



Fwd: Early Retirees Health Care

1 message

The **BOSTHREE** <bosthree@edcgov.us>

Fri, Apr 19, 2013 at 9:31 AM

To: EDC COB <edc.cob@edcgov.us>

Kathy Witherow

Assistant to Supervisor Brian K. Veerkamp
District Three - El Dorado County
530.621.5652

—— Forwarded message ——

From: **John Longanecker** <jlongane@hotmail.com>

Date: Thu, Apr 18, 2013 at 10:26 PM

Subject: Early Retirees Health Care

To: "bosthree@edcgov.us" <bosthree@edcgov.us>

Dear Supervisor Veerkamp:

I am a retiree of 23 years work for El Dorado County. I was a Mental Health Worker and my current monthly gross retirement is \$2025.88. My current county health premium is \$541.34.

I worked for the county when wages were frozen, COLAS were reduced or non-existent and people were furloughed. I worked for the county when, after all of the above took place, a 7 MILLION dollar surplus was magically found in the county's coffers. This took place in the late 1980's. In spite of the "SNAFU," the county made no reimbursements to its hard-working employees.

In January of this year (2013), upon payment of my monthly health insurance premium, I entered into a contract with the county for Monthly Payments of \$541.34, with the county being perfectly clear that if I breached this contract, my health insurance would be dropped. I received several letters from Risk Management to this effect prior to the new year.

Now, the county has discovered that they have "miscalculated" my insurance premium. They can adjust the price of the premium for this "miscalculation" for the new contract in 2014, but to ask me to pay for their mistake is a breach of their own contract with me and all of the retirees faithfully making their monthly premium payments.

I urge you as a retired employee of El Dorado County and a constituent of District 3 to apply recourse where it is due and not punish the innocent people who entered into this premium agreement in good faith. The county must abide by it's contract through 2013.

I hope to be present for the Board Meeting on April 23 to be able to read this letter to the board. However, coincidentally, I have been called to jury duty that same day and may not be able to present my case. I don't know if this letter can be attached to the agenda or not, but please consider it if possible.

Respectfully,
John Longanecker,
Placerville
626.7205

J

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Thank you.

13-0453 B 1 of 25



Cindy Johnson <cynthia.johnson@edcgov.us>

Fwd: Retiree Health Insurance Premiums

1 message

The **BOSFOUR** <bosfour@edcgov.us>
 To: Cindy Johnson <cynthia.johnson@edcgov.us>

Fri, Apr 19, 2013 at 9:47 AM

RE: #37

----- Forwarded message -----

From: **Linda Jones** <gramandpans@gmail.com>
 Date: Fri, Apr 19, 2013 at 9:39 AM
 Subject: Retiree Health Insurance Premiums
 To: bosfour@edcgov.us

Dear Supervisors:

We are in receipt of a letter dated April 16, 2013 from Risk Management regarding a budget item for your meeting on April 23, 2013. We will be unable to attend this meeting. We do however, wish to have you aware of our position on this matter.

First, it concerns us that such an error could have been made by those responsible for overseeing and calculating the costs of health insurance for retirees. We do hope, that some action is being taken to keep this from happening again. And how can we trust these figures are correct?

Second, for the last couple of years, it seems that every 6 months we (retirees) are being told of a change in cost to our plans. It seems that our costs are being adjusted every six months, and never to our favor, rather than once a year. Why is this?

Third, El Dorado County made this error, not the retirees!! Therefore, it only makes sense for you, El Dorado County, to absorb this error, not us the retirees.

Expecting that of course our costs will go up again in January, in addition to correcting this error, the more palatable (hardly) option would be OPTION 2 - Correct and Waive Overpayment.

We also want to bring to your attention, that this letter does not include complete information. It does not include the cost of these plans to include dental coverage. It does not include the County's contribution amount. It does not make it clear that if during the possible special enrollment period - May 1 -15, 2013, if married couples can switch to the Retiree +1 Plan.

It just seems to us that El Dorado County would prefer its retirees to go the way of the dinosaurs - to extinction!

We certainly hope that you act in the best interest of your retirees who served you faithfully!

Sincerely,

Robert & Linda Jones

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Thank you.

3 attachments

scan0001.pdf
649K

scan0002.pdf
512K

scan0003.pdf

13-0453 B 3 of 25

4/19/13

Edc.gov.us Mail - Fwd: Retiree Health Insurance Premiums

 scan0005.pdf
1319K



The County of El Dorado
Risk Management Division
"Together Providing Risk Management Solutions"

330 Fair Lane, Placerville, CA 95667
Phone 530.621.5565 Fax 530.642.9815
www.edcgov.us

April 16, 2013

ROBERT JONES
909 APOLLO BEACH BLVD # 102
APOLLO BEACH, FL 33572

Dear ROBERT JONES,

You are invited to attend the Board of Supervisor's meeting on April 23, 2013 where Risk Management staff will be presenting an item regarding your Blue Shield Standard plan (\$200 deductible) and the applicable rates.

