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Title: Human Resources, Risk Management Division, recommending the Board approve the Health Benefit Program published rates for the term of July 1, 2011 through December 31, 2011, to be charged to employees effective the first pay period including July 1, 2011.

Sponsors:

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Attachments: 1. A - Rate Sheet

Date	Ver.	Action By	Action	Result
4/26/2011	1	Board of Supervisors	Approved	Pass

Human Resources, Risk Management Division, recommending the Board approve the Health Benefit Program published rates for the term of July 1, 2011 through December 31, 2011, to be charged to employees effective the first pay period including July 1, 2011.

Background:

Annually, HR/Risk Management works with the County's health benefits consultant to analyze and determine the amounts needed to appropriately fund the County's health benefit program. On February 15, 2011, the Board of Supervisors approved joining the CSAC-EIA EIAHealth program. EIAHealth requires the County to change from a fiscal year plan period to a calendar year plan period. In order to make this transition, the County is required to conduct two open enrollments this year, one in May 2011 for the period of July 1, 2011 through December 31, 2011 and another in October 2011 for the period of January 1, 2012 through December 31, 2012.

Reason for Recommendation:

Alliant Insurance Services negotiated premiums with the various carriers and calculated the blended rates for health benefits including medical, dental, and vision. Overall, rates must be increased by 4.3% to fund the health benefits program for the period of July 1, 2011 through December 31, 2011. The employee and County shares of the rates are determined for each bargaining unit by MOU, or, in the case of unrepresented employees, Board resolution. The proposed rates are based on tentative agreements and are subject to final approval between the Board and represented employees.

Fiscal Impact/Change to Net County Cost:

There is no direct fiscal impact in approving the rates. Upon Board approval, these rates will be used to develop the FY 2011-2012 budget for the health benefits program which is estimated to cost \$14,500, 000 million from July 1, 2011 through December 31, 2011. These amounts will be funded through health premium payments from the department budgets as well as employee, retiree, affiliated employers, and Cobra participating members.

Action to be taken following Board approval:

Following Board approval, Human Resources, Risk Management Division will communicate the rates and the contributions required between July 1, 2011 - December 31, 2011 to employees, retirees, Cobra participants, and affiliated agencies and return to the Board with the applicable renewal contracts.

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