DATE: JULY 13, 2005

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: ADMINISTRATIVE CODE REVISIONS – MEDICAL EXPENSE REIMBURSEMENT PROGRAM

SUMMARY
At the June 15 Board meeting the Board approved raising the Medical Expense Reimbursement allotment from $4,000 to $5,000 for employees. The allotment for dependents was unchanged. In addition, the Board approved an annual adjustment to the allotment for employees and dependents based on the November to November change in the Medical Care Services Index. The adjustment is to take place at the beginning of each calendar year.

Attachment A provides proposed changes to the Administrative Code to reflect the Board’s action. Although not specifically stated by the Board, staff has included language to round to the nearest whole dollar the annual allotments.

FISCAL IMPACT
None.

STAFF RECOMMENDATION
Review proposed language and provide direction to staff.
14.9.2 Covered Expenses
The following expenses are reimbursable:

1. Medical Services
The District will pay for non-covered medical and dental expenses for eligible persons, provided, however, that reimbursement for any Director or employee shall not exceed the calendar year allotment authorized by the Board of Directors. Effective with calendar year beginning January 1, 2005, reimbursement shall not exceed $5,000 for any Director or employee and shall not exceed $3,000 per dependent during the calendar year. The amount shall be paid either directly to the medical service provider or reimbursed to the Director or employee after payment by the Director or employee. Satisfactory proof of entitlement shall be furnished.

Effective with calendar year beginning January 1, 2006 and each calendar year thereafter, the $5,000 calendar year allotment for Directors and employees and the $3,000 calendar year allotment per dependent shall be increased by an amount equal to the November/November (published about December 15) change in the Medical Care Services Index. The methodology for determining the annual change in the Medical Care Services Index shall be the same methodology that is currently used for determine annual cost of living salary increases. The resulting calculation shall be rounded to the nearest whole dollar.

2. Eye Care
The District will reimburse each Director and full-time employee, in a total amount not to exceed $1,000 per calendar year, for actual expenses incurred by the Director or employee, or their dependents for eye diagnosis, treatment or care, including prescription glasses and lenses. Such reimbursement will not apply to any expense to the extent covered by any insurance paid for by the District or covered by Workers’ Compensation.