It has been determined that, due to a calculation error, Early Retirees enrolled in the Blue Shield Standard plan (\$200 deductible) are being subsidized a portion of the plan rate. This subsidization has been ongoing since July 1, 2011 when the County switched from a self-insured to a fully-insured version of the Blue Shield plans. This unintended subsidization is in violation of the Retiree Health Contribution document which states that the total actual or projected cost of this program "shall never exceed 1.2% of Total Payroll Cost".

At the April 23, 2013 Board of Supervisors meeting, the Board will consider the following options:

Option 1 – Maintain Current Rates

This option maintains the current rates as established, allowing the Early Retirees in the Blue Shield Standard plan (\$200 deductible) to continue paying the lower, blended rate and not collect any previously incurred overpayment. With this option, subsidization would total approximately \$645,530 and the rate would be corrected for the 2014 plan year and going forward.

Option 2 – Correct Rate and Waive Overpayment

This option corrects the Early Retiree Blue Shield Standard plan rate to match what the County is being billed effective June 1, 2013 and holds the retirees harmless for the previously incurred overpayment.

(over)

The current rates charged to the Blue Shield Standard plan enrollees are as follows:

Retiree Only	\$882.45
Retiree +1	\$1,665.06
Retiree +2	\$2,289.05

Rates to be charged effective June 1, 2013:

Retiree Only	\$1,032.27 (increase of \$149.82/month)
Retiree +1	\$1,862.63 (increase of \$197.57/month)
Retiree +2	\$2,592.66 (increase of \$303.61/month)

Affected retirees would be allowed a special enrollment period (May 1, 2013 through May 15, 2013) to change to the Blue Shield Low Option plan (\$1,000 deductible) or Kaiser if they so choose as the cost of these plans are less than the plan rate for the Blue Shield Standard Plan (please see enclosed rate sheet). Coverage would be effective June 1, 2013. Retirees wanting to drop coverage could do so without the need to wait for Special Enrollment/Open Enrollment periods. Option 2 subsidization would total approximately \$509,646.

Option 3 – Correct Rate and Collect Overpayment

This option follows the process identified in the previous Option 2, and in addition collects the previously incurred overpayment. Retirees would be given the option to pay back the overpayment over the same time period in which it was overpaid (23 months). Collection of overpaid funds should be complete no later than May 2015. This option results in the subsidy being fully repaid to the County.

We realize you may have questions concerning your health plan premiums. Please feel free to contact Risk Management at (530) 621-5565 with questions or concerns.

Thank You,

El Dorado County Risk Management Staff

2013 Rates for Early Retirees

(Does not include any potential repayment)

Current Rates

Blue Shield Standard Plan (\$200 deductible)

Retiree Only	\$882.45
Retiree + 1	\$1,665.06
Retiree + 2 or more	\$2,289.05

Proposed Rates (June 1, 2013)

Blue Shield Standard Plan (\$200 deductible)

Retiree Only	\$1,032.27
Retiree + 1	\$1,862.63
Retiree + 2 or more	\$2,592.66

Current Proposed Rates

Blue Shield Low Option Plan (\$1,000 deductible)

Retiree Only	\$875.27
Retiree + 1	\$1,629.63
Retiree + 2 or more	\$2,266.66

Current Proposed Rates

Kaiser Plan

Retiree Only	\$662.51
Retiree + 1	\$1,322.13
Retiree + 2 or more	\$1,870.22

Examples of potential rate options:

Retiree+1 on Blue Shield Standard (current)	\$1,665.06
Retiree+1 on Blue Shield Standard (eff. 6.1.13)	\$1,862.63
Increase:	\$197.57

Retiree+1 on Blue Shield Standard (current)	\$1,665.06
Retiree+1 on Blue Shield Low Option	\$1,629.63
Savings effective 6.1.13:	\$35.43

Retiree+1 on Blue Shield Standard (current)	\$1,665.06
Retiree+1 on Kaiser	\$1,322.13
Savings effective 6.1.13:	\$342.93



EDC COB <edc.cob@edcgov.us>

Comments Regarding Agenda Item 37

1 message

Margaret <mummy28215@yahoo.com>
To: "edc.cob@edcgov.us" <edc.cob@edcgov.us>

Sun, Apr 21, 2013 at 9:56 AM

#37 on April 23, 2013 agenda-

I am a retiree of 26 years service to the County of El Dorado. I can understand having to pay higher premiums because of a rise in Health Care...but I DO NOT feel the retirees should be held accountable for the MISCALCULATION. Sure adjust the calculation....but don't hold us responsible for this error. Times are tight for everyone and this would be an added financial burden on people with fixed incomes. I am not looking for a hand out...always paid my share, but this is just not right.

