



County of El Dorado

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Legislation Details (With Text)

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File created: 4/22/2008 **In control:** Board Of Supervisors

On agenda: 5/13/2008 **Final action:** 5/13/2008

Title: Human Resources Department recommending the Board approve Fiscal Year 2008-2009 rates for the County's Health Benefit Program.
RECOMMENDED ACTION: Approve.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Ratecard attachment for BOS Agenda Item, 2. Retiree Health Defined Contributions Program att'd 5-15-08.pdf

Date	Ver.	Action By	Action	Result
5/13/2008	1	Board Of Supervisors	Approved	Pass

Human Resources Department recommending the Board approve Fiscal Year 2008-2009 rates for the County's Health Benefit Program.

RECOMMENDED ACTION: Approve.

BUDGET SUMMARY:		
Total Estimated Cost		\$
Funding		
Budgeted	\$	
New Funding	\$	
Savings	\$	
Other	\$	\$
Total Funding Available	\$	
Change To Net County Cost		\$

Fiscal Impact/Change to Net County Cost: The action of approving the rates has no fiscal impact. Upon board approval, these rates will be used to develop the FY 2008-09 budget for the health benefits program, which is estimated to cost \$23 million. These amounts are funded through health premium payments from department budgets as well as employee, retiree, affiliated employer, and cobra participating members.

Background: Annually, Human Resources staff work with Aon, the County's health benefit consultants, to analyze the health benefits program and determine what amounts will be needed to appropriately fund the County health benefits program.

Reason for Recommendation: Aon estimates that costs for the health benefits program will increase

by 7.2 percent overall in FY 2008-09. The County, however, has proposed to absorb the increase and maintain the employee contribution rates for FY 2008-09 at the same levels as the rates for FY 2007-08. This will be accomplished in part by drawing down current reserve funds in the amount of \$750,000. This draw down will leave sufficient funds in reserve to fully fund the reserve for incurred but not reported (IBNR) claims and cover in excess of 2.5 months of claims.

The net increase in cost to the County after factoring in the reserve contribution is 3.8%. This increase in the employer contribution will be included in the Proposed Budget for FY 2008-09.

These rates are contingent upon each bargaining unit entering into an appropriate Memorandum of Agreement that the County's agreement to absorb the increase in health costs for the 2008-09 Fiscal Year shall not be viewed as a precedent or a desire to depart from existing MOU language regarding the distribution of health costs among the County and employees in future years. The attached rates have been recommended for adoption by the El Dorado County Health Plan Advisory Committee.

Action to be taken following Board approval: Following Board approval, Human Resources will communicate rates and contributions required for FY 2008-09 to employees and retirees, cobra participants and outside agencies along with open enrollment communications and return with vendor renewal contracts.

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Concurrences: