

ADMINISTRATION AND FINANCE  
COMMITTEE MEETING  
AND  
SPECIAL MEETING OF THE  
BOARD OF DIRECTORS

Tuesday, October 5, 2021  
4:00 P.M.

**Committee Members:**

Jennifer Santana, Chair  
Tony R. Fellow, Vice-Chair



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**SPECIAL NOTICE - Teleconference Accessibility**

*Pursuant to Executive Order N-29-20 issued by Governor Newsom in response to the COVID-19 outbreak, the Upper District will hold this meeting via teleconference or the most rapid means of communication available at the time. Instructions to participate in the teleconference are below:*

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<https://us02web.zoom.us/j/81512919157>

**Telephone Dial: 1 (669) 900-6833**

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*Public comments may be made through teleconference when prompted by the Chair during the public comment period. Public comments may also be provided by emailing [Venessa@usgvmwd.org](mailto:Venessa@usgvmwd.org) in advance of the meeting. Please indicate "PUBLIC COMMENT" in the subject line.*

*If you have difficulty connecting to the teleconference line, please call (626) 443-2297 or email [Ruben@usgvmwd.org](mailto:Ruben@usgvmwd.org). It may take a few minutes to join Zoom or connect via telephone so please join early.*

\*The Administration and Finance Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Administration and Finance Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. To preserve the function of the Committee as advisory to the Board, members of the Board who are not assigned to the Administration and Finance Committee will not vote on matters before the Committee.

**Communications**

1. Call to Order
2. Public Comment

**Discussion/Action**

3. Change in Third Party Administrator for Upper District's Health Reimbursement Arrangement (*Staff memorandum enclosed.*)
4. Upper District Rate Structure

**Oral Reports**

- 5.

**Other Matters**

- 6.

**Adjournment**

**Next Meeting:** Tuesday, November 2, 2021.



**American Disabilities Act Compliance** (*Government Code Section 54954.2(a)*)

To request special assistance to participate in this meeting, please contact the Upper District office at (626) 443-2297 or [valeria@usgvmwd.org](mailto:valeria@usgvmwd.org) at least 24 hours prior to meeting.





# MEMORANDUM



## ITEM 3.

**DATE:** September 30, 2021  
**TO:** Administration and Finance Committee and Board of Directors  
**FROM:** General Manager  
**SUBJECT:** Change in third party administrator for Upper District's health reimbursement arrangement.

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### **Recommendation**

Staff recommends that the Board of Directors approve the change in third party administrator (TPA) for Upper District's health reimbursement arrangement (HRA) for medical, optical, dental and hearing expenses and authorize the General Manager to sign the required plan documents from HealthEquity, subject to review by District Counsel.

### **Background**

As part of its benefit program, Upper District provides qualified participants reimbursement for approved out-of-pocket expenses related to medical, dental, optical and hearing care. The program involves handling of protected health information (PHI) records that need to be treated confidentially and secured as required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

To ensure the privacy of employees, directors and retirees and protect the District and its employees from any claims related to the unlawful disclosure of PHI, Upper District has retained the services of a TPA since 2013 to administer the District's HRA. The implementation of a combined cap for medical, optical and hearing reimbursements effective calendar year 2022 allowed staff to consider other providers offering more robust reimbursement platforms at a lower cost.

Staff looked into two major third party administrators that handle HRAs - Navia Benefits and HealthEquity. Compared to our current provider, EBA&M, both providers offer a shorter average processing time of one week, allow claim submission online or thru a mobile app, and allow direct deposit payments to participants. However, Health Equity's proposed terms are better in terms of the following:

1. Lower participant fee of about \$90 per month compared with Navia's \$120 per month.
2. Available customer support 24/7 compared with Navia's 8 a.m. to 5 p.m., weekdays only.
3. Direct payments to providers are also allowed by HealthEquity but not by Navia.

To ensure continued compliance with HIPAA's privacy, security and transaction rules, staff recommends that the Board of Directors authorize retaining HealthEquity to administer the District's health reimbursements.

Upper District's health reimbursement program has 22 participants and 25 dependents, and close to 1,000 processed claims per year. Estimated cost to retain HealthEquity would be about \$1,000 annually. With EBA&M, District cost was close to \$5,200 annually.