I am requesting that the Board be fair in their determination on this issue.

Please include this into the record for the above-referenced agenda item.

Thank you,

Margaret Moody
6623 Old Magnolia Lane
Mint Hill, NC 28227

Sent from my iPad



Fwd: Agenda Item #37/Retirees Health Premiums

1 message

The **BOSTWO** <bostwo@edcgov.us>
 To: EDC COB <edc.cob@edcgov.us>
 Cc: Cindy Johnson <cynthia.johnson@edcgov.us>

Fri, Apr 19, 2013 at 5:47 PM

For Tuesdays agenda, 4/23/13. The referenced spread sheet will be under a separate email to follow.

Thank you.

Kitty Miller for
 Ray Nutting
 El Dorado County Board of Supervisors
 530) 621-5651

----- Forwarded message -----

From: **Ruth Ann Eide** <ruthanneide@hotmail.com>
 Date: Fri, Apr 19, 2013 at 4:59 PM
 Subject: Agenda Item #37/Retirees Health Premiums
 To: "bostwo@edcgov.us" <bostwo@edcgov.us>

Honorable Supervisor Nutting,

I have sent the attached letters to the clerk of the board for inclusion on Tuesday meeting regarding the "miscalculation" by Risk Management on retirees on Blue Shield with \$200 deductible.

I appeal to you to demand some simple math "show your work" just like in school. It seems there has been nothing but smoke and mirrors on the developing of the rates and the calculating the levels of contributions.

I also wanted to let you know that I appreciate that your assistant took the time to return my call and listened and was professional and informative.

To restate, I can't imagine any business or entity being able to go back to their customers after two years and tell them to pay up as there was a miscalculation....

Sincerely,

Ruth Ann Eide
 from the great state of Idaho
 208-286-1072


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Thank you.

2 attachments

 **BOS 4-23 ltr.doc**
 27K

 **letter to Janet P risk.doc**
 25K

April 19, 2013
Board of Supervisors
330 Fair Lane
Placerville, Ca 95667

RE: Agenda Item #37 (13-0453) Retirees Health Premiums

Honorable Chairman Ron Briggs, Supervisor Mikulaco, Supervisor Veerkamp,
Supervisor Santiago, Supervisor Nutting:

I am writing to request your Board continue item #37, Agenda Date 4/23/2013, Retirees Health Rates until the Chief Administrative Office/Risk Management substantiate this claim with documentation. And to direct that a complete and thorough rate review be performed for all categories of the retiree health premiums and employer contributions. Further, direct these findings from the review be shared with the retirees, Board, Local 1, and other parties to allow ample time to testify before the Board if needed.

If you decide to act on the item on 4/23, I urge you to vote for Option 1 and direct that a thorough and complete rate review be performed for all categories of health insurance for retirees including the County contribution percentage and these findings review be shared with the retirees prior to the next enrollment period.

This miscalculation has far reaching effects for each retiree as well as for the county. I'm an Idahoan so I strongly believe in paying my fair share with no subsidies. However, no business or entity should be able to back charge for two years due to a mistake which the client/customer did not perpetrate in any manner and not provide ANY kind of documentation to prove the claim. How could this miscalculation have happened? This is what you should ask staff. However, from past experiences this seems to be how Risk Management deals with retirees. Pass along the mistakes to the largest group of retirees.

I am attaching a copy of letter and spreadsheet that was sent July 2011 to Risk Management staff, Janet Parnell requesting that she provide me with her working papers used to determine the health rates as well as the employer contribution levels. My letter and questions went unanswered as well as my follow up calls.

I traveled from Idaho to Placerville and spoke with Janet with hopes of meeting with Risk staff and gaining understanding how the rates were developed. Still I received no explanation. I was told there are no working papers and no one reviewed the rates. As I researched, I discovered other committees working with Local 1 had also requested some type of documentation but to no avail.

The only people that should be held harmless in this action are the retirees.

Sincerely,

Ruth Ann Eide
Meridian, Idaho
ruthanneide@hotmail.com

August 11, 2011

El Dorado County Risk Management
330 Fair Lane
Placerville, Ca 95667
Janet Parnell, Principal Risk Management Analyst

Dear Janet,

I realize that the rates were established several months ago. However, I have some questions and would like your assistance in gaining understanding of the distribution of cost increases, specifically the change in contribution levels and how those were calculated.

Being a Level 3, formerly 67% retiree and hence incurring the greatest percent of increase with this in mind, my questions are as follows.

