



## Legislation Text

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**File #:** 2019-328, **Version:** 1

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### **PA 152 Election for 2020 Plan Year**

**Agenda of:** September 11, 2019

**Item No.:** **2019-328**

**Amount:** N/A

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

**FROM:** Sue F. McCormick  
Chief Executive Officer  
Great Lakes Water Authority

**DATE:** September 9, 2019

**RE:** **PA 152 Election for 2020 Plan Year**

### **MOTION**

Upon recommendation of William M. Wolfson, Chief Administrative and Compliance Officer and Terri Conerway, Chief Organizational Development Officer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **elects to comply with the requirements of Michigan PA 152 by adopting the 80%/20% option for the medical benefit plan coverage year commencing January 1, 2020 and running through December 31, 2020;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

### **BACKGROUND**

“The Publicly Funded Health Insurance Contribution Act,” commonly known as PA 152, MCL 15.561, *et seq.*, (PA 152) applies to the costs related to GLWA’s provision of employee health care benefits. PA 152 provides the following three options for complying with its requirements:

- 1) Section 3 of the Act, MCL 15.563, provides for a Hard Cap option which limits a public employer’s total annual health care costs for employees based on coverage levels, as defined in the Act.
- 2) Section 4 of the Act, MCL 15.564, provides for an 80%/20% option which limits a public employer’s share of total annual health care costs to not more than 80% of those costs. This option requires an annual majority vote of the Board prior to the beginning of the medical benefit plan coverage year.

- 3) Section 8 of the Act, MCL 15.568< provides for an Exemption” Option - a local unit of government, as defined in the Act, may exempt itself from the requirements of the Act by an annual 2/3 vote of the governing body. This option is not available to the Great Lakes Water Authority as it is not a “local unit of government” as defined in the Act.

Currently, GLWA utilizes the 80-20 split contribution option for that portion of its employees’ health care coverage which is governed by PA 152. The next GLWA’s medical benefit plan coverage year will commence on January 1, 2020 and run through December 31, 2020. If the Board wishes to continue the current 80-20 split contribution for the 2020 Plan year, it must take that action prior to the January 1, 2020 start of that plan year.

#### **JUSTIFICATION**

An attorney-client privileged opinion from General Counsel regarding the justification for this action has been provided to the Board under separate cover.

#### **BUDGET IMPACT**

The costs for 2020 employee health care plan year addressed by this motion and falling within the current fiscal year are within the current budgeted appropriation for that purposes.

#### **COMMITTEE REVIEW**

This matter is being presented directly to the full Board.

#### **SHARED SERVICES IMPACT**

This item does not impact the shared services agreement between GLWA and DWSD.