners (and/or child of a domestic partner). Under current tax laws, pre-tax dollars cannot be used to pay for premiums of an employee's domestic partner. Since the entire premium of medical coverage is considered pre-tax under these tax regulations, the amount the City pays toward the cost of an employee's domestic partner's coverage is taxable as regular income. Therefore, the portion of the medical premiums paid by the City for the

employee's domestic partner is reported as imputed income, which is then added to the employee's gross taxable income used for state, federal and FICA tax calculations and reported on 24 paychecks excluding the two non-deduction paychecks.

Due to a system issue, imputed income for employee domestic partners, who were enrolled under the employees' medical insurance, was not reported on their 2023 paychecks except for the pay period 12 and 13 paychecks. An adjustment was made with the Controller's Office so that employees' 2023 W-2 will correctly reflect the full 2023 imputed income amount. This adjustment was processed during pay period 13 and involved reporting the missed imputed income from the prior 22 pay periods (from January through November). This adjustment method was used to avoid having the prior 22 pay periods' imputed income amount be applied to the employee's paycheck. However, depending on the employee's tax status, the adjustment may be reflected on the FICA tax withholding. A notice (**Attachment B**) for the adjustment was mailed prior to the pay date for pay period 13.

For the 2024 benefit year, staff has been working with TELUS Health and the Controller's Office to ensure that this issue is not repeated and that the applicable imputed income is reported on the first paycheck for 2024 and that it is applied for each subsequent pay period.

- **Affordable Care Act (ACA) Update** – During this period, staff has continued working with BenefitScape, the ACA consultant, to review and audit the 2023 payroll and benefits data.

The final civilian and sworn benefit enrollment and data files were provided to BenefitScape in December and January. In January, staff conducted a final review of the compiled 2023 tax year ACA benefit enrollment and enrollment files prior to finalization. The 2023 ACA tax forms are set to be mailed by January 31, 2024.

- **Request for Proposal (RFP) Update** – In January, staff continued work on finalizing the Health and Dependent Care Spending Accounts RFP and the Life, Disability, and AD&D RFP. Changes were incorporated to each RFP from the feedback provided at the JLMBC at the December and January meeting. The Life, Disability, and AD&D was scheduled for release on January 31, 2024. Staff is tentatively aiming to release the Health and Dependent Care Spending Accounts RFP on February 14, 2024. Further updates on the status of these RFPs will be brought to the JLMBC at its next meeting.

### C. Staffing Summary

In January, staff conducted a series of interviews to fill the vacant Senior Benefits Analyst I position overseeing the Wellness Program. The hiring process is still ongoing. Staff will provide an update on the next projects and activities report.

The following is a summary of the current staff positions supporting the LAwell Program:

Position Authority	Incumbent Job Class	Staff Member	Function	Est. % Allocated to Lawell Program
<b>Personnel</b>				
Chief Personnel Analyst	Ch Benefits Analyst	Paul Makowski	Division Chief	60%
Senior Benefits Analyst II	Sr Personnel Analyst II	Daniel Powell	Governance-Wellness-Contracts/Procurements	60%
Senior Benefits Analyst II	Sr Benefits Analyst II	Chuong Tran	Member Services Section Manager	100%
Senior Benefits Analyst I	Personnel Analyst	Karina Aguiar	Data Compliance/Payroll	100%
Senior Benefits Analyst I	Senior Benefits Analyst I	Theodore Vasquez	TPA Administration/ACA/Member Services	100%
Senior Benefits Analyst I	Senior Benefits Analyst I	<i>Hiring in Process</i>	Wellness Program Coordinator	100%
Accounting Rec. Supvr II	Accounting Rec. Supvr II	Maria Gomez	Direct Bill Supervisor/Trust Fund Budget	100%
Benefits Analyst	Sr Benefits Analyst	120-Day Appt	Communications/JLMBC/Participant Services	100%
Benefits Analyst	Management Analyst	Robyann Jumaoas	COBRA/EFAP/BPP	100%
Benefits Analyst	Benefits Analyst	Isela Jurado	Contractor Efficiency & Direct Bill	100%
Benefits Analyst	Benefits Analyst	Brianna Collins	Wellness Program Assistant	100%
Benefits Specialist	Management Assistant	Matt Elmange	Direct Bill	100%
Benefits Specialist	Management Assistant	Benedict Paz	Direct Bill	100%
Benefits Specialist	Benefits Specialist	Marisela Hernandez	Member Services Rep	100%
Benefits Specialist	Sr Administrative Clerk	Araceli Goza	Member Services Rep	100%
Benefits Specialist	Administrative Clerk	Teresa Rubio	Member Services Rep	100%
Accounting Clerk	Accounting Clerk	Lanellie Apostol	Accounts Payable and Receivable/Audits	100%
Accounting Clerk	Accounting Clerk	Skylar Cain	Accounts Payable and Receivable/Audits	100%
<b>City Attorney</b>				
Deputy City Attorney	Deputy City Attorney	Charles Hong	Committee Counsel	25%