- 1) Why did Level 3 Before 65 receive the largest increase?
- 2) May I get a count of retirees by Levels?
- 3) Can you send me your working papers showing how the calculations of the reduction in contributions were made?
- 4) Any documentation sent to the Board or committee that approves the **change in contribution percentages**.

Thank you in advance for your response.

Ruth Ann Eide
120 W. Broadway
Meridian Idaho 83642
ruthanneide@hotmail.com



EDC COB <edc.cob@edcgov.us>

Fwd: Spreadsheet to accompany July 2011 letter to Risk

1 message

The BOSTWO <bostwo@edcgov.us>
To: EDC COB <edc.cob@edcgov.us>
Cc: Cindy Johnson <cynthia.johnson@edcgov.us>

Fri, Apr 19, 2013 at 6:06 PM

Spread sheet to accompany the first email.
Thank you.

Kitty Miller for
Ray Nutting
El Dorado County Board of Supervisors
530) 621-5651

——— Forwarded message ———

From: **Ruth Ann Eide** <ruthanneide@hotmail.com>
Date: Fri, Apr 19, 2013 at 5:49 PM
Subject: Spreadsheet to accompany July 2011 letter to Risk
To: "bostwo@edcgov.us" <bostwo@edcgov.us>

Thanks Kitty.

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Thank you.

 **2011 health insurance increase.xls**
31K

This spreadsheet was in
 contribution decrease w

July 2011 Health Rates

For \$200 Deductible Category
 with Dental/Blue Shield

Before Age 65

	33% level prior to 7/1	33% level now	33% 1/1/2012	50% level prior to 7/1	50% now	50% 1/1/2012	67% level prior to 7/1	67% level now	67% level 1/1/2012
Premium Rate as Determined by Risk	827	860	896.85	827	860	896.85	827	860	896.85
County contribution	-273	-199	-198.29	-414	-301	-300.44	-554	-403	-403
Employee portion	554	661	698.56	413	559	596.41	273	457	493.85
\$ increase over previous rate		107	37.5600000	0	146	37.410000000		184	36.85
% Increase paid by retiree		16.19%			26.12%			40.26%	7.46%
percent attributed to drop in county cor		10%			15%			20%	
health insurance premium increase		4%			4%			4%	

After Age 65 A

	33% level prior to 7/1	33% level now	33% 1/1/2012	50% level prior to 7/1	50% now	50% 1/1/2012	67% level prior to 7/1	67% level now	67% level 1/1/2012
Premium cost	669	701	763	669	701	763	669	701	763
County contribution	-221	-162	-169	-334	-246	-256	-448	-329	-342
Employee portion	448	539	594	335	455		221	372	421
\$ increase		91	55		120			151	49
% Increase paid by retiree		16.88%			26.37%			40.59%	11.64%
percent attributed to drop in county cor		11%			22%			34%	
health insurance premium increase		4%			4%			4%	

Contribution level	Was	7/1/2011	Decreased	Contribution rate
> 20 years	67%	47%	20%	-44.94%
> 15 years	50%	35%	15%	-33.50%
> 5 years	33%	23%	10%	-22.11%

After 65 subsidized by Federal Govt Pr

> 20 years	67%	38%	34%
> 15 years	50%	28%	22%
> 5 years	33%	19%	11%



Cindy Johnson <cynthia.johnson@edcgov.us>

Fwd: Item #37 (again)

1 message

The BOSFOUR <bosfour@edcgov.us>
 To: Cindy Johnson <cynthia.johnson@edcgov.us>

Mon, Apr 22, 2013 at 8:11 AM

RE: Item #37

—— Forwarded message ——

From: **Ruth Ann Eide** <ruthanneide@hotmail.com>
 Date: Sun, Apr 21, 2013 at 3:51 PM
 Subject: Item #37 (again)
 To: "bosfour@edcgov.us" <bosfour@edcgov.us>, "bostwo@edcgov.us" <bostwo@edcgov.us>
 Cc: "jcopeland@peu1.org" <jcopeland@peu1.org>

I have spoken with other retirees that received this same letter. I am hoping those that live near will come in and speak at the meeting. However, if they don't I have some additional thoughts about this item as I have continued to work with the numbers (all rates comparisons) and it doesn't add up thus my request to call for a full rate review and continuation.

Looking at the State of California Insurance Commissioners website, I'm not sure a rate increase of this magnitude Can be implemented legally without review by another authority.....including the back charging recipients through no act of malfeasance on their part.

I noticed in 2010 agenda that EDC agreed to participate in the federal reimbursement of ERRP (Early Retiree Reinsurance Program). Could this funding be used to offset this loss?

