



CITY OF GROSSE POINTE WOODS

Office of the Treasurer/Comptroller

Memorandum



DATE: October 20, 2025

TO: Mayor and City Council

FROM: Steven Schmidt, Treasurer/Comptroller

SUBJECT: Public Act 152 Update

In 2011, Governor Snyder signed into law Public Act (PA) 152 which was enacted to limit a public employer's expenditure for employee medical benefits plans. For medical plan coverage beginning on or after January 1 of each year, a public employer that offers or contributes to a medical plan for its employees or elected public officials shall pay no more than the annual cost, and a payment for reimbursements of copays, deductibles, or payments into H.S.A. or similar accounts used for health care cost, that a total amount equal to the Hard Cap.

Public Entities are required to comply with one of the following

- Hard Cap;
- 80/20 – employer pay no more than the 80% of cost/employees pay 20% of cost;
- Op-Out at negotiated rate

In 2017, the City of Grosse Point Woods elected the Hard Cap option under PA 152. The Hard Cap cost included in the city's union contracts and states that all employees are obligated to pay the amount that exceeds the limit.

For the first time in 2024, the Hard Cap exceeded the allowable limit by \$86,113. The council voted to opt out of PA 152 and covering the overage, and employees were not charged.

In 2025, the Hard Cap exceeded the allowable limit again in the amount of \$268,083. The council voted on a 3-year plan to go to 90/10 opt-out in 2025, 85/15 opt-out in 2026 and 80/20 opt-in in 2027.

In 2026, the Hard Cap will exceed the allowable limit by \$460,597. After meeting with Manquen Vance and the Unions, Administration is recommending to continue the 3-year plan to have the 85/15 op-out in 2026.

Additionally, Administration will also be introducing a second option (attached) to employees that has a higher deductible, co-insurance and out of pocket maximum that will have no employee contributions but will also reduce the amount that the city is over Hard Cap for every employee who enrolls.

Alternate Plan Option

Medical Plan Design:	Current Plan	
	BCBSM SB HSA PPO \$2,000/0% Current Plan	BCBSM SB HSA PPO \$3,500/30% New Option
Deductible (calendar year)		
Employee Only	\$2,000	\$3,500
Employee + 1, Family	\$4,000	\$7,000
Coinsurance	0%	30%
Ann. Coin. Max (ee pays)		
Employee Only	N/A	N/A
Employee + 1, Family	N/A	N/A
Annual Out-of-Pocket Maximum (ee pays)		
Employee Only	\$3,000	\$6,900
Employee + 1, Family	\$6,000	\$13,800
Hospitalization	0% after Deductible	30% after Deductible
Emergency Room	0% after Deductible	30% after Deductible
Urgent Care	0% after Deductible	30% after Deductible
Office Visit - PCP	0% after Deductible	30% after Deductible
Office Visit - Specialist	0% after Deductible	30% after Deductible
Chiropractic Visit	0% after Deductible (12 visits)	30% after Deductible (12 visits)
IP Mental health & Chemical Dependency	0% after Deductible	30% after Deductible
OP Mental health & Chemical Dependency	0% after Deductible	30% after Deductible
Preventive Care	100% (Deductible does not apply)	100% (Deductible does not apply)
Prescription Drugs (Mail order 3x copay, less \$10)	Tier 1: \$10 after Deductible Tier 2: \$40 after Deductible Tier 3: \$80 after Deductible	Tier 1: \$10 after Deductible Tier 2: \$40 after Deductible Tier 3: \$80 after Deductible
Annual HSA Funding from City		
Employee Only	\$1,700	\$1,700
Employee + 1, Family	\$2,000	\$2,000
	2026 Employee Contribution (26 Pays)	2026 Employee Contribution (26 Pays)
Employee Only	\$62.90	\$0.00
Employee + 1	\$138.96	\$0.00
Family	\$170.82	\$0.00