#### D. Upcoming Meetings Calendar

Staff maintains a calendar of upcoming Board meetings and proposed topics (**Attachment C**). The calendar is subject to change based on multiple factors and should be considered tentative for planning purposes only.

Submitted by:

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Chuong Tran, Senior Benefits Analyst II

Approved by:

\_\_\_\_\_  
Paul Makowski, Chief Benefits Analyst



P.O. Box 70000  
 Van Nuys, CA 91470

[date]

«FNAME» «LNAME»  
 «ADDRESS1»  
 «CITY», «ST» «ZIP»

Dear Anthem Blue Cross Member:

***Our records indicate that you are currently assigned to a University of California, Los Angeles Medical Group (henceforth "UCLA Health"). This letter is to inform you that UCLA Health's California Care agreement with Anthem Blue Cross will terminate effective March 1, 2024. As a result, it will no longer be part of the commercial Anthem Blue Cross HMO Network beginning March 1, 2024.***

There is nothing you need to do. We understand the importance of maintaining the patient/doctor relationship. Every effort will be made to keep you assigned with your current primary care physician if he or she practices with another Anthem Blue Cross participating medical group. Otherwise, you will be assigned to a new participating primary care physician and medical group.

A new Anthem Blue Cross identification (ID) card which specifies the name, address, and telephone number of your new medical group and/or assigned physician will be mailed to you no later than five days before the March 1, 2024 effective date. We encourage you to contact your new medical group once you receive your new ID card to familiarize yourself as the specialists and Hospitals used by the new medical group may be different from those offered by UCLA Health. You will also be able to use *the Find Care* feature available on [anthem.com/ca](http://anthem.com/ca) or the Sydney App to see the physicians available to you.

**What if I want to select a different doctor or medical group?**

If you wish to choose another Anthem Blue Cross primary care physician within your area, you can use the *Find Care* feature available at [anthem.com/ca](http://anthem.com/ca), or contact us using the toll-free customer service number, 1-844-971-0117, OR the toll-free member services number on your current ID card.

**What if I am currently receiving care from UCLA Health?**

We realize that if you are in a course of treatment, it's important to not interrupt that care. If you decide to keep seeing UCLA Health after February 29, 2024, you may pay more, or all, of the costs for the care you receive from them.

**There are exceptions:**

You may be able to stay with a UCLA Health for a designated period of time under California or federal law if you are receiving care for:

Under California Law	Under Federal Law
<ul style="list-style-type: none"> <li>• Are pregnant or just had your baby.</li> <li>• Have a maternal mental health condition that has been diagnosed by your treating care provider.</li> <li>• Are caring for a child up to 36 months old.</li> <li>• Are getting pre-approved care.</li> <li>• Have an acute condition or serious chronic condition.</li> <li>• Have a terminal illness.</li> </ul>	<ul style="list-style-type: none"> <li>• In treatment for a serious and complex condition. This can be a sudden (acute) illness that requires specialized treatment in order to avoid death or permanent harm. It can also be an ongoing (chronic) illness that is life threatening or potentially disabling and requires specialized care over a long period of time.</li> <li>• In a hospital or other inpatient facility.</li> <li>• Scheduled for nonelective surgery by your current doctor, including your post-operative care for the surgery.</li> <li>• Pregnant.</li> <li>• Terminally ill.</li> </ul>

Anthem Blue Cross is the trade name of Blue Cross of California. Independent licensee of the Blue Cross Association. Anthem is a registered trademark of Anthem Insurance Companies, Inc.