What part of this problem is attributed to the Early Buy out where 1.6 M was moved from the Retiree Health Fund (against Auditor's advice) to VantageCare so that the newer retirees could receive this lump sum. Would my premiums be less or offset IF this fund had not been used?

I have learned through the other retirees that 115 people are impacted by this. Using those numbers and the estimated "subsidization" Risk claims, this really throws the "correct" rates during those months out of sync if one compares the rate differences. I cannot get a consistent model.

Example: In the \$200 deductible category, retiree only, under 65 yrs. premium (corrected) pays \$295 MORE than the 65+ rate but... In the \$1000 deductible category, retiree only under 65 years premium (corrected) would pay \$200 more than the 65+ rate.

I think there is a problem with their rate setting as there is no relational, consistent pattern.

Also, the letter states that we could also go get outside insurance. Well, those retirees who received a lump sum buy-out were told it would them hold over until they were 62. With the exorbitant increases it will not last. Also, who would walk away from thousands of dollars remaining in their HSA account. They have to stay with the County Insurance or lose their incentive to retire early. This is an example of how uninformed the Risk Management Staff is that we must deal with continually.

Finally, when I went to review my personal options, I went to the Risk Management website to see if the Low-Option plan Coverage was the same coverage as the \$200 deductible plan. Nothing is on the website to allow me to read the plan comparison. Again, this is what retirees constantly deal with absolutely NO Customer Service. Lost checks, misapplied payments (twice to my account alone) has happened in the last few years. This isn't an agency I believe is capable of setting health insurance rates.

Please consider these concerns.

Sincerely,

Ruth Ann Eide

Sherril Jodar

Placerville, CA 95667

2013 APR 22 PM 12:33

April 22, 2013

Dear Board of Supervisors:

I am writing to you regarding the April 23rd, Board Agenda Item #37, Early Retiree Blue Shield Plan. The Agenda item states that when the County moved from its Blue Shield Self Insured Plan to the CSAC EIA Fully Insured Plan an error occurred and an incorrect rate subsidy resulted. I do not believe that an error occurred and the following is why I believe that.

The County Retiree Health Benefits Contribution Plan Document (Document) states, in section III item 4, that (see attached):

"The Blue Shield Rates for Retirees are the same as the Blue Shield Rates for Employees, except that they are reduced for Retirees enrolled in Medicare Parts A and B".

The Self-Funded Blue Shield plan was ALWAYS more expensive than the 2 alternative medical plans. The practice was to blend the rates in order to maintain stable participation in the Blue Shield plan. When the Document was adopted, the County was self-insured and utilized a Blue Shield Administrator to directly pay County employee medical bills. Now the County contracts with CSAC EIA's Blue Shield Plan and their administrators pay the County employee medical bills, and in turn, CSAC EIA bills the County for those costs in the form of a premium. The County has continued the practice of blending rates for employees, and retirees, under both systems.

I do not believe that merely changing who pays the employee medical bills creates a new, or incorrect, rate subsidy for the retirees enrolled in the Plan. It instead continues past practice and follows the Retiree Health Benefits Contribution Plan Document to charge employees and retirees the same rate.

I respectfully request that the Board direct staff to continue the past practice and "Document" agreement to charge Retirees and Employees the same Blue Shield Rate and to continue to reduce the rate for Retirees enrolled in Medicare Part A and B.

Thank you for your consideration in this matter.

Sincerely,



Sherril Jodar

EL DORADO COUNTY

RETIREE HEALTH BENEFITS CONTRIBUTION PLAN DOCUMENT

Dated: May 15, 2001

Whereas during negotiations with employee organizations in 1999, the parties deferred negotiation of contributions for retiree health benefits, this matter to be addressed through the Health Plan Advisory Committee, and,

Whereas the Committee agreed upon a program to provide defined financial contributions to retirees pursuant to authority received from the Board of Supervisors, and,

Whereas it is understood between the County and the Employee Organizations that specific terms and conditions of such retiree health benefit contributions may differ as between the different Bargaining Units of the County, depending upon specific provisions of applicable Memoranda of Understanding between the County and Employee Organizations, nevertheless, a basic Plan Document will be useful to standardize definitions and criteria,

Now, therefore, this document may be referred to as the "El Dorado County Retiree Health Benefits Contribution Plan Document", and so incorporated by reference to assist implementation by the Board of Supervisors within Memoranda of Understanding between the County and recognized employee organizations, and within the Salary and Benefits Resolution of the Board for Unrepresented Employees.

