

WEST BASIN MUNICIPAL WATER DISTRICT

JANUARY 15, 2008 - Administration

Little (Chair), Dear

JANUARY 22, 2008 - Board Meeting

Prepared by: Arlene Berman

Submitted by: Arlene Berman

Approved by: Rich Nagel

ACTION CALENDAR

HEALTH REIMBURSEMENT ARRANGEMENT AND
FLEXIBLE SPENDING ACCOUNT PLAN DOCUMENTS

SUMMARY:

In October, the Board approved staff's recommendation to utilize a third-party administrator (TPA) to reimburse employee out-of-pocket health expenses under a Health Reimbursement Arrangement (HRA). After soliciting quotes from third-party administrators, Creative Benefits, Inc. was selected as the TPA to handle the claims administration for both programs.

West Basin is required to have plan documents for both the HRA and FSA programs. The plan documents include information on reimbursement and deferral limits, eligibility criteria, claims processing, eligible benefits, HIPAA privacy rights, FMLA and other leave provisions, coordination of benefits, family status changes, and other pertinent information required to facilitate program administration and assure legal compliance with IRS guidelines. West Basin's current policies relating to reimbursement of health expenses under both the HRA and FSA programs have not been changed and are included in the plan documents.

Program implementation was scheduled to begin January 2008 and was delayed in order to obtain a legal opinion regarding certain West Basin policies. To implement the program in February 2008, Board adoption of the attached plan documents for the HRA and FSA programs is required.

FISCAL IMPACTS:

Funds were included in the 2007-08 Finance and Support Services Budget to cover the costs of the third-party administration of the two programs.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Administration Committee on January 15, 2008 and recommended for approval at the January 28, 2008 Board Meeting.

RECOMMENDED MOTION:

That the Board approves the HRA and FSA plan documents and authorize the General Manager to execute the documents.

LIST OF EXHIBITS:

Exhibit A – HRA Plan Document

Exhibit B – FSA Plan Document