P.O. Box 70000  
Van Nuys, CA 91470

[date]

An Anthem Blue Cross Customer Service representative can assist you. Eligibility for continuity of care depends on factors outlined in your Evidence of Coverage and Anthem Blue Cross' Continuity of Care Policy. You can access and print Continuity of Care Policies online by visiting our website, [www.anthem.com/ca](http://www.anthem.com/ca). Begin by clicking on Member Support. Under the Support Column, select 'FAQs'. Next select the box entitled 'Benefits & Claims' to arrive at a listing of questions. Click on the plus (+) sign next to the question, "How do I request continuity of care/transition?" to obtain the response along with a link to the "Continuity of Care, Transition of Care Policy". Click on the link to access the policy. You can also access and print the Continuity of Care Policy at [anthem.com/docs/public/inline/pw\\_e234999\\_ca\\_jr.pdf](http://anthem.com/docs/public/inline/pw_e234999_ca_jr.pdf).

**Who do I contact if I have more questions or concerns?**

- **Questions Pertaining to CA State Continuity of Care-COC**  
Anthem Blue Cross is required by law to provide you with the following information: If you have been receiving care from a health care provider, you may have a right to keep your provider for a designated time period. Please contact Anthem Blue Cross by using the toll-free customer service number, 1-844-971-0117, OR the toll-free member services number on your current ID card, and if you have further questions, you are encouraged to contact the Department of Managed Health Care, which protects consumers, by telephone at its toll-free number, 1-888-466-2219, or at a TDD number for the hearing and speech impaired 1-877-688- 9891, or online at: [www.dmhc.ca.gov](http://www.dmhc.ca.gov).
- **Questions Pertaining to Federal Continuity of Care-COC**  
If you have been receiving care from a health care provider, you may have a right to keep your provider for a designated time period. Please contact Anthem Blue Cross by using the toll-free customer service number, 1-844-971-0117, OR the toll-free member services number on your current ID card, and if you have further questions.

**Are my health care benefits changing?**

No, your enrollment in your Anthem Blue Cross plan remains the same and is not otherwise affected in any way. As always, if you receive a bill for covered services other than co-payments, co-insurance, or deductibles, please call Anthem Blue Cross at the toll-free customer service number, 1-844-971-0117, OR the toll-free member services number on your current ID card so that it can be reviewed by our staff.

If you are enrolled in a point-of-service (POS) plan and continue to access UCLA Health after the termination date, you may have significantly higher out-of-pocket costs. Your Evidence of Coverage outlines your coverage for seeking care from a provider who is not part of our network. Also, Customer Service can provide this information.

Your health care needs are very important to us, and we are committed to providing you with exceptional service. Please be assured that your health care coverage will not be interrupted and that this change will not result in a change to your covered benefits.

Sincerely,  
Anthem Blue Cross

December 18, 2023

«First\_Name» «Last\_Name»  
«Address» «Street\_»  
«City», «State» «Zip»

## RE: Imputed Income for Domestic Partners

Dear LAwell Benefits Program Member,

Due to a system issue, imputed income for your domestic partner and/or child of domestic partner covered on your medical and/or dental insurance was not reported on your prior paychecks of 2023. **We have made an adjustment with the Controller so that your 2023 W2 will correctly reflect your imputed income for the full calendar year.** If you received a paycheck in December, you may see this adjustment reflected in the imputed income box on your paystub, however the full imputed income amount will correctly display on your 2023 W2 that you will receive in January 2024. You may also notice an adjustment to your FICA tax payment on your final December paycheck, depending on your tax status.

We deeply apologize for any inconvenience this system issue may have caused you. **Please consult with your tax preparer about filing your taxes for 2023 once you receive your 2023 W2 with a full imputed income amount reported.**

**If you have any questions about this imputed income reporting, please contact us at [per.empbenefits@lacity.org](mailto:per.empbenefits@lacity.org).** For your convenience, we have included a small Frequently Asked Questions section to the back of this letter.

Sincerely,

Employee Benefits Division  
Personnel Department



## FREQUENTLY ASKED QUESTIONS – Domestic Partner & Imputed Income

### **Q. What is Imputed Income and why does it apply to me?**

A. Imputed Income is a mechanism used by the Internal Revenue Code, and many state tax regulations, to identify a conferred taxable benefit. Under tax law, pre-tax dollars cannot be used to pay for premiums of domestic partners. Since the entire premium of medical and dental coverages are considered pre-tax under these tax regulations, the amount the City pays toward the cost of your domestic partner's coverage will be taxable as regular income. Therefore, the portion of your medical and dental premiums which the City paid for your domestic partner/child is reported as imputed income, which is then added to your gross taxable income used for federal and state income tax calculations.