Section I. DEFINITIONS

- 1. *Blue Shield Rate:* The monthly charges adopted by the Board of Supervisors which apply to Employees and Retirees who elect to participate in the County-Sponsored Blue Shield Plan including dental coverage.**
- 2. *County-Sponsored Health Plan:* The El Dorado Employer Health Care Plan or an Alternate County-Sponsored Health Plan as defined therein.**

3. **Eligibility Levels:** Three levels are established, based upon a Retiree's prior cumulative length of service as an Employee: Level 1, Level 2, and Level 3. Length of service requirements to attain each Level shall be as specified in an applicable Memorandum of Understanding or Salary and Benefits Resolution, and may vary by Bargaining Unit.
4. **Eligible Retiree:** A Retiree who meets the requirements for eligibility set forth in Section II, below, and whose Retirement Date is on or after July 1, 1999.
5. **Employee:** Any person who is elected or appointed to a position, either full- time or part-time, within El Dorado County's Authorized Personnel Resolution, regularly scheduled to work for El Dorado County, except for temporary or extra-help employees who are not eligible to participate in a County-Sponsored Health Plan.
6. **Retiree:** A former Employee who has reached his or her Retirement Date.
7. **Retirement Date:** The date for which pension benefits are first received under P.E.R.S.
8. **Separation Date:** The date an individual ceases to be an Employee.
9. **Total Payroll Costs:** Total annual actual cost to all County Departments combined for those employee salaries and benefits which, as computed using the system in effect during the year 2000, included all "Class 30" expenses with the following exceptions: the costs of temporary employees, health benefits, health benefit contributions, and overtime.

Section II. ELIGIBILITY

1. In order to be eligible to receive the County Contributions set forth herein below, an individual must be a Covered Retiree as this term is defined by the El Dorado Employer Health Care Plan. This includes but is not limited to the following:
 - His or her Separation Date can be no more than 18 months prior to his or her Retirement Date, and,
 - He or she must be a Covered Employee in a County-Sponsored Health Plan during last month prior to his or her Separation Date, and,
 - He or she must maintain continuous coverage in a County-Sponsored Health Plan from the month prior to Separation Date forward.

- 2. The rules governing eligibility for coverage of Retirees in a County-Sponsored Health Plan are as set forth in the El Dorado Employer Health Care Plan in Section II, D.**

- 3. In addition, to be eligible for the County Contributions set forth herein below, a Retiree must have attained a cumulative total of a certain minimum number of years as an Employee, as specified in the applicable Memorandum of Understanding or Salary and Benefits Resolution in effect on the Retirement Date. In the event no minimum years are therein specified, then, 20 years as an Employee is required to attain Eligibility Level 3, 15 years as an Employee to attain Eligibility Level 2, and 12 years as an Employee to attain the Eligibility Level 1. Employees who reach their Retirement Date with less than 12 years of accumulated service as an Employee are not Eligible Retirees.**

- 4. In the event some or all of an individual's employment for the County was in a part-time status, the number of years as an Employee shall be computed as follows: A Pay Period during which the employee was regularly scheduled to work 64 hours or more counts at 100% of a full-time equivalent pay period. A Pay Period during which the employee was regularly scheduled to work 40 hours but less than 64 hours counts at 75% of a full-time equivalent pay period. A Pay Period during which the employee was regularly scheduled to work 32 hours but less than 40 hours counts at 50% of a full time equivalent pay period. Full-time equivalent pay periods shall be counted subject to these percentage reductions, so that, for example, an Employee who has accumulated a total of 312 full-time equivalent pay periods as of their Separation Date will be considered to have accumulated 12 years as an Employee for purposes of determining which Eligibility Level applies.**

- 5. Any employee who separated from County employment prior to July 1, 1999, in order to be eligible for the County Retirement Health Contributions set forth herein below, in addition to all other conditions of eligibility, must include within his or her length of service two continuous years of eligible employment with the County prior to his or her Retirement Date under this program.**

Section III. COUNTY CONTRIBUTIONS

- 1. The Department for which an Eligible Retiree worked as an Employee during the month prior to his or her Retirement Date shall pay on behalf of each Eligible Retiree who has attained Eligibility Level 3 a monthly amount equal to 67% of the Blue Shield Rate for a single retiree as defined herein. The Department for which an Eligible Retiree worked as an Employee during the month prior to his or her Retirement Date shall pay on behalf of each Eligible**

Retiree who has attained Eligibility Level 2, a monthly amount equal to 50% of the Blue Shield Rate for a single retiree defined herein. The Department for which an Eligible Retiree worked as an Employee during the month prior to his or her Retirement Date shall pay on behalf of each Eligible Retiree who has attained Eligibility Level 1 a monthly amount equal to 33% of the Blue Shield Rate for a single retiree defined herein.

2. The Department payments described in III, 1, above shall be made beginning on an employee's Retirement Date, and shall continue until the individual ceases to be an Eligible Retiree.
3. In the event an Eligible Retiree elects coverage for self only or self and dependent(s) which costs less than the amounts specified in III, 1., above, then the amounts shall be reduced so as not to exceed the full cost of coverage elected by the retiree.
- * [4. The Blue Shield Rates for Retirees are the same as the Blue Shield Rates for Employees, except that they are reduced for Retirees enrolled in Medicare Parts A and B. Retirees are required to pay these Blue Shield Rates (less any applicable County Contribution specified herein) when they are enrolled in the *Blue Shield Plan*. When a Retiree is enrolled in an *Alternate County-Sponsored Plan* instead of the *Blue Shield Plan*, then the Retiree is required to pay, not the Blue Shield Rate, but a *different rate* instead, (again, less any applicable County Contribution specified herein). In both cases, however, the County Contributions due hereunder shall be computed based upon the Blue Shield Rate, *not* the different rates applicable to Retirees when enrolled in *Alternate County-Sponsored Plans*.
5. As an example, during the year 2000 the Blue Shield Rates for single Retirees were \$257.38 for retirees without Medicare and \$217.38 for retirees with Medicare. When a Retiree reaches age 65, the County Contributions specified herein in paragraph III, 1. shall not exceed 67%, 50%, and 33% of the Blue Shield Rate for retirees with Medicare, regardless of whether the Retiree is actually enrolled in Medicare Parts A and B.

Section IV. COUNTY COST MAXIMUM

1. In the event the total of County Contributions made under this program will exceed 1.2% of Total Payroll Costs during any given fiscal year, then the actual contributions assigned to each Eligibility Level shall be adjusted accordingly in equal amounts, so that the total actual or projected cost of this program shall never exceed 1.2% of Total Payroll Cost as defined herein above during any single fiscal year.

Section V. MISCELLANEOUS PROVISIONS

- 1. The benefits described herein are not vested retirement benefits. They can be modified by future action of the Board of Supervisors, subject to meeting and conferring with recognized employee organizations.**
- 2. The intent of this document is to specify eligibility conditions and defined contribution dollar amounts indexed to future Blue Shield Rates, not to institute, specify, modify, or amend defined benefits for Retirees. Health benefits defined for Retirees are set forth entirely by the El Dorado Employer Health Care Plan, and this document shall not be construed as amending those benefits. This document by itself guarantees no benefits or payments whatsoever, but is produced in order that it may be incorporated by reference within Salary and Benefit Resolutions or Memoranda of Understanding such as may from time to time be approved and adopted by the El Dorado County Board of Supervisors.**
- 3. The County Contributions specified herein shall commence January 1, 2001 for all Eligible Retirees.**
- 4. Eligibility shall be limited to those Retirees whose Retirement Dates are on or after July 1, 1999 unless specified otherwise in an applicable M.O.U. or Salary and Benefits Resolution.**
- 5. Previous retiree health benefits contributions called for in existing M.O.U.s are to be entirely replaced by the contributions specified herein effective January 1, 2001, except for the following "phase out" provisions:**
 - Eligible Retirees whose Retirement Dates fall between July 1, 1999, or another date specified in an applicable M.O.U. or Salary and Benefits Resolution, and July 1, 2003, or another date specified in an applicable M.O.U. or Salary and Benefits Resolution, inclusive, shall be offered (during the December, 2000 Open Enrollment Election Period or at the time of their retirement, whichever is later) a one-time, irrevocable choice between the benefits specified herein and the benefits to which they were entitled under the applicable predecessor Salary and Benefits Resolution or Memorandum of Understanding.**
 - In the event a Retiree whose Retirement Date falls between July 1, 1999 and December 31, 2000 elects the benefits described herein, then no adjustment shall be made to County contributions paid prior to January 1, 2001 on behalf of the retiree under any previous entitlement.**
- 6. In the event the County terminates the self-funded health plan described in the El Dorado Employer Health Care Plan document and currently known as the County Blue Shield Plan, then the County Contributions described herein shall be computed based upon the rates**

charged to retirees without Medicare for the most similar successor plan offered by the County for retirees without Medicare.

7. In the event both a Retiree and Retiree's spouse are Eligible Retirees as herein defined, one Retiree may elect to carry his or her spouse as a dependent on a County-Sponsored health plan, and obtain both his or her own County Contribution, and also the County Contribution to which his or her spouse would be entitled. Retiree and Retiree's spouse need not each maintain their own, independent, health benefit enrollments at the same time.
8. The County Contributions specified herein end on the date of the Retiree's death.
9. This document dated May 15, 2001 replaces all previous versions.