Employees who file their Domestic Partnership with the State of California (opposed to filing using our City of Los Angeles affidavit) will not have imputed income apply to their state tax calculation, but only if they notify the Employee Benefits Division of their State of California filing. Application will be provided on a prospective only basis. Federal tax application of imputed income still applies.

### **Q. I was never told about this imputed income concept, so it should not apply to me.**

A. All employees are informed about the application of imputed income through their enrollment materials. The enrollment guidebooks contain this information and provided via mail to new hires and during Open enrollment. They are also available online at <https://www.keepinglawell.com/guides>. For the 2023 Open Enrollment Guidebook, information about Domestic Partner imputed income is on pages 70 and 71.

Furthermore, any City employee who executed a City of Los Angeles Domestic Partnership affidavit, agreed to the following clause of the affidavit which applies directly to imputed income:

*We understand the income tax implications for any benefits conveyed as a result of this domestic partnership, and further agree that the employee is responsible for the payment of applicable income taxes as a result of the City providing health and/or dental benefits to a domestic partner and/or their child(ren).*

### **Q. I married my Domestic Partner, or I terminated my Domestic Partnership.**

A. Imputed income will still be reported for any 2023 pay periods in which the Domestic Partnership was still in force and/or where benefits were provided to a domestic partner and/or their child(ren). If you need to report your marriage or termination of domestic partnership, please contact the LAwell Benefits Center at 833-4LA-WELL (833-452-9355) Monday to Friday from 8:00am to 5:00pm PST.

# ATTACHMENT C

## JLMBC MEETINGS CALENDAR - 2024 PLANNED ITEMS

(Subject to change)

MEETING	AGENDA ITEM	PRESENTATION
<b>7-Mar-2024</b>	HRP-Workday Transition Update	
	Benefits Provider Presentation – Dental Insurance	Delta Dental
	2023 Open Enrollment Data Review	
	Disability Insurance Usage Report Back	
	Benefits RFPs Update	
	HRP-Workday Transition Update	
	Monthly Projects & Activities Report	
<b>4-Apr-2024</b>	HRP-Workday Transition Update	
	Benefits Provider Presentation – LAwell Third Party Administration	TELUS
	2023 Open Enrollment Data Review	
	Benefits RFPs Update	
	LIVEwell Program Update	
	Monthly Projects & Activities Report	
<b>2-May-2024</b>	HRP-Workday Transition Update	
	Benefits RFP Evaluation	
	LIVEwell Program Update	
	Monthly Projects & Activities Report	
<b>16-May-2024</b>	Benefits RFP Evaluation <i>(If Needed)</i>	
<b>6-Jun-2024</b>	HRP-Workday Transition Update	
	2024 LAwell Program Design and Renewals	
	Employee Benefits Trust Fund Staffing Reimbursement - 3rd Qtr FY 2023-24	
	2023 IFEBP Conference (Oct 2023)	
	LIVEwell Program Update	
	Monthly Projects & Activities Report	
<b>20-Jun-2024</b>	2024 LAwell Program Design and Renewals <i>(If Needed)</i>	
<b>4-Jul-2024</b>	REGULAR MEETING CANCELED – July 4 <sup>th</sup> Holiday	
<b>1-Aug-2024</b>	HRP-Workday Transition Update	
	Benefit Provider Presentation – Wellness Program	Virgin Pulse
	Benefits Trust Fund Status Report	

## ATTACHMENT C

<b></b>	Employee Benefits Trust Fund Staffing Reimbursement - 4th Qtr FY 2023-24	
	2023 Open Enrollment Communications and Activities for Plan Year 2024	
	LIVEwell Program Update	
	Monthly Projects & Activities Report	
<b>5-Sep-2024</b>	REGULAR MEETING CANCELED	
<b>3-Oct-2024</b>	Benefit Provider Presentation – TBD	TBD
	LIVEwell Program Update	
	Monthly Projects & Activities Report	
<b>7-Nov-2024</b>	Benefit Provider Presentation – Health and Dependent Care Accounts	Health Equity/ Wageworks
	Employee Benefits Trust Fund Staffing Reimbursement - 1st Qtr FY 2024-25	
	LIVEwell Program Update	
	Monthly Projects & Activities Report	
<b>5-Dec-2024</b>	Benefit Provider Presentation – Disability, Life, & AD&D	Standard
	Election of 2025 Chairperson and Vice-Chairperson and 2025 Meeting Schedule	
	2024 Open Enrollment Implementation Update for Plan Year 2025	
	LIVEwell Program Update	
	Monthly Projects & Activities Report	