Approved and Accepted for

EL DORADO COUNTY

By: *Penny Humphreys* Date: *May 15, 2001*
Penny Humphreys, Chairperson
El Dorado County Board of Supervisors

Attest: *Margaret E. Moody* Date: *May 15, 2001*
for Dixie Foote
Clerk of the Board



Cindy Johnson <cynthia.johnson@edcgov.us>

Fwd: April 23, 2013 Board Meeting - Item 37

1 message

The BOSTWO <bostwo@edcgov.us>

Mon, Apr 22, 2013 at 11:29 AM

To: EDC COB <edc.cob@edcgov.us>, Cindy Johnson <cynthia.johnson@edcgov.us>

Thank you.

Kitty Miller for
Ray Nutting
El Dorado County Board of Supervisors
530) 621-5651

----- Forwarded message -----

From: **Craig McKibbin** <predator@innercite.com>

Date: Mon, Apr 22, 2013 at 11:27 AM

Subject: April 23, 2013 Board Meeting - Item 37

To: bosfour@edcgov.us

Cc: edc.cob@edcgov.us, bosone@edcgov.us, bostwo@edcgov.us, bosthree@edcgov.us, bosfive@edcgov.us, terri.daly@edcgov.us

Dear Supervisor Briggs,

I'm writing to you as the Supervisor for my District, but I am also copying the rest of your Board members so they are also aware of my position on this issue of the Retiree Health Insurance rates.

Unfortunately, in a twist of irony, I will not be able to attend your Board's meeting as I have a doctor appointment that conflicts with your meeting.

My bottom-line comment boils down to what I have been taught all my life, and strongly believe, that "a deal is a deal." Even if it turns out to be a disadvantage after the deal is made. You suck it up and move on. As an Army officer, "My word is my bond." was a constant reminder of the importance of keeping one's promises.

During each of the three "open enrollment" periods at issue, we - you and I - made an agreement that if I paid the monthly rate you published I would receive the benefits you also published and agreed to. I have been paying those monthly rates in good faith and on time. That was the deal at that time. And the deal is good for the entire 2013 calendar year. That is what you promised me.

I relied on the rates the County published in making my decision of what insurance plan to enroll in. If I had know the rates were in error I would have 1) pointed it out to your staff for correction, and 2) likely made a different choice in what plan I enrolled in. Because neither of us can turn back time, we are both committed, morally and legally, to the deal that we made during the open enrollment period in late 2012. This is even more so for the earlier periods.

However, I offer the following alternative as an appropriate way forward:

Option 5: Maintain the current monthly rates for the Retiree Blue Shield Standard plan (\$200 deductible) through the remainder of 2013 that current retirees signed up, and hold them harmless for the past errors made by the County. With the open enrollment period for the 2014 plan year the County will publish and utilize the correct rates to fully cover the costs of the various health insurance plans. For those individuals retiring after June 1, 2013, the corrected rates will apply for the remainder of the 2013 plan year.

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Please do not dishonor your position or yourself by renegeing on the deal we both agreed to in late 2012.

Thank you,

Craig McKibbin (retired)

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Thank you.



Fwd: Item 37

1 message

The BOSTWO <bostwo@edcgov.us>

Mon, Apr 22, 2013 at 2:25 PM

To: EDC COB <edc.cob@edcgov.us>, Cindy Johnson <cynthia.johnson@edcgov.us>

Thank you.

Kitty Miller for
Ray Nutting
El Dorado County Board of Supervisors
530) 621-5651

----- Forwarded message -----

From: **Bobbie North** <bobbie.north@yahoo.com>

Date: Mon, Apr 22, 2013 at 1:35 PM

Subject: Item 37

To: "bostwo@edcgov.us" <bostwo@edcgov.us>

I have heard through unofficial channels that the Board will be hearing an item regarding Health Insurance cost increases and consideration about requiring retirees to pay a 'make up' amount for underpayment due to miscalculation by the County. If this is wrong, I apologize, but have not received any official information regarding this issue.

I finally was able to look at the item on the website by actually saving the document and viewing it in that way. As I read the item, I see that those of us on the \$1,000 deductible plan are not going to be impacted by the decision. Perhaps that is why I did not receive a letter. However, those that will be impacted should certainly have the opportunity to review the recommendations and, if they choose, be present for the hearing. While I know insurance costs continue to rise and it is always anticipated that there will be an increases each year, it does not seem reasonable to require retirees, on a virtually fixed income, to make up for an accounting error there in the County.

I request that you postpone the hearing, assure that all those that will potentially be impacted have been notified and allow time for them to contact you or arrange to be present at the hearing before any final decision to be made. Barring that, I urge the Board to adopt Option 1. Through the years when errors have been made they were absorbed by the County or reimbursed by those who made the error. Thank you for your attention to this submittal.

Bobbie North

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